ST. CLAIR COUNTY,

MICHIGAN

Annual Comprehensive Financial Report

Administrator/Controller's Office

Year Ending December 31, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

ST. CLAIR COUNTY, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31, 2025

Current members of the
BOARD OF COMMISSIONERS

Steve Simasko, Chairperson
David Rushing, Vice-Chairperson
Kerry Ange
Lisa Beedon
Joi Torello
Paul Zeller
David Vandenbossche

Prepared by:
ADMINISTRATOR/CONTROLLER'S OFFICE

Thomas M. Hull, Administrator/Controller
Dena S. Alderdyce, CGFM, Finance Director

ST. CLAIR COUNTY, MICHIGAN
December 31, 2025

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COUNTY OF ST. CLAIR

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June 26, 2026

To the Board of Commissioners and Citizens of St. Clair County

State law requires that all general purpose local governments publish, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended December 31, 2025.

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

UHY LLP, has issued an unmodified ("clean") opinion on St. Clair County's financial statements for the year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of St. Clair County

Established in 1820, St. Clair County is located in southeastern Michigan, spanning approximately 725 square miles. Its eastern border is formed by Canada, separated by 58 miles of shoreline along Lake Huron, the St. Clair River, and Lake St. Clair. The county's strategic location, less than an hour from downtown Detroit, makes it a vital international hub. It serves as the eastern terminus for Interstate 94 and Interstate 69, and is home to an international airport, two international bridges, an international ferry service, and an international train tunnel. These crossings are crucial to the trade corridor established by the Free Trade Agreement between the U.S. and Canada. St. Clair County is a significant international gateway, boasting the third busiest commercial truck crossing and the busiest rail crossing on the U.S.-Canadian border.

In 2020, the county's population stood at 160,383 residents spread across 65,724 households. This marked a 1.6% decline in population since 2010. However, the Southeastern Michigan Council of Governments anticipates a 3.6% population increase between 2020 and 2045. The county itself is a blend of rural and urban areas, comprising 9 villages and cities along with 23 townships. Port Huron serves as the county seat and is its largest city, housing the majority of our offices.

The County is organized under the various public acts of the State of Michigan and is governed by a seven-member Board of Commissioners, elected by district for four-year terms. The Board of Commissioners serve as the legislative body responsible for establishing policy and appropriating funds. The Board of Commissioners appoints an Administrator/Controller who is responsible for carrying out the policies and ordinances of the Board of Commissioners and the day-to-day management of County affairs.

Other elected officials include the Clerk/Register of Deeds, Treasurer, Prosecuting Attorney, Sheriff, Drain Commissioner, and Surveyor. These offices are elected countywide to four-year terms. The Clerk/Register of Deeds is responsible for recording vital statistics, maintaining court records, documents regarding property ownership, and Board of Commissioner proceedings; the Treasurer is responsible for the collection of delinquent taxes, delinquent tax settlements with local units, cash management and investments; the Prosecuting Attorney and Sheriff are responsible for law enforcement; the Drain Commissioner is responsible for construction and maintenance of drains; and the Surveyor is responsible for the proper surveying of the boundaries of land parcels.

The court system consists of the 72nd District Court, Probate Court, and the 31st Circuit Court (including the Family Division). The 72nd District Court, with three judges, has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under $25,000, traffic infractions, and preliminary examinations in felony cases. The Probate Court, with two judges, is responsible for estates, mental health matters, guardianships, and they act as Circuit Court Judges for certain domestic matters. The 31st Circuit Court, with three judges, has jurisdiction over criminal cases where the minimum penalty is over one year incarceration, civil damage cases over $25,000, and family matters. All judges are elected, countywide, to staggered six-year terms.

The Board of Commissioners appoints members to the three member Board of Road Commissioners, the five member Land Bank Authority Board, the Brownfield Authority, and the twelve member Community Mental Health Authority Board. These boards are governed and controlled by various public acts and statutes, and function as separate entities. Because of these appointments, and the fact that they may receive county appropriations, they are reflected as discretely presented component units in the County's Annual Comprehensive Financial Report, as required by the Governmental Accounting Standards Board.

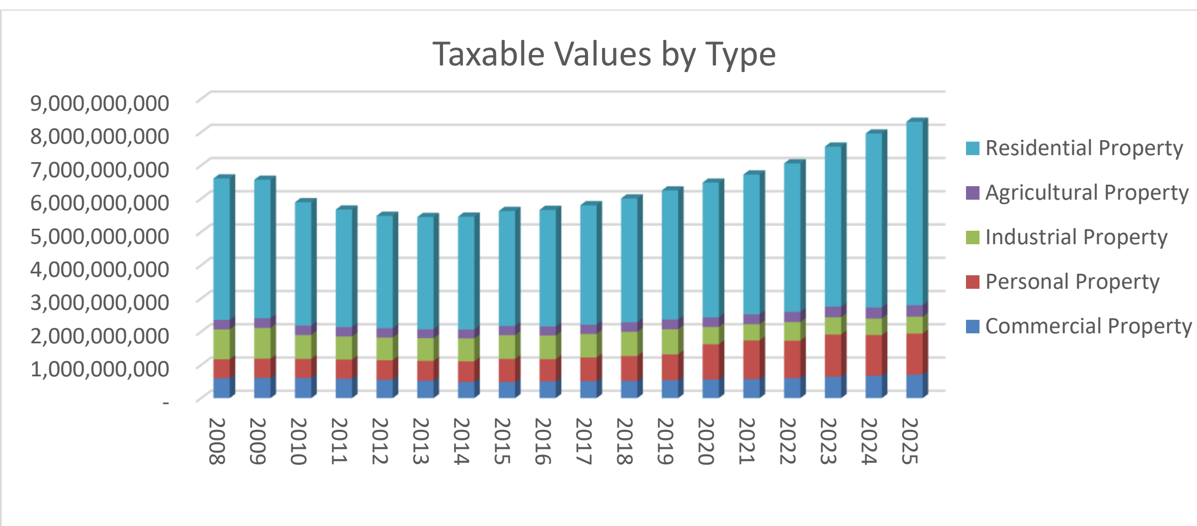
The Board of Commissioners also appoints members to a variety of boards and commissions that have various responsibilities and duties. Some of the more complex of these boards and commissions include the Parks and Recreation Board, the Metropolitan Planning Commission, the Library Board, and the Commission on Aging. The Parks and Recreation Board oversees extra-voted millage monies collected by the County and used for the development and maintenance of a County park system. The Metropolitan Planning Commission oversees the development of the County master plans used for land development in the County. The Library Board oversees extra-voted millage monies, and other monies, collected by the County and used for the operation of our County-wide Library system. The Commission on Aging oversees extra-voted millage monies collected by the County and used for the enrichment of the lives of our senior population.

The County provides a wide range of services that are either mandated by state statute or authorized by the Board of Commissioners. These general areas include General Government (i.e. Board of Commissioners, Elections, Equalization, Administration, Clerk, Treasurer, Buildings and Grounds Maintenance, and Information Technology), Judicial (i.e. Courts, Friend of the Court, Probation and Prosecuting Attorney), Public Safety (i.e. Sheriff, Jail, Emergency Preparedness, and Animal Control), Public Works (Drains, Airport, Drain Commissioner and Landfill), Health and Welfare (i.e. Health Department, Veteran's Affairs, Public Guardian, and Child Care), Community & Economic Development (i.e. Planning and Register of Deeds), and Recreation and Culture (i.e. Parks, and Library).

State law requires the Board of Commissioners to adopt the budgets prior to the start of the fiscal year. While budgets are legally adopted at the activity (department) level for the General Fund and fund level for all other funds legally required to have a budget, budgetary control is maintained at the account (line item) level. The Administrator/Controller is authorized to transfer budget amounts between accounts within an activity however; the Board of Commissioners must approve any revisions to a total activity or fund. Revisions to the budget are recommended by the Administrator/Controller and adopted by the Board of Commissioners. The Board of Commissioners are provided monthly budget to actual comparison reports for their approval.

Local Economy

St. Clair County saw moderate growth in taxable values in 2024 and 2025, rising by 5.2% and 4.4% respectively. These gains were largely fueled by a robust housing market and substantial industrial and utility development and investment throughout the county. While housing demand remains strong and investment continues, we're observing these increases stabilizing, moving closer to the county's historical average growth of 3%. This trend reflects a normalization after a period of accelerated growth.



The County's stability can be measured by the new national and regional businesses that choose to locate in St. Clair County, our population has remained stable, and the County general operating millage rate is at lower than authorized levels (due to Headlee rollbacks). The County continues to balance the General Fund Budget without the use of fund balance, the County maintains a AA bond rating and continues to provide a high level of services to our citizens.

In 2025, the Economic Development Authority of St. Clair County reported 339 new jobs and $160.7 million in community investments. These projects included expansions, retention and community development investments.

Long-term Financial Planning and Major Initiatives

The County uses a software product for financial forecasting. The model takes a look six years into the future as to where the finances of the County will be. It utilizes known historical information as well as assumptions as to future revenues and expenditures, and has been accurate in its predictions. Administration uses this model to guide us in our budget deliberations and it is updated as new information is received. We also update the Board of Commissioner's at public meetings as to what is expected to happen financially in the County over the next several years. This information is extremely valuable to the Board as they weigh the future impact of financial decisions.

In March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to provide state, local and tribal governments with resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The County's allocation of these funds was $30.9 million. The Board has allocated the lost revenue portion of the funds for a variety of internal capital projects, community projects within each of their commissioner districts and employee recruitment and retention initiatives. By far the largest project we completed was the relocation of our Health Department. The Health Department moved into renovated space in the County Administration Building in June of 2025. There is approximately $2.8 million of ARPA funds to be expended by the December 31, 2026 deadline. The remaining projects are surface road projects and a communications tower.

Commissioner Community Projects	$10,500,000
Employee Recruitment & Retention	$ 1,947,880
Health Department Relocation	$ 5,000,000
Internal Capital Improvement Projects	$13,460,869
	$30,908,749

St. Clair County joined the national lawsuit against opioid manufacturers and distributors in 2018, recognizing the profound impact of opioid abuse on the community and the strain it places on government services. In 2022, a settlement was finalized, which will provide the county with an estimated $13.4 million over 18 years. To strategically address the crisis, an internal committee of stakeholders was established. This committee has extensively analyzed the problem, explored solutions, and determined how to measure the effectiveness of interventions.

The initial settlement payments were received in 2023, and the Board of Commissioners approved the committee's recommendations. A significant portion of these funds will be allocated to expand eligibility and enhance the County's existing Sobriety and Drug Court. These specialty courts offer tailored treatment alternatives to traditional incarceration, demonstrating a high success rate in reducing recidivism. Currently, the committee is focused on establishing a medicated assistance treatment program within the county jail. This includes hiring staff to administer the medication to the inmates at the jail.

In early 2025, the St. Clair County Board of Commissioners made the decision to terminate its funding and relationship with the Economic Development Alliance of St. Clair County. The Board is now actively engaged in determining the county's future role in economic development. Various options are currently under exploration and discussion. These ongoing deliberations are anticipated to continue throughout 2026 as the Board works to establish a clear and effective strategy for fostering economic growth within the county.

Relevant Financial Policies

The Board of Commissioner's has established policies regarding maintenance levels for fund balance in the General and Special Revenue Funds as follows:

The General Fund strives to maintain a Fund Balance with a minimum amount of 15% and a maximum of 20% of the most currently approved General Fund budget. All Special Revenue Funds will maintain a Fund Balance of 20% of the most currently approved budget.

Annually, at the conclusion of the annual audit, these Funds will be reviewed to determine if they are following the established policy. Any excess funds, other than those in separate millage supported funds and certain grant funds may be reverted back to the General Fund. If the General Fund is at its maximum of 20% the excess funds will be transferred to the Budget Stabilization Fund, the Public Improvement Fund or be retained in the General Fund and be assigned/committed for future budget stabilization.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Clair County for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was our thirtieth time receiving this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrator/Controller's office. We would like to express our appreciation to all members of the department, and various other departments, who assisted and contributed to the preparation of this report. We also express our gratitude to the Board of Commissioners for their interest and support in planning and conducting the financial operation and management of St. Clair County in a responsible and progressive manner.

Respectively submitted,

Thomas M. Hull	Dena S. Alderdyce, CGFM
Administrator/Controller	Finance Director

St. Clair County
Elected and Appointed Officials

Elected Officials

Board of Commissioners

Steve Simasko	Chairperson
David Rushing	Vice-Chairperson
Kerry Ange	Member
Lisa Beedon	Member
Joi Torello	Member
David Vandenbossche	Member
Paul Zeller	Member

31st Circuit Court

Michael West	Chief Judge
Daniel Damman	Circuit Judge
Cynthia A. Lane	Circuit Judge

72nd District Court

John D. Monaghan	District Judge
Michael L. Hulewicz	District Judge
Mona Armstrong	District Judge

Probate Court

Jennifer Smith-Deegan	Judge of Probate
John Tomlinson	Judge of Probate

Other Elected Officials

Angie Waters	Clerk/Register of Deeds
Robert Wiley	Drain Commissioner
Michael D. Wendling	Prosecuting Attorney
Mathew King	Sheriff
Justin Rhein	Surveyor
Kelly M. Roberts-Burnett	Treasurer

Appointed Official

Thomas M. Hull	Administrator/Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

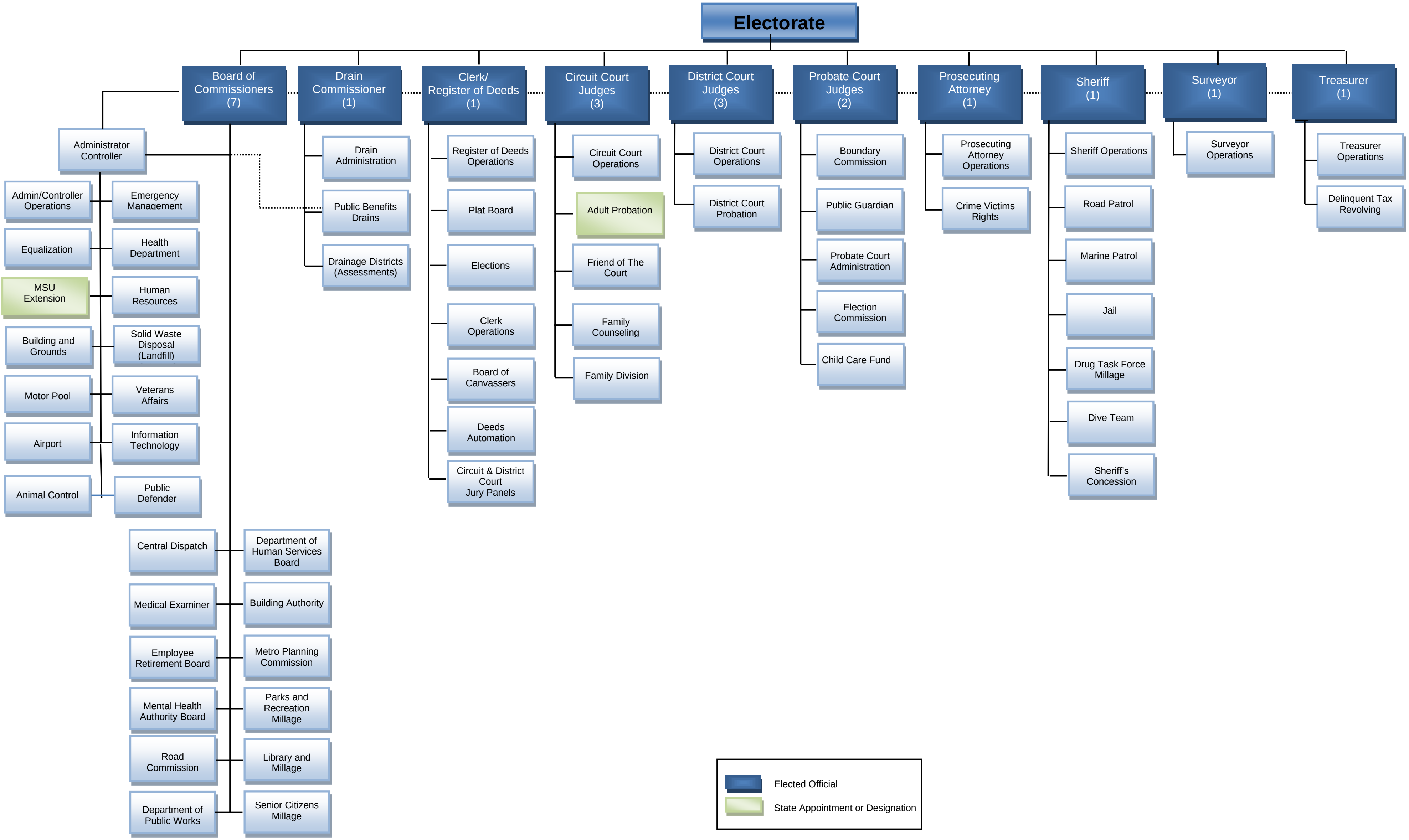
Presented to

St. Clair County
Michigan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Executive Director/CEO


Electorate
Board of Commissioners (7)
Drain Commissioner (1)
Clerk/ Register of Deeds (1)
Circuit Court Judges (3)
District Court Judges (3)
Probate Court Judges (2)
Prosecuting Attorney (1)
Sheriff (1)
Surveyor (1)
Treasurer (1)
Administrator Controller
Admin/Controller Operations
Emergency Management
Equalization
Health Department
MSU Extension
Human Resources
Building and Grounds
Solid Waste Disposal (Landfill)
Motor Pool
Veterans Affairs
Airport
Information Technology
Animal Control
Public Defender
Central Dispatch
Department of Human Services Board
Medical Examiner
Building Authority
Employee Retirement Board
Metro Planning Commission
Mental Health Authority Board
Parks and Recreation Millage
Road Commission
Library and Millage
Department of Public Works
Senior Citizens Millage
Drain Administration
Public Benefits Drains
Drainage Districts (Assessments)
Register of Deeds Operations
Plat Board
Elections
Clerk Operations
Board of Canvassers
Deeds Automation
Circuit & District Court Jury Panels
Circuit Court Operations
Adult Probation
Friend of The Court
Family Counseling
Family Division
District Court Operations
District Court Probation
Boundary Commission
Public Guardian
Probate Court Administration
Election Commission
Child Care Fund
Prosecuting Attorney Operations
Crime Victims Rights
Sheriff Operations
Road Patrol
Marine Patrol
Jail
Drug Task Force Millage
Dive Team
Sheriff's Concession
Surveyor Operations
Treasurer Operations
Delinquent Tax Revolving
Elected Official
State Appointment or Designation

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of St. Clair County
Port Huron, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Michigan (the "County"), as of and for the year ended December 31, 2025 and the related notes to the financial statements which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the report 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 St. Clair County, Michigan, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the St. Clair County Community Mental Health Authority, which represent 14.2 percent of the assets and deferred outflows of resources, 7.8 percent of net position, and 70.1 percent of revenues of the discretely presented component units as of December 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the St. Clair County Community Mental Health Authority is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining General Fund schedules, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and fund financial statements of the Drainage District and Brownfield Redevelopment Authority financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements; 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 supplementary information as listed above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Report

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

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

To the Board of Commissioners
St. Clair County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of St. Clair 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Clair County's internal control over financial reporting and compliance.

UHY LLP

Port Huron, Michigan
June 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of St. Clair, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found preceding this narrative, and the accompanying basic financial statements and footnotes.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at December 31, 2025 by $156,425,767 (net position). Net position is restricted for specific purposes ($52,912,723), related to the County's investment in capital assets and is not available for spending ($90,229,983), or is unrestricted ($13,283,061).
- The government's total net position increased by $10,013,032. Governmental activities increased by $9,623,918 while Business-type activities increased by $389,114.
- At December 31, 2025, the County's governmental funds reported combined ending fund balances of $64,441,350, an increase of $2,425,415. Approximately 17.08% of this amount ($11,006,526) is available for spending at the government's discretion (unassigned fund balance).
- Total outstanding long-term liabilities increased by $1,771,430. This was due to a decrease from normal retirement of debt combined with a significant decrease in the Net Pension liability due to the difference between projected and actual earnings on pension plan investments. This was offset by a significant increase in the Net OPEB Liability due to changes in assumptions and an increase in the difference between expected and actual earnings on investments.
- The Development Revolving Fund as well as the Budget Incentive Fund are included as sub funds of the Combined General Fund and are reflected on pages 127-129. Government Accounting Standards Board requires any fund that is largely supported by transfers from the General Fund be included as part of the General Fund for reporting purposes.
- In 2025 the Board of Commissioners adopted a balanced budget for the 2026 General Fund.

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 made up 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 intended to furnish additional detail to support the basic financial statements themselves.

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

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

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

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and 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 judicial, general government, public safety, public works, health and welfare, community and economic development, recreation and culture, and debt service. The business-type activities of the County include the Airport, Sheriff's Concession, Solid Waste Disposal System, School Tax Collections, Homestead Exemption Audits, and the Delinquent Tax Revolving Funds.

The government-wide financial statements include not only the County itself (known as the primary government) but also a legally separate Community Mental Health Authority, a legally separate Land Bank Authority, a legally separate Road Commission, a legally separate Brownfield Redevelopment Authority, and legally separate Drain Commissioner projects 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.

The government-wide financial statements can be found on pages 19-22 of this report.

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. Governmental funds are reported using the modified accrual method of accounting. 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. Included are the Combined General Fund, the Special Revenue funds, the Debt Service funds, and the Capital Project funds.

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 30 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 Combined General Fund, Parks and Recreation Fund, Library Fund, Senior Citizens Millage Fund, Drug Task Force Fund, American Rescue Plan Fund and Opioid Settlement Fund, all of which are considered to be major funds. Data for 2 governmental funds and the General Fund are combined and reported as the Combined General Fund and data for the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

As required by state law the County adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23-28 of this report.

Proprietary funds. Proprietary funds use the accrual basis of accounting, which is the same basis used by private business. The County maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the activities of the Airport, Solid Waste Disposal System, Delinquent Tax Revolving, Sheriff's Concession, School Tax Collections, and Homestead Exemption Audits funds.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its various employee benefits and risk programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary financial statements provide separate information for the Solid Waste Disposal System, Airport and Delinquent Tax Revolving Funds, all of which are considered to be major funds of the County. Individual fund data for the three non-major Enterprise funds is provided in the form of combining statements elsewhere in this report. The County's only Internal Service Fund is presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

The basic proprietary fund financial statements can be found on pages 29-33 of 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 Fiduciary Funds are the Pension and Other Employee Benefits Fund, the Landfill Private-Purpose Trust Fund, and the Custodial Funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

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. The notes to the financial statements can be found on pages 40-99 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees and the budgetary information for the General Fund and six major governmental funds (Special Revenue Funds). This required supplementary information is found on pages 100-126 of this report.

The combining statements referred to earlier in connection with the Combined General Fund, non-major governmental, enterprise and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 127-161 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $156,425,767 at December 31, 2025. This compares to $146,412,735 at the close of the prior fiscal year, an increase of $10,013,032.

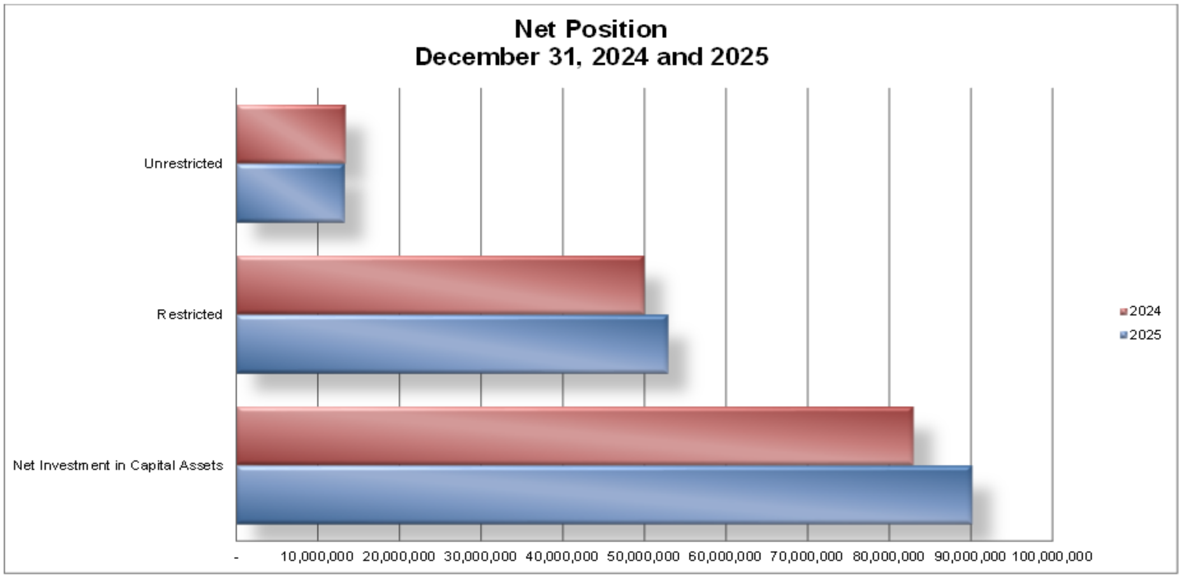
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	116,916,774	125,787,229	43,306,777	43,756,783	160,223,551	169,544,012
Capital Assets, Net of Accumulated Depreciation	86,783,522	83,673,782	26,385,543	23,211,140	113,169,065	106,884,922
Total Assets	203,700,296	209,461,011	69,692,320	66,967,923	273,392,616	276,428,934
Total Deferred Outflows of Resources	21,210,690	23,388,662	271,413	313,596	21,482,103	23,702,258
Current and Other Liabilites	11,948,724	24,997,267	2,310,772	1,536,002	14,259,496	26,533,269
Long-Term Liabilities	74,984,660	74,846,941	18,565,567	16,931,856	93,550,227	91,778,797
Total Liabilities	86,933,384	99,844,208	20,876,339	18,467,858	107,809,723	118,312,066
Total Deferred Inflows of Resources	30,565,589	35,217,370	73,640	189,021	30,639,229	35,406,391
Net Position						
Net Investment in Captial Assets	71,471,407	66,280,328	18,758,576	16,741,860	90,229,983	83,022,188
Restricted	49,032,203	46,418,105	3,880,520	3,575,605	52,912,723	49,993,710
Unrestricted	(13,091,597)	(14,910,338)	26,374,658	28,307,175	13,283,061	13,396,837
Total Net Position	107,412,013	97,788,095	49,013,754	48,624,640	156,425,767	146,412,735

St. Clair County's Net Position

The largest portion of the County's net position (57.68 percent) reflects our investment in capital assets, (e.g., land, buildings, machinery and equipment) 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.

A portion of the County's net position (33.83 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (8.49 percent) is available to meet the government's ongoing obligations to citizens and creditors.



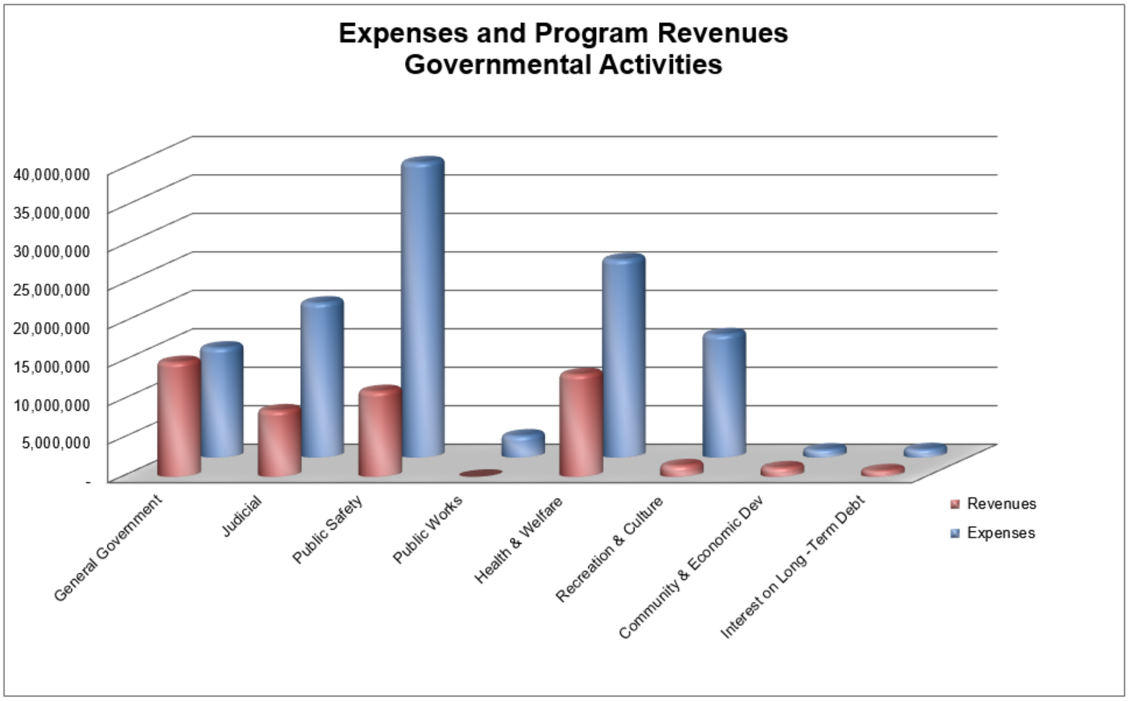
Governmental Activities. Governmental activities net position increased by $9,623,918. The increase was due to an increase in property tax revenues from the continuation of a strong housing market and increasing property tax values. We also experienced a reduction in charges for services due to the ongoing receipt of Opioid Settlement funds through annual payments, rather than the lump-sum payments received in the prior year. Interest earnings had also decreased as we began to spend down the American Rescue Plan Act funds. In addition to these revenue changes, the county incurred substantial increases in healthcare plan expenses, with costs rising between 22% and 31%. The increase in healthcare costs resulted in significantly higher departmental expenditures compared to the prior year. As in previous years, budgetary savings resulted from positions that remained vacant throughout the year, coupled with the continued conservative spending practices of county departments.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	18,967,376	19,640,957	9,339,942	11,008,393	28,307,318	30,649,350
Operating Grants and Contributions	32,507,390	35,706,083	308,898	228,856	32,816,288	35,934,939
Capital Grants and Contributions	-	-	-	-	-	-
General revenues:						
Property Taxes	68,901,006	64,406,997	-	-	68,901,006	64,406,997
Intergovernmental revenues	6,034,335	5,406,624	-	-	6,034,335	5,406,624
Investment earnings	3,307,945	4,281,599	257,029	648,996	3,564,974	4,930,595
Gain on Sale of Assets	-	-	-	-	-	-
Interest & Penalties on Delinq Taxes	1,242	834	1,954,974	1,311,498	1,956,216	1,312,332
Total Revenues	129,719,294	129,443,094	11,860,843	13,197,743	141,580,137	142,640,837
Expenses:						
General Government	14,281,957	12,031,867	-	-	14,281,957	12,031,867
Judicial	20,128,350	17,509,748	-	-	20,128,350	17,509,748
Public Safety	38,357,247	30,894,390	-	-	38,357,247	30,894,390
Public Works	2,848,479	3,933,375	-	-	2,848,479	3,933,375
Health and Welfare	25,759,873	22,892,362	-	-	25,759,873	22,892,362
Recreation and Culture	16,014,710	13,649,373	-	-	16,014,710	13,649,373
Community and Economic Development	1,030,123	1,016,849	-	-	1,030,123	1,016,849
Interest on Debt Service	1,072,427	1,123,759	-	-	1,072,427	1,123,759
Delinquent Tax Collections	-	-	498,570	526,806	498,570	526,806
Airport	-	-	1,365,714	1,411,354	1,365,714	1,411,354
Sheriff's Concession	-	-	794,475	812,426	794,475	812,426
School Tax Collections	-	-	-	-	-	-
Homestead Exemption Audits	-	-	25	23	25	23
Solid Waste Disposal	-	-	9,415,155	8,589,602	9,415,155	8,589,602
Total Expenses	119,493,166	103,051,723	12,073,939	11,340,211	131,567,105	114,391,934
Increase (Decrease) in Net Position, before transfers	10,226,128	26,391,371	(213,096)	1,857,532	10,013,032	28,248,903
Transfers	(602,210)	(843,549)	602,210	843,549	-	-
Change in Net Position	9,623,918	25,547,822	389,114	2,701,081	10,013,032	28,248,903
Net Position January 1	97,788,095	72,240,273	48,624,640	45,923,559	146,412,735	118,163,832
Net Position December 31	107,412,013	97,788,095	49,013,754	48,624,640	156,425,767	146,412,735

Governmental Activities. Charges for Services decreased due to fewer opioid settlements and the reduction of receivables as payments were received, resulting in lower revenue recognition. Operating Grants and Contributions also declined, primarily due to the expenditure of a substantial portion of the American Rescue Plan Act (ARPA) funds in the previous year. Property tax revenues increased as a result of continued strength in the housing market and corresponding growth in taxable property values. Investment earnings declined compared to the prior year due to the reduction of available fund balances as ARPA funds were expended. The county experienced significant increases in healthcare plan costs, with premiums rising between 22% and 31%. These increases contributed to substantially higher departmental expenditures compared to the prior year. Public Works expenditures decreased due to the absence of County Drain at Large projects and the related debt obligations that were incurred prior. The Library Millage Fund expenditures increased following voter approval of an increase in the dedicated library millage in 2022. The millage rate increased from 0.6 mills to 1.2 mills, resulting in higher funding levels and corresponding expenditures.

Business-Type Activities. The Sanitary Landfill Fund had experienced a decrease in Charges for Services due to the discontinuation of waste received from Canadian customers, as well as a reduction in special projects within the county. The Delinquent Tax Fund's interest and penalties increased because interest was collected on a property with a significantly large amount of delinquent taxes. The Solid Waste Disposal System Fund reported an increase in expenditures related to odor mitigation efforts and the acquisition of equipment and staff necessary to transition landfill operations to in-house management.

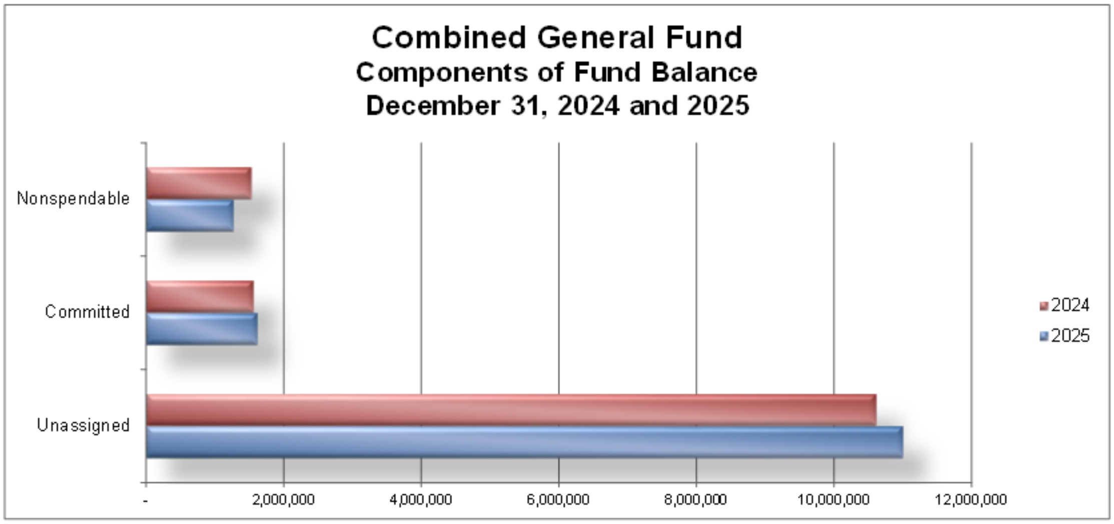


Financial Analysis of Governmental Funds

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

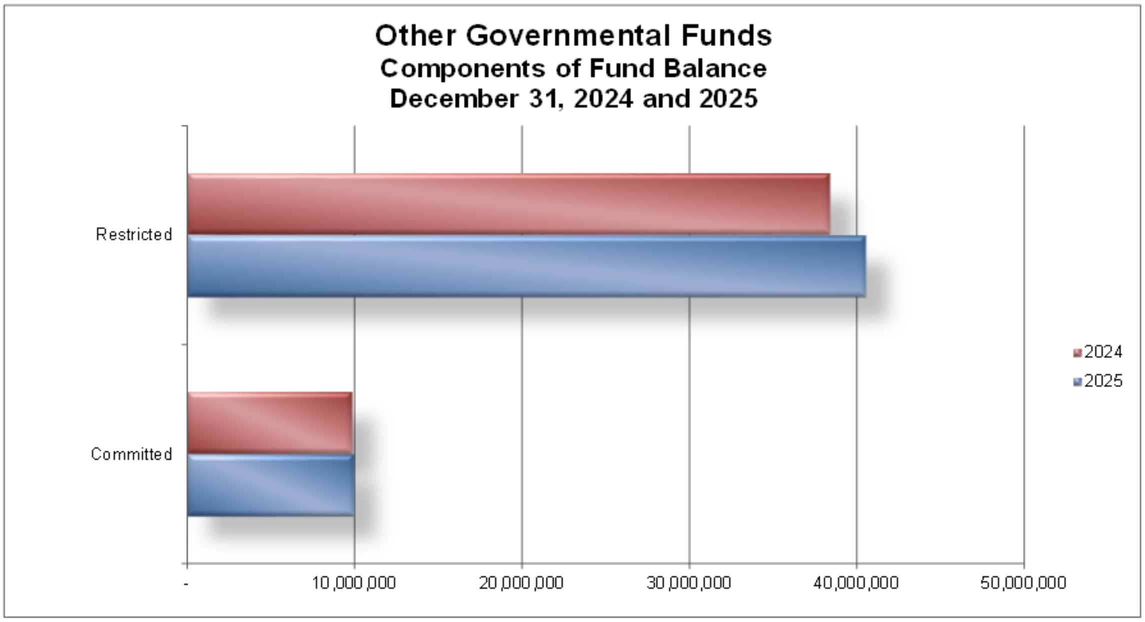
Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, assigned and unassigned fund balance may serve as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

At December 31, 2025, the County's governmental funds reported combined ending fund balances of $64,441,350, an increase of $2,425,415 in comparison to the prior year. Approximately 17.08 of this fund balance ($11,006,526) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted or committed to indicate that it is 1) not in spendable form ($1,273,874), 2) restricted for particular purposes ($40,556,319), or 3) committed for particular purposes ($11,604,631).



The Combined General Fund is the chief operating fund of the County. At December 31, 2025, the Combined General Fund reported an ending fund balance of $13,901,700. Of that amount $11,006,526 is unassigned, $1,621,300 is committed for specific departments in the budget incentive fund, and $1,273,874 are nonspendable loans to the Drain Commissioner for funding drain projects, long-term receivables, and prepayments. As a measure of the combined general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 14.6 percent of total combined general fund expenditures and transfers, while total fund balance represents 18.4 percent of total combined general fund expenditures and transfers.

The Combined General Fund balance increased by $175,487 during the current fiscal year. This increase was primarily attributable to growth in property tax revenues and intergovernmental revenues, including grants, state revenue sharing, Personal Property Tax (PPT) reimbursement and Sheriff law enforcement service contracts. In addition, expenditure savings were realized as a result of vacant positions resulting from retirements and employee turnover that remained unfilled during the year. These favorable budget variances were partially offset by a year-end transfer to the Solid Waste Disposal System Fund to support expenditures related to odor mitigation efforts.



The second major governmental fund is the Parks and Recreation Fund, which is supported by a dedicated special millage. At December 31, 2025, the fund reported a fund balance of $3,031,901, representing a decrease of $401,441 from the prior fiscal year. The fund had budgeted the use of approximately $1,104,000 of fund balance during 2025 to support capital improvement projects, including the construction of a trailhead, parking lot, and building structures at the North Channel County Park as well as an operations pole barn at Columbus County Park. Construction on both projects commenced during the summer of 2025 and is expected to be completed in 2026. The fund also anticipated receiving grant reimbursements to offset a portion of these project expenditures. However, due to project delays, the reimbursement revenues were not received within the 2025 fiscal year.

The third major governmental fund is the Library Fund, which is supported by a dedicated special millage. As of December 31, 2025, the fund reported a fund balance of $11,422,875, representing an increase of $1,850,623 from the prior fiscal year. The Library Fund had a budgeted the use of approximately $1,500,000 of fund balance during 2025 to support Library Board initiatives. In 2022, the voters approved an increase in the library millage rate from 0.6 mills to 1.2 mills. The additional revenue generated by the millage increase is intended to support the expansion of library programs and services, as well as capital improvements and renovations to the main library facility and several branch locations. As the library continues to plan for these future capital projects and program enhancements, revenues have exceeded current expenditures, resulting in a significant increase in fund balance during the year.

The fourth major governmental fund is the Senior Citizens Millage Fund, which is supported by a dedicated special millage. As of December 31, 2025, the fund reported a fund balance of $4,757,235, representing an increase of $70,887 from the prior fiscal year. The fund had originally budgeted the use of approximately $213,250 of fund balance during 2025. In an effort to enhance services and utilize available fund balance, the Senior Citizens Millage Board expanded vision and hearing care and Life Alert assistance programs during the year. In addition, the Board approved one-time minor capital expenditures for the service providers in 2025. Although participation in these expanded programs increased during the year, expenditures remained below available revenues, resulting in a modest increase in fund balance at year end.

The fifth major governmental fund is the Drug Task Force Fund, which is supported by a dedicated special millage. As of December 31, 2025, the fund reported a fund balance of

$2,222,775, representing a decrease of $192,024 from the prior fiscal year. The fund had originally budgeted the use of approximately $110,123 of fund balance during 2025 for equipment purchases. The decrease in fund balance was primarily attributable to increased expenditures for contracted agency services, employee healthcare costs, and equipment acquisitions. These increases were partially offset by growth in property tax revenues resulting from higher taxable values.

The sixth major governmental fund is the American Rescue Plan Fund (ARPA), which accounts for federal funding received under the American Rescue Plan Act. As of December 31, 2025, the fund reported a fund balance of $3,622,211, representing an increase of $459,408 from the prior year. The County received its initial and second tranches of ARPA funding in May 2021 and May 2022, respectively. The increase in fund balance during the year is primarily attributable to investment earnings, partially offset by expenditures of program funds. The County has begun the systematic expenditure of ARPA resources and obligated all funds by the December 31, 2024 obligation deadline. The County anticipates that all ARPA funds will be fully expended by September 30, 2026.

The final major governmental fund is the Opioid Settlement Fund, which accounts for the proceeds received from various national opioid litigation settlements. As of December 31, 2025, the fund reported a fund balance of $4,000,609, representing an increase of $587,297 from the prior fiscal year. Expenditures from this fund are restricted for opioid remediation activities, including prevention, treatment, and recovery initiatives. The County has established a committee responsible for reviewing and making recommendations regarding the allocation of these funds. During the year, resources were directed toward several programs, including a medication-assisted treatment program within the jail, Recovery Court, Mental Health Court, and an alternative contempt track program administered through the Friend of the Court. The County is also evaluating potential partnerships with local community organizations to expand treatment and support services.

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 had three major proprietary funds at December 31, 2025.

Net position in the Solid Waste Disposal System Fund at year-end totaled $11,337,537, of which $12,432,661 is invested in capital assets. Net position increased $173,879 during the year, primarily due to an appropriation to support increased costs associated with required upgrades to the gas extraction system, mandated by the Michigan Department of Environment, Great Lakes, and Energy under a consent order. These gas system-related expenditures are expected to continue into 2026; however, landfill services fees were increased effective 2026 to help offset the rising costs.

The Delinquent Tax Revolving Fund reported net position of $29,548,577, an increase of $480,206 over the prior year. The earnings in this fund are dedicated to the annual debt payment requirements of the bond secured for the construction of the Jail/Juvenile facility. The fund increased due to investment earnings.

The Airport Commission Fund reported net position of $7,130,362, a decrease of $352,606 over the prior year. This decrease is due to a decline in fuel sales revenues which coincides with a reduction in fuel expenditures. The grant revenues had decreased due to fewer projects ongoing at the Airport.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year the original budget was amended as needed. The original budget was balanced, while the final amended budget anticipated a gain of $115,983. Major changes can be summarized as follows:

- Intergovernmental revenues and expenditures were adjusted for various grants received throughout the year.
- Property tax revenues were adjusted to reflect an increase in taxable values.
- Increase in revenues for marijuana tax and personal property tax reimbursements.
- Interest revenue was increased due to a significant increase in interest rates throughout the year.
- An increase in inmate housing revenues as federal inmate populations increased throughout the year.
- Increase in jail expenditures for corrections union negotiations, 312 eligible.
- Increase for IT software maintenance contracts for purchases under ARPA funds.
- Transfer to the Solid Waste Disposal System Fund to cover expenditures related to odor control.
- Other expenditures were reserved for contingencies and was eliminated at the end of the year to cover other budget shortfalls.

Final budget compared to actual results. Overall, general fund revenues, issuance of debt, and transfers in were $1,148,554 under budget. The majority of this difference is due to a decline in the court charges for services and fines and fees and other charges for services. Some grant reimbursements were considered deferred revenue since they were received after 90 days of year end. These were budgeted to be received in 2025.

Amended expenditures and other financing uses differed $1,187,696 from actual expenditures and other financing uses. Significant differences between the amended budgets and actual results for expenditures in the departments are as follows:

- The County budgets for full staffing in all departments, due to a significant number of retirements, employee turnover and vacancies that occurred throughout the year many departments such as Building and Grounds, District Court, Friend of the Court, Prosecuting Attorney, Corrections/Jail, Sheriff and Planning were under their amended budgets.
- Transfer to the Budget Incentive and Public Improvement Funds for future project expenditures was offset with savings.
- Drain Commissioner County at Large debt for new drain construction.
- An additional transfer to the Solid Waste Disposal System Fund to cover additional costs for odor control per the MDEGLE consent order.

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, 2025 amounted to $113,169,065 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, subscription assets and right-to-use assets. The total increase in the County's capital assets for the current fiscal year was $6,284,143.

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	15,352,329	15,352,329	2,201,579	2,201,579	17,553,908	17,553,908
Buildings and Improvements	51,235,037	49,014,174	3,412,415	3,732,268	54,647,452	52,746,442
Improvements other than Buildings	3,053,861	3,303,652	12,169,854	13,019,211	15,223,715	16,322,863
Equipment and Vehicles	9,287,190	8,080,493	6,590,035	4,258,082	15,877,225	12,338,575
Books	1,745,347	1,595,450	-	-	1,745,347	1,595,450
Subscription assets	353,791	358,864	-	-	353,791	358,864
Right-to-use assets - buildings	1,670,710	1,410,151	-	-	1,670,710	1,410,151
Right-to-use assets - equipment	-	-	2,011,660	-	2,011,660	-
Construction in Progress	4,085,257	4,558,669	-	-	4,085,257	4,558,669
Total	86,783,522	83,673,782	26,385,543	23,211,140	113,169,065	106,884,922

Major capital asset events during the year included the following:

- Sanitary Landfill gas system improvements and operations leased equipment
- Health Department building renovations
- Replacement of various County vehicles
- Information Technology systems equipment
- Addition of books to the County library collection
- Library building lease
- Administration building chiller replacement
- Jail heat exchanger, chillers and boiler replacement
- Marine Patrol boat purchase
- Courthouse parking lot expansion
- Courthouse roof replacement, elevator renovations and generator purchase
- South-end communication tower installation
- North Channel County park phase I improvements and Columbus County Park Pole Barn

Additional information on the County's capital assets can be found in Note 5 beginning on page 59 of this report.

Long-term Debt/Liability. The County's long-term liabilities at December 31, 2025 totaled $93,550,227.

Outstanding Debt/Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	13,770,000	17,045,000	5,924,280	6,469,280	19,694,280	23,514,280
Landfill Closure and Post Closure Costs			10,281,142	9,810,065	10,281,142	9,810,065
Drain Districts	2,779,391	3,186,274	-	-	2,779,391	3,186,274
Self-insurance Liability	1,370,000	968,000	-	-	1,370,000	968,000
Accumulated Employee Vacation, Sick and Compensatory Time	8,082,910	7,597,814	99,546	75,429	8,182,456	7,673,243
Installment Purchase	-	32,904	-	-	-	32,904
Leases	1,783,979	1,429,652	1,702,687	-	3,486,666	1,429,652
Subscriptions	363,020	368,076	-	-	363,020	368,076
Net Premium	423,103	525,359	-	-	423,103	525,359
Net Pension Liability	33,759,362	38,578,802	354,787	484,384	34,114,149	39,063,186
Net OPEB Liability	12,652,895	5,115,060	203,125	92,698	12,856,020	5,207,758
Total	74,984,660	74,846,941	18,565,567	16,931,856	93,550,227	91,778,797

Significant portions of the debt include the following:

- The general obligation bonds sold in 2010 to construct a landfill leachate system and a gas to energy facility ($3,499,280), net of 36.3% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The general obligation bonds sold in 2014 to expand the County's bioreactor system and to construct an additional landfill cell ($2,425,000), net of 50% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The 2015 refunding of the 2007 (Series A) general obligation bonds to finance the construction of a Mental Health Authority building ($900,000).
- The outstanding portion of the 2022 refunding of the 2012 issue sold to construct and equip the Blue Water Area Convention Center ($6,110,000).
- The 2020 refunding of the outstanding portion of the 2012 refunded general obligation bonds to construct the Jail/Juvenile facility ($6,760,000).
- The County operates the Smiths Creek Landfill and is required to record the estimated costs of closure and the post-closure costs of the Landfill to ensure that when the facility is closed in the future there will be sufficient funds available to maintain it in an environmentally sound way. The amount recorded for this obligation is $10,281,142.
- Upon their leaving County employment, certain employees of the County have, through collective bargaining agreements or policy, rights to be paid outstanding balances of accrued vacation, sick time, or compensatory time earned. This amount at December 31, 2025 is $8,182,456.
- The net pension liability of County employees/retirees amounts to $34,114,149.
- The net OPEB liability of the County employees/retirees amounts to $12,856,020.

Additional information on the County's long-term debt can be found in Note 10 beginning on page 67 of this report.

Economic Factors and Next Year's Budgets and Rates

Many factors were considered in preparation of the County's budget for the 2026 fiscal year. Several of the more telling factors are as follows:

- The taxable value of real and personal property within the County is expected to increase 3% in 2026.
- State revenue sharing remained flat.
- Costs of inmate medical and inmate housing expenses are expected to increase due to

mental health and staffing costs.

- Interest rates on investments have increased slightly due to Fed rate increases.
- Court fines and costs and charges for services have been reduced based on recent trends.
- Healthcare costs increased significantly, for the second year in a row, by 14.3%.
- General Fund is supporting the appropriations for the Blue Water Convention Center operations, Airport Fund and County Road appropriation.
- State unemployment rates continue to remain low at 5%.
- The housing market remains strong with a rise in new homes being built.

The 2026 budgets are currently balanced and the Board of Commissioners will approve any amendments as needed.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for our citizens, taxpayers, customers, investors and creditors and to demonstrate the County's accountability for the taxpayer money we receive. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Administrator/Controller, 200 Grand River Ave., Suite 203, Port Huron, Michigan 48060, or contact us at 810-989-6905. You can also visit our website at www.stclaircounty.org for additional information regarding the County or additional copies of this report.

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			
	Governmental Activities	Business Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 58,984,258	$ 31,675,484	$ 90,659,742	$ 33,932,695
Investments	11,108,338	3,427,820	14,536,158	6,147,598
Receivables (net of allowance)	42,314,664	8,026,273	50,340,937	34,639,308
Prepaid expenses and deposits	1,720,841	28,563	1,749,404	1,403,808
Inventory	-	48,637	48,637	1,766,814
Long-term notes receivable	2,738,673	100,000	2,838,673	-
Advance to component units	50,000	-	50,000	-
Restricted assets -				
Cash and cash equivalents	-	-	-	2,938,351
Beneficial interest in assets held by others	-	-	-	219,022
Net OPEB asset	-	-	-	13,600,669
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	19,437,586	2,201,579	21,639,165	31,245,309
Assets being depreciated	67,345,936	24,183,964	91,529,900	247,301,310
Total assets	203,700,296	69,692,320	273,392,616	373,194,884
DEFERRED OUTFLOWS OF RESOURCES				
Related to the pension plan	12,091,788	127,076	12,218,864	6,517,706
Related to the OPEB plan	8,990,915	144,337	9,135,252	5,099,544
Deferred charges on bond refunding	127,987	-	127,987	16,994
Total deferred outflows of resources	21,210,690	271,413	21,482,103	11,634,244
LIABILITIES				
Payables and accrued liabilities	7,777,160	2,229,883	10,007,043	12,439,743
Bonds and restitution payable	644,557	-	644,557	-
Advances and deposits	17,875	-	17,875	1,861,272
Advances from primary government	-	-	-	50,000
Unearned revenue	3,509,132	80,889	3,590,021	29,168
Non-current liabilities -				
Due within one year	4,782,578	866,363	5,648,941	4,180,680
Due in more than one year:				
Long-term liabilities, net of current portion	23,789,825	17,141,292	40,931,117	20,242,464
Net pension liability	33,759,362	354,787	34,114,149	17,744,389
Net OPEB liability	12,652,895	203,125	12,856,020	-
Total liabilities	86,933,384	20,876,339	107,809,723	56,547,716
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	337,962
Related to the pension plan	614,585	6,459	621,044	31,070
Related to the OPEB plan	4,184,759	67,181	4,251,940	3,408,884
Taxes levied for a subsequent period	25,766,245	-	25,766,245	1,588,080
Total deferred inflows of resources	30,565,589	73,640	30,639,229	5,365,996

(Continued)

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			
	Governmental Activities	Business Type Activities	Total	Component Units
NET POSITION				
Net investment in capital assets	$ 71,471,407	$ 18,758,576	$ 90,229,983	$ 258,305,631
Restricted - expendable -				
Acquisition/construction of capital assets	10,476,080	-	10,476,080	-
Debt service	123,380	-	123,380	22,051,967
Judicial	1,413,399	-	1,413,399	-
Recreation and cultural	13,072,920	-	13,072,920	-
Health and welfare	20,121,864	-	20,121,864	-
Public safety	3,778,307	-	3,778,307	-
Public works	75	-	75	-
Foreclosure sales	-	3,880,520	3,880,520	-
Net OPEB asset	-	-	-	13,600,669
Other purposes	46,178	-	46,178	260,260
Unrestricted (deficit)	(13,091,597)	26,374,658	13,283,061	28,696,889
Total net position	$ 107,412,013	$ 49,013,754	$ 156,425,767	$ 322,915,416

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities -				
General government	$ 14,281,957	$ 5,054,312	$ 9,844,508	$ -
Judicial	20,128,350	1,653,558	6,967,339	-
Public safety	38,357,247	5,967,294	5,159,521	-
Public works	2,848,479	-	-	-
Health and welfare	25,759,873	3,862,082	9,453,865	-
Community and economic development	1,030,123	911,292	297,101	-
Recreation and culture	16,014,710	695,917	785,056	-
Debt service	1,072,427	822,921	-	-
Total governmental activities	119,493,166	18,967,376	32,507,390	-
Business-type activities -				
Delinquent tax revolving	498,570	1,277,964	-	-
Airport commission	1,365,714	678,393	166,563	-
Sheriff's concession	794,475	965,509	-	-
School tax collections	-	-	-	-
Homestead exemption audits	25	-	-	-
Solid waste disposal system	9,415,155	6,418,076	142,335	-
Total business-type activities	12,073,939	9,339,942	308,898	-
Total primary government	$ 131,567,105	$ 28,307,318	$ 32,816,288	$ -
COMPONENT UNITS				
Road Commission	$ 34,348,308	$ 7,029,445	$ 28,670,471	$ 6,592,641
Community Mental Health Authority	118,244,680	111,705,330	5,019,648	-
Land Bank Authority	71,262	-	68,879	-
Brownfield Redevelopment Authority	137,707	-	-	-
Drainage Districts	2,007,136	5,067,536	-	-
Total component units	$ 154,809,093	$ 123,802,311	$ 33,758,998	$ 6,592,641

General revenues:
- Property taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment income
- Gain on sale of assets
- Interest and penalties on delinquent taxes

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

Governmental Activities	Business-type Activities	Total	Component Units
Net (Expense) Revenue and Change in Net Position			
Primary Government			
$ 616,863	$ -	$ 616,863	$ -
(11,507,453)	-	(11,507,453)	-
(27,230,432)	-	(27,230,432)	-
(2,848,479)	-	(2,848,479)	-
(12,443,926)	-	(12,443,926)	-
178,270	-	178,270	-
(14,533,737)	-	(14,533,737)	-
(249,506)	-	(249,506)	-
(68,018,400)	-	(68,018,400)	-
-	779,394	779,394	-
-	(520,758)	(520,758)	-
-	171,034	171,034	-
-	-	-	-
-	(25)	(25)	-
-	(2,854,744)	(2,854,744)	-
-	(2,425,099)	(2,425,099)	-
(68,018,400)	(2,425,099)	(70,443,499)	-
-	-	-	7,944,249
-	-	-	(1,519,702)
-	-	-	(2,383)
-	-	-	(137,707)
-	-	-	3,060,400
-	-	-	9,344,857
68,901,006	-	68,901,006	1,721,303
6,034,335	-	6,034,335	-
3,307,945	257,029	3,564,974	1,105,130
-	-	-	68,043
1,242	1,954,974	1,956,216	-
(602,210)	602,210	-	-
77,642,318	2,814,213	80,456,531	2,894,476
9,623,918	389,114	10,013,032	12,239,333
97,788,095	48,624,640	146,412,735	310,676,083
$ 107,412,013	$ 49,013,754	$ 156,425,767	$ 322,915,416

ST. CLAIR COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	Combined General	Parks and Recreation	Library	Senior Citizens Millage
ASSETS				
Cash and cash equivalents	$ 257,127	$ 3,536,484	$ 12,284,195	$ 5,549,033
Investments	10,608,338	-	-	-
Receivables, net of allowance -				
Property taxes	1,977,349	3,844,607	9,397,472	6,208,031
Interest and accounts	605,231	2,364	7,162	-
Due from other governmental units	3,282,469	301,924	78,175	51,547
Long-term notes receivable	1,199,887	-	-	-
Advances to component units	50,000	-	-	-
Deposits	23,987	-	68,562	-
Total assets	$ 18,004,388	$ 7,685,379	$ 21,835,566	$ 11,808,611
LIABILITIES				
Accounts payable	$ 838,140	$ 284,909	$ 381,301	$ 542,095
Accrued liabilities	1,944,403	64,034	141,659	-
Advances and deposits	-	-	-	-
Due to other governmental units	-	-	-	-
Bonds and restitution payable	644,557	-	-	-
Unearned revenue	220,568	3,082	-	-
Total liabilities	3,647,668	352,025	522,960	542,095
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue -				
Delinquent property taxes	39,068	6,925	16,301	11,181
Lease contract/revolving loans	-	-	-	-
Grants/fees	415,952	270,284	-	-
Taxes levied for subsequent period	-	4,024,244	9,873,430	6,498,100
Total deferred inflows of resources	455,020	4,301,453	9,889,731	6,509,281
FUND BALANCES				
Nonspendable -				
Long-term receivables/advances	1,249,887	-	-	-
Deposits	23,987	-	-	-
Restricted	-	3,031,901	11,422,875	4,757,235
Committed	1,621,300	-	-	-
Unassigned	11,006,526	-	-	-
Total fund balances	13,901,700	3,031,901	11,422,875	4,757,235
Total liabilities, deferred inflows of resources, and fund balances	$ 18,004,388	$ 7,685,379	$ 21,835,566	$ 11,808,611

Drug Task Force	American Rescue Plan	Opioid Settlement	Other Governmental Funds	Total Governmental Funds
$ 2,627,570	$ 6,618,518	$ 4,008,232	$ 22,354,920	$ 57,236,079
-	-	-	500,000	11,108,338
4,353,387	-	-	777,195	26,558,041
-	-	9,230,357	215,734	10,060,848
7,987	-	-	1,578,023	5,300,125
-	-	-	1,538,786	2,738,673
-	-	-	-	50,000
-	-	-	-	92,549
$ 6,988,944	$ 6,618,518	$ 13,238,589	$ 26,964,658	$ 113,144,653
$ 124,167	$ 175,957	$ 2,775	$ 524,915	$ 2,874,259
77,371	-	4,848	432,300	2,664,615
-	-	-	17,875	17,875
-	-	-	1,186,360	1,186,360
-	-	-	-	644,557
-	2,820,350	-	465,132	3,509,132
201,538	2,996,307	7,623	2,626,582	10,896,798
7,839	-	-	1,238	82,552
-	-	-	1,497,150	1,497,150
-	-	9,230,357	543,965	10,460,558
4,556,792	-	-	813,679	25,766,245
4,564,631	-	9,230,357	2,856,032	37,806,505
-	-	-	-	1,249,887
-	-	-	-	23,987
2,222,775	-	4,000,609	15,120,924	40,556,319
-	3,622,211	-	6,361,120	11,604,631
-	-	-	-	11,006,526
2,222,775	3,622,211	4,000,609	21,482,044	64,441,350
$ 6,988,944	$ 6,618,518	$ 13,238,589	$ 26,964,658	$ 113,144,653

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

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2025

Fund balances - total governmental funds		$ 64,441,350
Amounts reported for governmental activities in the statement of net position are different because:		
Expenses recorded in the funds on the purchase method		452,558
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds		
Capital assets		180,829,252
Accumulated depreciation/amortization		(94,091,890)
Certain assets do not represent current financial resources and are, therefore, not recorded in the funds		
Interest receivable on capital lease contract		8,438
Certain pension and OPEB contributions and changes in pension and OPEB plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position		
Deferred outflows of resources		21,082,703
Deferred inflows of resources		(4,799,344)
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Delinquent personal property taxes	$ 82,552	
Housing rehabilitation loan	597,150	
Capital lease contract	900,000	
Grants/fees	10,460,558	12,040,260
Internal service fund used by management to charge cost of property, liability, health, disability, workers compensation, and life insurance expenses and claims. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,020,979
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the governmental funds		
Bonds payable	(13,770,000)	
Drain district assessments payable	(2,779,391)	
Lease liability	(1,783,979)	
SBITA liability	(363,020)	
Accrued interest on bonds/notes payable	(85,620)	
Net pension liability	(33,759,362)	
Net OPEB liability	(12,652,895)	
Accrued compensated absences	(8,082,910)	(73,277,177)
Charges on refunding are reported currently in the governmental funds, whereas they are capitalized and amortized from net position		127,987
Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (netted against bonds payable)		(423,103)
Net position of governmental activities		$ 107,412,013

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Combined General	Parks and Recreation	Library	Senior Citizens Millage
REVENUES				
Taxes	$ 44,225,214	$ 3,849,972	$ 9,463,243	$ 6,216,675
Licenses and permits	212,831	-	-	-
Intergovernmental	16,692,792	93,342	424,294	135,241
Charges for services	8,073,751	282,293	77,581	-
Fines and forfeits	270,084	-	281,805	-
Interest and rent	1,776,283	119,739	339,745	171,038
Other	2,224,468	8,191	11,898	16,974
Total revenues	73,475,423	4,353,537	10,598,566	6,539,928
EXPENDITURES				
Current -				
General government	11,881,911	-	-	-
Judicial	16,673,094	-	-	-
Public safety	31,369,182	-	-	-
Public works	1,637,238	-	-	-
Health and welfare	2,509,476	-	-	6,469,041
Community and economic development	1,074,680	-	-	-
Recreation and cultural	-	4,754,978	9,167,849	-
Capital outlay	-	-	-	-
Debt service -				
Principal	416,989	-	32,966	-
Interest and charges	147,072	-	8,670	-
Total expenditures	65,709,642	4,754,978	9,209,485	6,469,041
Revenues over (under) expenditures	7,765,781	(401,441)	1,389,081	70,887
OTHER FINANCING SOURCES (USES)				
Issuance of notes/SBITAs	143,178	-	-	-
Lease proceeds	-	-	461,542	-
Transfers from other funds	2,119,611	-	-	-
Transfers to other funds	(9,853,083)	-	-	-
Total other financing sources (uses)	(7,590,294)	-	461,542	-
Net change in fund balances	175,487	(401,441)	1,850,623	70,887
Fund balances at beginning of year	13,726,213	3,433,342	9,572,252	4,686,348
Fund balances at end of year	$ 13,901,700	$ 3,031,901	$ 11,422,875	$ 4,757,235

Drug Task Force	American Rescue Plan	Opioid Settlement	Other Governmental Funds	Total Governmental Funds
$ 4,359,244	$ -	$ -	$ 778,528	$ 68,892,876
-	-	-	521,382	734,213
10,032	8,893,327	-	11,830,503	38,079,531
-	-	-	4,672,773	13,106,398
-	-	-	61,127	613,016
95,383	514,408	31,849	1,218,292	4,266,737
14,038	-	838,742	992,217	4,106,528
4,478,697	9,407,735	870,591	20,074,822	129,799,299
-	1,321,310	-	325,442	13,528,663
-	261,629	-	3,568,987	20,503,710
4,054,792	1,818,589	-	93,679	37,336,242
-	1,185,975	-	-	2,823,213
-	2,887,950	253,669	16,493,507	28,613,643
-	-	-	-	1,074,680
-	1,472,874	-	1,743,507	17,139,208
-	-	-	1,502,195	1,502,195
18,753	-	-	3,795,496	4,264,204
2,918	-	-	494,975	653,635
4,076,463	8,948,327	253,669	28,017,788	127,439,393
402,234	459,408	616,922	(7,942,966)	2,359,906
-	-	-	62,999	206,177
-	-	-	-	461,542
-	-	-	9,179,873	11,299,484
(594,258)	-	(29,625)	(1,424,728)	(11,901,694)
(594,258)	-	(29,625)	7,818,144	65,509
(192,024)	459,408	587,297	(124,822)	2,425,415
2,414,799	3,162,803	3,413,312	21,606,866	62,015,935
$ 2,222,775	$ 3,622,211	$ 4,000,609	$ 21,482,044	$ 64,441,350

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

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - total governmental funds		$ 2,425,415
Change in prepaid expenses recorded in the funds on the purchase method		(74,638)
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 outlay		9,727,672
Depreciation/amortization expense		(6,614,199)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(80,005)
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on long term liabilities		4,033,235
Issuance of debt - drain notes and SBITAs		(206,177)
Issuance of leases		(461,542)
Accrued interest expense on bonds and the amortization of bond discounts, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.		
Decrease in accrued interest payable		23,502
Amortization of bond premium		102,256
Amortization of deferred charge on refunding		(79,550)
Internal service funds used by management to charge costs of property, liability, health, disability, workers compensation and life insurance expenses and claims. The net revenues (expenses) attributable to those funds is reported with governmental activities.		370,712
Change in deferred outflows of resources and deferred inflows of resources related to the pension and OPEB plans		3,660,728
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the funds.		
Increase in net OPEB liability	$ (7,537,835)	
Decrease in net pension liability	4,819,440	
Increase in accrued compensated absences	(485,096)	(3,203,491)
Change in net position of governmental activities		$ 9,623,918

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
ASSETS						
Current assets -						
Cash and cash equivalents	$ 10,003,172	$ 19,952,189	$ 844,780	$ 875,343	$ 31,675,484	$ 1,748,179
Investments	-	3,427,820	-	-	3,427,820	-
Receivables, net of allowance:						
Delinquent taxes	-	5,659,736	-	-	5,659,736	-
Interest and accounts	758,277	1,152,431	34,384	166,897	2,111,989	387,212
Due from other governmental units	85,770	148,493	20,285	-	254,548	-
Inventory	-	-	48,637	-	48,637	-
Prepaid expenses and deposits	6,598	21,524	441	-	28,563	1,175,734
Total current assets	10,853,817	30,362,193	948,527	1,042,240	43,206,777	3,311,125
Noncurrent assets -						
Capital assets	57,176,901	268,680	11,994,608	-	69,440,189	116,737
Less - accumulated depreciation	(37,117,273)	(268,680)	(5,668,693)	-	(43,054,646)	(70,577)
Capital assets, net	20,059,628	-	6,325,915	-	26,385,543	46,160
Notes receivable	100,000	-	-	-	100,000	-
Total noncurrent assets	20,159,628	-	6,325,915	-	26,485,543	46,160
Total assets	31,013,445	30,362,193	7,274,442	1,042,240	69,692,320	3,357,285
DEFERRED OUTFLOWS OF RESOURCES						
Related to pension plan	127,076	-	-	-	127,076	-
Related to OPEB plan	144,337	-	-	-	144,337	-
Total deferred outflows of resources	271,413	-	-	-	271,413	-

(Continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
LIABILITIES						
Current liabilities -						
Accounts payable	$ 1,256,396	$ 36,738	$ 17,118	$ 42,574	$ 1,352,826	$ 438,079
Accrued expenses	34,310	768,652	10,410	2,388	815,760	528,227
Due to other governmental units	16,044	8,226	-	-	24,270	-
Accrued interest payable	37,027	-	-	-	37,027	-
Current portion of long-term liabilities	560,000	-	-	-	560,000	605,000
Current portion of lease liability	306,363	-	-	-	306,363	-
Unearned revenue	-	-	80,889	-	80,889	-
Total current liabilities	2,210,140	813,616	108,417	44,962	3,177,135	1,571,306
Long-term Liabilities (less current portions) -						
Accrued vacation and sick	63,883	-	35,663	-	99,546	-
Accrued insurance claims	-	-	-	-	-	765,000
Net pension liability	354,787	-	-	-	354,787	-
Net OPEB liability	203,125	-	-	-	203,125	-
Bonds payable	5,364,280	-	-	-	5,364,280	-
Lease liability	1,396,324	-	-	-	1,396,324	-
Estimated closure and post closure costs	10,281,142	-	-	-	10,281,142	-
Total long-term liabilities	17,663,541	-	35,663	-	17,699,204	765,000
Total liabilities	19,873,681	813,616	144,080	44,962	20,876,339	2,336,306
DEFERRED INFLOWS OF RESOURCES						
Related to pension plan	6,459	-	-	-	6,459	-
Related to OPEB plan	67,181	-	-	-	67,181	-
Total deferred inflows of resources	73,640	-	-	-	73,640	-
NET POSITION						
Net investment in capital assets	12,432,661	-	6,325,915	-	18,758,576	46,160
Restricted - expendable foreclosure sales	-	3,880,520	-	-	3,880,520	-
Unrestricted (deficit)	(1,095,124)	25,668,057	804,447	997,278	26,374,658	974,819
Total net position	$ 11,337,537	$ 29,548,577	$ 7,130,362	$ 997,278	$ 49,013,754	$ 1,020,979

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
OPERATING REVENUES						
Charges for services	$ 6,411,308	$ 1,275,364	$ 431,550	$ 957,684	$ 9,075,906	$ 15,388,272
Interest and rents	-	1,954,974	246,843	-	2,201,817	-
Other	6,768	2,600	-	7,825	17,193	473,863
Total operating revenues	6,418,076	3,232,938	678,393	965,509	11,294,916	15,862,135
OPERATING EXPENSES						
Personal services	683,686	235,208	330,706	82,439	1,332,039	323,253
Supplies	1,413,337	-	297,074	14,780	1,725,191	3,859
Other services	5,209,419	263,362	297,000	697,281	6,467,062	15,160,578
Closure and post closure costs	471,077	-	-	-	471,077	-
Depreciation	1,481,248	-	440,934	-	1,922,182	3,733
Total operating expenses	9,258,767	498,570	1,365,714	794,500	11,917,551	15,491,423
Operating income (loss)	(2,840,691)	2,734,368	(687,321)	171,009	(622,635)	370,712
NON-OPERATING REVENUES (EXPENSES)						
Investment gain (loss)	228,623	7,628	18,152	2,626	257,029	-
Intergovernmental grants	142,335	-	166,563	-	308,898	-
Interest expense	(156,388)	-	-	-	(156,388)	-
Total non-operating revenues (expenses)	214,570	7,628	184,715	2,626	409,539	-
Net income (loss) before transfers	(2,626,121)	2,741,996	(502,606)	173,635	(213,096)	370,712
TRANSFERS						
Transfers from other funds	2,800,000	-	150,000	-	2,950,000	-
Transfers to other funds	-	(2,261,790)	-	(86,000)	(2,347,790)	-
Total transfers	2,800,000	(2,261,790)	150,000	(86,000)	602,210	-
Change in net position	173,879	480,206	(352,606)	87,635	389,114	370,712
Net position at beginning of year	11,163,658	29,068,371	7,482,968	909,643	48,624,640	650,267
Net position at end of year	$ 11,337,537	$ 29,548,577	$ 7,130,362	$ 997,278	$ 49,013,754	$ 1,020,979

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	$ 6,477,730	$ 14,740,110	$ 743,508	$ 962,147	$ 22,923,495	$ 543,110
Cash receipts from interfund services	-	-	-	-	-	15,388,272
Cash payments to suppliers	(6,046,992)	(12,419,210)	(641,700)	(697,969)	(19,805,871)	(15,354,333)
Cash payments to employees	(674,684)	(99,652)	(279,073)	(74,008)	(1,127,417)	(323,253)
Cash payments for interfund services	(63,552)	-	(43,793)	(7,984)	(115,329)	-
Other cash receipts	149,103	-	166,563	-	315,666	-
Net cash provided by (used in) operating activities	(158,395)	2,221,248	(54,495)	182,186	2,190,544	253,796
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	150,000	-	150,000	-
Transfers to other funds	2,800,000	(2,261,790)	-	(86,000)	452,210	-
Net cash provided by (used in) non-capital related financing activities	2,800,000	(2,261,790)	150,000	(86,000)	602,210	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payments on bonds	(545,000)	-	-	-	(545,000)	-
Interest paid	(159,794)	-	-	-	(159,794)	-
Lease payments	(396,436)	-	-	-	(396,436)	-
Acquisition and construction of capital assets	(2,936,593)	-	(60,869)	-	(2,997,462)	-
Net cash provided by (used in) capital related financing activities	(4,037,823)	-	(60,869)	-	(4,098,692)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	228,623	7,628	18,152	2,626	257,029	-
Purchase of investments	-	(122,233)	-	-	(122,233)	-
Net cash provided by (used in) investing activities	228,623	(114,605)	18,152	2,626	134,796	-
Net increase (decrease) in cash and cash equivalents	(1,167,595)	(155,147)	52,788	98,812	(1,171,142)	253,796
Cash and cash equivalents, beginning of year	11,170,767	20,107,336	791,992	776,531	32,846,626	1,494,383
Cash and cash equivalents, end of year	$ 10,003,172	$ 19,952,189	$ 844,780	$ 875,343	$ 31,675,484	$ 1,748,179

(Continued)

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ (2,840,691)	$ 2,734,368	$ (687,321)	$ 171,009	$ (622,635)	$ 370,712
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -						
Depreciation	1,481,248	-	440,934	-	1,922,182	3,733
Estimated closure and post closure costs	471,077	-	-	-	471,077	-
Intergovernmental grants	142,335	-	166,563	-	308,898	-
Change in assets and liabilities:						
Receivables	99,375	(501,859)	(12,902)	(3,362)	(418,748)	69,247
Inventory	-	-	(5,029)	-	(5,029)	-
Prepaids and deposits	3,854	(647)	1,816	-	5,023	166,952
Deferred outflows/inflows of resources related to pension and OPEB plans	(73,198)	-	-	-	(73,198)	-
Accounts payable/accrued expenses	586,780	136,581	(36,573)	14,539	701,327	(356,848)
Due to/from other governmental units	(29,175)	(147,195)	(1)	-	(176,371)	-
Unearned revenue	-	-	78,018	-	78,018	-
Net cash provided by (used in) operating activities	$ (158,395)	$ 2,221,248	$ (54,495)	$ 182,186	$ 2,190,544	$ 253,796
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Leased assets	$ 2,099,123	$ -	$ -	$ -	$ 2,099,123	$ -

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2025

	Pension and Other Employee Benefits	Landfill Private-Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and cash equivalents	$ 14,252,616	$ 3,291,916	$ 4,411,146
Investments -			
U.S. government/agencies	19,383,165	-	-
Corporate debt	4,142,308	-	-
Stocks	55,284,965	-	-
Mortgage-backed securities	13,425,890	-	-
Mutual funds	244,736,767	-	3,322,812
Partnerships	35,121,688	-	-
Receivables -			
Interest/dividends and accounts	295,827	8,980	289,166
Other	17,773	-	-
Due from other governmental units	-	-	143,419
Total assets	386,660,999	3,300,896	8,166,543
LIABILITIES			
Accounts payable	109,944	-	-
Accrued liabilities	4,151	-	-
Due to individuals and agencies	-	-	5,434,914
Due to other governmental units	-	-	909,073
Undistributed taxes	-	-	1,822,556
Total liabilities	114,095	-	8,166,543
NET POSITION			
Restricted for pension benefits	308,724,441	-	-
Restricted for other postemployment benefits	77,822,463	-	-
Restricted for landfill perpetual care	-	3,300,896	-
Total net position	$ 386,546,904	$ 3,300,896	$ -

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

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended December 31, 2025

	Pension and Other Employee Benefits	Landfill Private-Purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions -			
Member contributions	$ 1,988,572	$ -	$ -
Employer contributions	10,879,824	-	-
Total contributions	12,868,396	-	-
Investment income -			
Net appreciation in fair value of investments	37,971,695	-	-
Interest/dividends	8,718,640	128,018	-
Less - investment expense	(602,664)	(2,500)	-
Net investment income	46,087,671	125,518	-
Other -			
Penal fines	-	-	8,311
Court costs	-	-	1,728,503
Transfer taxes collected	-	-	6,309,381
Concealed weapon permit fees	-	-	143,354
Taxes collected	-	-	95,419,167
Public guardian trust receipts	-	-	7,621,571
Other	8,635	-	616,893
Total other	8,635	-	111,847,180
Total additions	58,964,702	125,518	111,847,180
DEDUCTIONS			
Retirement payroll	20,426,932	-	-
Health/dental insurance	4,065,144	-	-
Death benefits	73,500	-	-
Administration	175,776	-	-
Penal fines paid to libraries	-	-	8,311
Court costs paid to State	-	-	1,728,503
Transfer taxes paid to State	-	-	6,309,381
Concealed weapon permit fees paid to State	-	-	143,354
Taxes paid to other entities	-	-	95,419,167
Payments made on-behalf of public guardian clients	-	-	7,621,571
Other	-	-	616,893
Total deductions	24,741,352	-	111,847,180
Net increase	34,223,350	125,518	-
Net position at beginning of year	352,323,554	3,175,378	-
Net position at end of year	$ 386,546,904	$ 3,300,896	$ -

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

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2025

	Road Commission	Community Mental Health Authority	Land Bank Authority
ASSETS			
Cash and cash equivalents	$ 18,116,771	$ 10,330,141	$ 267,839
Investments	6,147,598	-	-
Receivables (net of allowance)	7,375,395	8,411,486	46,769
Prepaid expenses	383,320	1,020,488	-
Inventory	1,766,814	-	-
Restricted assets -			
Cash and cash equivalents	-	2,938,351	-
Beneficial interest in assets held by others	-	219,022	-
Net OPEB asset	941,146	12,659,523	-
Capital assets (net of accumulated depreciation) -			
Assets not being depreciated	27,885,335	2,176,393	-
Assets being depreciated	184,705,556	11,410,080	-
Total assets	247,321,935	49,165,484	314,608
DEFERRED OUTFLOWS OF RESOURCES			
Related to the pension plan	3,030,569	3,487,137	-
Related to the OPEB plan	3,055,080	2,044,464	-
Deferred charges on bond refunding	-	16,994	-
Total deferred outflows of resources	6,085,649	5,548,595	-
LIABILITIES			
Payables and accrued liabilities	742,702	11,307,708	134
Accrued interest	-	3,318	-
Advances and deposits	1,861,272	-	-
Advance from primary government	-	-	-
Unearned revenue	-	29,168	-
Non-current liabilities -			
Due within one year	503,214	1,542,299	-
Due in more than one year:			
Long-term liabilities	253,469	4,307,004	-
Net pension liability	8,231,778	9,512,611	-
Total liabilities	11,592,435	26,702,108	134
DEFERRED INFLOWS OF RESOURCES			
Leases	199,758	138,204	-
Related to the pension plan	-	31,070	-
Related to the OPEB plan	899,412	2,509,472	-
Taxes levied for a subsequent period	1,588,080	-	-
Total deferred inflows of resources	2,687,250	2,678,746	-
NET POSITION			
Net investment in capital assets	212,590,891	10,934,325	-
Restricted -			
Net OPEB asset	941,146	12,659,523	-
Donations	-	91,238	-
Beneficial interest	-	169,022	-
Debt service	-	-	-
Unrestricted	25,595,862	1,479,117	314,474
Total net position	$ 239,127,899	$ 25,333,225	$ 314,474

Brownfield Redevelopment Authority	Drainage Districts	Totals
$ 378,189	$ 4,839,755	$ 33,932,695
-	-	6,147,598
-	18,805,658	34,639,308
-	-	1,403,808
-	-	1,766,814
-	-	2,938,351
-	-	219,022
-	-	13,600,669
-	1,183,581	31,245,309
-	51,185,674	247,301,310
378,189	76,014,668	373,194,884
-	-	6,517,706
-	-	5,099,544
-	-	16,994
-	-	11,634,244
7,048	242,264	12,299,856
-	136,569	139,887
-	-	1,861,272
-	50,000	50,000
-	-	29,168
52,542	2,082,625	4,180,680
175,776	15,506,215	20,242,464
-	-	17,744,389
235,366	18,017,673	56,547,716
-	-	337,962
-	-	31,070
-	-	3,408,884
-	-	1,588,080
-	-	5,365,996
-	34,780,415	258,305,631
-	-	13,600,669
-	-	91,238
-	-	169,022
-	22,051,967	22,051,967
142,823	1,164,613	28,696,889
$ 142,823	$ 57,996,995	$ 322,915,416

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

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
ROAD COMMISSION				
Governmental activities - highways and streets	$ 34,348,308	$ 7,029,445	$ 28,670,471	$ 6,592,641
COMMUNITY MENTAL HEALTH AUTHORITY				
Business-type activities - health and welfare	118,244,680	111,705,330	5,019,648	-
LAND BANK AUTHORITY				
Governmental activities -				
Community and economic development	71,262	-	68,879	-
BROWNFIELD REDEVELOPMENT AUTHORITY				
Governmental activities -				
Community and economic development	137,707	-	-	-
DRAINAGE DISTRICTS				
Governmental activities -				
Public works	1,302,954	5,067,536	-	-
Interest on long-term debt	704,182	-	-	-
Total drains	2,007,136	5,067,536	-	-
Total component units	$ 154,809,093	$ 123,802,311	$ 33,758,998	$ 6,592,641

General revenues -
Property taxes
Unrestricted investment income
Gain on disposal of fixed assets

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and Change in Net Position					
Road Commission	Community Mental Health Authority	Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Total
$ 7,944,249					$ 7,944,249
	$ (1,519,702)				(1,519,702)
		$ (2,383)			(2,383)
			$ (137,707)		(137,707)
				$ 3,764,582	3,764,582
				(704,182)	(704,182)
				3,060,400	
					9,344,857
1,512,536	-	54,559	154,208	-	1,721,303
653,063	383,045	7,866	-	61,156	1,105,130
-	35,483	-	-	32,560	68,043
2,165,599	418,528	62,425	154,208	93,716	2,894,476
10,109,848	(1,101,174)	60,042	16,501	3,154,116	12,239,333
229,018,051	26,434,399	254,432	126,322	54,842,879	310,676,083
$ 239,127,899	$ 25,333,225	$ 314,474	$ 142,823	$ 57,996,995	$ 322,915,416

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of St. Clair, Michigan (the "County"), was organized on March 28, 1820 and covers an area of approximately 700 square miles, with the County seat located in the City of Port Huron, Michigan. The County operates under an elected Board of Commissioners (7 members) and provides services to its approximately 160,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

These financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

DISCRETELY PRESENTED COMPONENT UNITS

St. Clair County Road Commission - The St. Clair County Road Commission (the "Road Commission") is responsible for the maintenance and construction of the County road system in St. Clair County. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, property taxes, and contributions from other local governmental units within the County. The Road Commission operates under a Board, which consists of three commissioners who are appointed by the County Commissioners who are not County Board members. The Road Commission is financially accountable to the County for the following reasons: all general long-term debt issuance, excluding capital lease purchase agreements, requires County authorization and tax levies require approval of the County Commissioners.

Drainage Districts - The St. Clair County Drain Commissioner is solely responsible for the administration of the drainage districts established pursuant to Act 40, P.A. 1956, as amended, of the Michigan Drain Code. The statutory Inter-County Drainage Boards consists of the State Director of Agriculture and the Drain Commissioners of each County involved in the projects. Each of the drainage districts are separate legal entities. The Drainage Board or Drain Commissioners, 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 Drain Commission is fiscally dependent on the County for its operations and the Drain Commission office is budgeted and reported as part of the County General Fund, except for maintenance and construction of individual drains, which is accounted for through the various drain funds and reported with the discretely presented component unit. Maintenance and construction of individual drains are assessed to the benefited property owner. The full faith and credit of the County is often given for the debt of the drainage district upon authorization of the County Board of Commissioners.

Brownfield Redevelopment Authority - Established under laws of the State of Michigan for the purpose of remediation, removal, and redevelopment of functionally obsolete or formerly blighted or contaminated properties for beneficial uses, the County qualifies for financing public facilities and general infrastructure needs for specific remediation sites. The governing body is appointed by the County Board of Commissioners. Their budget is also approved by the County Board of Commissioners. Funding for the Brownfield Redevelopment Authority is provided by increased tax collections from increased tax values within the designated areas.

St. Clair County Community Mental Health Authority (CMHA) - On January 1, 2000, the St. Clair County Community Mental Health Services Board adopted Authority status under Public Act 290 of the Public Acts of 1995. The County Board of Commissioners appoints the 12-member board, can remove the appointed members at will, can dissolve CMHA, and provides annual appropriations to CMHA.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

St. Clair County Land Bank Authority - Established pursuant to the Michigan Land Bank Fast Track Public Act 258 of 2003 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the St. Clair County Treasurer. The Land Bank Authority is governed by a five-member board including the St. Clair County Treasurer, who is, by law, its Chairperson, and four other members appointed by the St. Clair County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Land Bank Authority is primarily funded through contributions from the County and the Director of the Land Bank Authority is an employee of the County. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

Component Unit Financial Statements - The St. Clair County Road Commission and the St. Clair County Community Mental Health Authority are audited separately and complete financial statements may be obtained from the administration offices at the following locations:

St. Clair County Road Commission
21 Airport Drive
St. Clair, MI 48079

St. Clair County Community Mental Health Authority
3111 Electric Avenue
Port Huron, MI 48060

The component units associated with the activities of the drainage districts administered by the St. Clair County Drain Commissioner, the Land Bank Authority administered by the County Treasurer, and Brownfield Redevelopment Authority are included within the scope of the audit of the basic financial statements. Separate audited financial statements for these component units were not issued.

Fiscal Year-Ends - All of the County Funds and Component Units operate and are reported on a December 31 year-end with the exception of the St. Clair County Community Mental Health Authority, which operates and is reported as of September 30.

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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 funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 collected 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 normally collected within 60 days of the end of the current fiscal period except for reimbursement grants, which are recognized if collected or could have been collected within 90 days, with the exception of changes in the fair value of investments, which are recognized immediately. 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 judgements, are recorded only when payment is due.

State shared revenue, licenses, notes receivable, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenue in the year for which they are levied. 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:

Combined General Fund - is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Budget Incentive and Development Revolving Funds have been included in the Combined General Fund as resources come from the General Fund and can be used for General Fund operations.

Parks and Recreation - is used to account for a County special millage to be used to expand and enhance the County Park system.

Library - is used to account for a County special millage for the operations of the Public Library.

Senior Citizens Millage - is used to account for a County special millage to be used for senior citizens’ activities.

Drug Task Force - is used to account for a County special millage and seized property used for the enhancement of the law enforcement effort pertaining to controlled substances. It also includes funding for drug prevention programs from state and federal sources.

American Rescue Plan - is used to account for proceeds of and the spending of the County’s allocation of American Rescue Plan Act funding.

Opioid Settlement - is used to account for fees received for various settlements related to the opioid crisis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following major proprietary funds:

Solid Waste Disposal System - is used to account for the operations of the County-owned landfill, which provides a disposal area for County commercial and residential refuse.

Delinquent Tax Revolving Fund - is used to account for the payment to each local unit of government within the County of the delinquent real property taxes outstanding as of March 1 of each year. The fund is also used to account for the collection of those delinquent taxes along with penalties and interest. Also, the fund is used to account for the activity related to property foreclosures.

Airport Commission - is used to account for the operation of the County-owned airport, which sells fuel, rents hangars, etc.

Additionally, the County reports the following fund types:

Governmental Fund Types -

Special Revenue Funds - are used to account for the proceeds that are restricted or committed for expenditures for specific purposes other than debt service or capital projects.

Debt Service Funds - are used to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt of governmental funds.

Capital Project Funds - are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary and Trust Funds).

Proprietary Fund Types -

Enterprise Funds - are used to report operations for services to the general public, financed primarily by user charges intended to recover the cost of services provided, and include sheriff's concession, homestead exemption audits, and school tax collection funds.

Internal Service Fund - is used to account for the charges for services from funds and departments for self-funded disability, unemployment, workers' compensation, and health care, and to account for the payment of related insurance claims and expenses.

Fiduciary Fund Types - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. St. Clair County's fiduciary funds include:

Pension and Other Postemployment Benefits Funds - are used to account for activity of the Employees' Retirement System and Employees' Other Postemployment Benefit (OPEB) Plan, which accumulates resources for pension payments and health benefit payments to eligible retirees.

Private Purpose Trust Fund (Landfill Perpetual Care) - is used to account for the accumulation of statutory fees and interest earnings to be used by the State of Michigan to safely maintain the landfill after the closure.

Custodial Funds - are used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units, including tax collections, court fees, and library collections of penal fines.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds 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.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the Enterprise and Internal Service Funds are charges to customers for sales and services and intergovernmental operating grants. Operating expenses from Enterprise and Internal Service Funds include costs of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, investment trust funds, and certificates of deposit with original maturities of three months or less from the date of acquisition. The investment trust funds have the general characteristics of demand deposit accounts, in that the County may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty, and are reported as cash and cash equivalents.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at their carrying amount which reasonably approximates fair value.

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

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

Receivables and Payables

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 non-current 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."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when purchased. Inventories of the Road Commission are stated at average cost recognized using the consumption method (recorded as expense when used). All other inventories are held for resale and are valued at the lower of cost or market using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and proprietary fund type statements using the consumption method. In the governmental fund financial statements, the purchases method is used, except for prepaid postage and spendable endowment deposits with the Community Foundation, which are recorded as prepaid items using the consumption method.

Properties Held for Sale

Properties held for sale in the Land Bank Authority are foreclosure properties purchased from the primary government to hold, manage, and develop to be productive and economically viable. These properties are stated at the lower of cost or market using the specific identification method and are recognized using the consumption method.

Property Tax Calendar

The property taxes for the County's general fund are levied on July 1 (the lien date), with all special purpose taxes levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund levy is recognized in the year of the levy. The special purpose taxes that are levied on December 1 are recorded as a receivable and deferred inflow of resources since they are levied for the subsequent year operations. For the year, the County levied 5.3153 mills for the General Fund, 0.4944 mills for Parks and Recreation, 1.2000 mills for Library, 0.7983 mills for Senior Citizens, 1.0000 mills for Veterans, 0.5598 mills for Drug Task Force, and 0.2495 mills for Roads.

Leases

The County is a lessee for noncancelable leases of buildings. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations of the statement of net position.

The Road Commission is a lessor for a noncancelable lease of property. The Road Commission recognizes a lease receivable and a deferred inflow of resources.

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

Key estimates and judgments include how the Road Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The incremental borrowing rate is used as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Subscriptions

The County obtains the right to use vendors' information technology software through various long-term contracts. The County recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset").

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key estimates and judgements related to subscriptions include how the County determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The County uses the interest rate charged by the vendor as the discount rate, if included in the contract. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription.

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

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drainage Districts component units. The government defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year, except for the St. Clair County Road Commission, which capitalizes assets with an individual cost of $1,000 or more. The Road Commission also capitalizes road equipment without consideration of a minimum cost. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives, with the exceptions for certain landfill assets, which are depreciated based on the usage method, and road equipment, which is depreciated based on the sum-of-the-years' digits method:

	In Years			
	Primary Government	Road Commission	Community Mental Health	Drain Districts
Buildings/improvements	10-45	20-50	5-30	-
Drainage systems	-	-	-	50
Road systems/other infrastructure	-	8-50	-	-
Equipment	3-20	4-20	4-7	-
Books/audiovisual	5-10	-	-	-

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All vested vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements if determined to be likely to be paid out to employees. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations.

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 governmental activities, business-type activities, or proprietary fund type statements 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 proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. The County has items that qualify for reporting in this category. A deferred charge on refunding is reported on the government-wide statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other items deferred by the County are related to the pension plan and OPEB plan and are reported on the government-wide statement of net position and enterprise fund financial statements. The contributions made subsequent to the measurement date are recognized in the following plan year; the difference between projected and actual plan investment earnings is amortized over five (5) years, and the remaining deferred items are amortized over the average remaining service lives of the participants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time. The County has items that qualify for reporting under this category, including taxes levied for a subsequent period, leases, unavailable revenues that are not collected within the 60-day or 90-day availability period, and items related to the pension plan and the OPEB plan. The County had unavailable revenues primarily from delinquent personal property taxes, long-term contract paid by other governmental units and individuals, fees, and expense reimbursement grants. The amounts are recognized as an inflow of resources in the period for which the tax is levied and in the period the amounts become available, and leases are recognized as a deferred inflow of resources in the period paid. The deferred inflows of resources related to the pension plan and OPEB plan are amortized over the expected remaining service lives of the participants, with the exception of the difference between projected and actual plan investment earnings, which is amortized over five (5) years.

Fund Balance

In the fund financial statements, governmental funds reported fund balances in one or more of the following classifications:

Nonspendable Fund Balance – the portion of fund balance that is not in a spendable form.

Restricted Fund Balance – the portion of fund balance that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance – the portion of fund balance that is set aside for a specific purpose by the County itself, using the highest level of decision-making authority (Board of Commissioners) by the passage of a resolution.

Assigned Fund Balance – the portion of fund balance that reflects the County's intended use of resources. Currently, the Administrator/Controller has the authority to set aside funds pursuant to the County's Fund Balance Policy. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the Combined General Fund is reported as assigned.

Unassigned Fund Balance – the portion of fund balance in the Combined General Fund that cannot be classified into one of the four categories above and the reporting of any negative fund balance of other governmental funds.

When different classifications of fund balance are present, it is the County's policy that expenditures are to be spent from restricted fund balance first, if appropriate, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Programs

Federal Programs are accounted for in specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit will be issued prior to September 30, 2025 under a separate cover as supplementary information to the Annual Financial Report.

Upcoming Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued the following statements that will have an impact on the County's financial statements when adopted. The County is currently evaluating the implications of the pronouncements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This statement is effective for the County's fiscal year ending December 31, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement establishes types of assets required to be disclosed separately within the capital asset note, as well as information disclosed for assets held for sale. This statement is effective for the County's fiscal year ending December 31, 2026.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The General and Special Revenue Funds budgets shown in the financial statements were prepared on a basis consistent with accounting principles generally accepted in the United States of America. The County employs the following procedures in establishing the budgetary data reflected in the financial statements:

1) Prior to November 1, County departments, in conjunction with the Administrator/Controller's Office, prepare and submit their proposed operating budgets for the calendar year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.

2) A Public Hearing is conducted to obtain taxpayers' comments.

3) Prior to December 31, the budgets are legally enacted through passage of a Board of Commissioners' resolution.

4) The budgets are legally adopted at the activity (department) level for the General Fund and the functional level for the Special Revenue Funds; however, for control purposes the budgets are maintained at the account level.

5) Formal budgetary integration is not employed for the Debt Service or Capital Projects Funds on an annual basis because effective budgetary control is achieved through project length financial plans.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

6) After the budgets are adopted, the Administrator/Controller's Office is authorized to transfer budget amounts between accounts. Any revisions that exceed the total activities or functions as applicable must be approved by the Board of Commissioners.

7) The County does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.

8) Budgeted amounts are reported as originally adopted, or as amended by the Board of Commissioners during the year.

Similar procedures are followed in the case of the Component Units included in the reporting entity of St. Clair County, except that the respective Administrator/Director of each performs the function described above rather than the County Administrator/Controller. Budgetary comparisons have not been made for the component unit financial statements but are available in their separately issued component unit financial statements.

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control (any overages at the legal level of budgetary control greater than 10% of the total expenditure and the overage itself is larger than 10%). During the year ended December 31, 2025, the County had no overages that exceeded these thresholds.

NOTE 3 - DEPOSITS AND INVESTMENTS

Authorized Deposits and Investments

Investments are carried at cost or fair value as explained in Note 1 and are deposited in the name of the St. Clair County Treasurer. Act 217 PA 1982 as amended authorizes the County to deposit in certificates of deposit, savings accounts, depository accounts or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.

Investments, except those of the Retirement System, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended, and the Investment Policy as adopted by the County's Board of Commissioners. The County's Investment Policy allows for the following instruments:

1) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.

3) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase. Not more than 50% of County funds shall be invested in commercial paper.

4) Repurchase agreements consisting of instruments listed in (1) above.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

5) Bankers' acceptances of United States banks, with a maturity date not to exceed 270 days. Not more than 50% of County funds shall be invested in bankers' acceptances.

6) Obligations of this state or any of its political subdivisions that, at the time of purchase, are rated as investment grade by not less than one standard rating service.

7) Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This authorization is limited to securities whose intention is to maintain a net asset value of $1.00 per share.

8) Obligations described in (1.) through (7.) above if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA7, MCL 124.501 to 124.512.

9) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.

10) Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Carrying Amount

At year-end, the carrying amount of the County reporting entity's deposits and investments is as follows:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash on hand -				
Petty cash and cash on hand	$ 60,640	$ 250	$ -	$ 60,890
Deposits with financial institutions -				
Checking/savings/certificates of deposit/money market	72,287,286	43,018,394	4,450,412	119,756,092
Investments -				
Money market funds	22,311,816	-	17,505,266	39,817,082
Commercial paper	10,536,158	-	-	10,536,158
U.S. government/agencies	-	-	19,383,165	19,383,165
Corporate debt	-	-	4,142,308	4,142,308
Stocks	-	-	55,284,965	55,284,965
Mortgage-backed securities	-	-	13,425,890	13,425,890
Mutual funds	-	-	248,059,579	248,059,579
Partnerships	-	-	35,121,688	35,121,688
Total investments	32,847,974	-	392,922,861	425,770,835
Grand total	$ 105,195,900	$ 43,018,644	$ 397,373,273	$ 545,587,817

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the Statements of Net Position

Reported as cash and cash equivalents -	
Petty cash and cash on hand	$ 60,890
Cash in checking/savings	109,608,494
Money market funds	39,817,082
Total cash and cash equivalents reported on statements of net position	149,486,466
Reported as investments -	
Marketable CD's/certificates of deposit	10,147,598
Commercial paper	10,536,158
U.S. government/agencies	19,383,165
Corporate debt	4,142,308
Stocks	55,284,965
Mortgage-backed securities	13,425,890
Mutual funds	248,059,579
Partnerships	35,121,688
Total investments reported on statements of net position	396,101,351
Grand total - statements of net position	$ 545,587,817

Deposits with Financial Institutions

The County has deposits and investments, which are maintained for its primary government, component units, and fiduciary fund types.

Michigan Public Acts authorize the units of local government in Michigan to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations. All deposits of the County are at federally insured banks in the State of Michigan in the name of the County.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned. As an indication of the level of deposit custodial credit risk assumed by the County at year-end, the bank balance of the County's deposits was $124,550,316, of which $71,676,917 was insured and the remaining $52,873,399 was uninsured, uncollateralized, and in the County's name.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The County's investment policy does not address custodial credit risk for deposits.

An element of the County cash structure is the common account, which is utilized by most of the funds and component units within the reporting entity. Segregation of the bank balance between the primary government and component units was not practical. The bank balance of the common checking account was included as part of the primary government's demand deposits for the determination of FDIC insurance coverage.

The County believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk. The County uses only those financial institutions with an acceptable estimated risk level as depositories.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Excluding Retirement)

Credit Risk - Investments

State law limits investment in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization. The County had $10,536,158 invested in commercial paper at December 31, 2025, all of which were rated either A1 or A2 by Standard & Poor's and P1 or P2 by Moody's. The County has $22,311,816 invested in money market funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The County's investment policy does not specifically address credit risk for investments. The money market funds have been rated as follows:

	Amount	Rating	Rating Agency	Average Days to Maturity
Primary government -				
MBIA Michigan CLASS	$ 22,310,444	AAAm	S & P	73
Dreyfus government cash management shares	1,372	AAAm	S & P	51
Custodial fund -				
MBIA Michigan CLASS	36,480	AAAm	S & P	73

Michigan Cooperative Liquid Assets Security System ("Michigan CLASS") is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however, does issue a separate audited financial statement. Michigan CLASS operates like a money market mutual fund, with each share valued at $1.00. Fair value of the County's position in the pool is the same as the value of the Michigan CLASS pool shares.

The money market funds invest primarily in short-term debt securities, U.S. government supported corporate debt, federal agencies, U.S. treasuries, and repurchase agreements. They are registered with the SEC and issue audited financial statements. Each share is valued at $1.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in possession of another party.

The securities of the pool are safe kept with a third party selected by the counterparty. However, the pool's securities are held in trust for the participants of the fund that are not available to the counterparty if the counterparty should happen to fail. As of December 31, 2025, $13,858,970 in investments were held in third-party safekeeping in the County's name. The County's investment policy does not limit the amount of securities that can be held by counterparties.

Concentration of Credit Risk - Investments

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County's formal investment policy attempts to minimize risk by diversifying its investments by maturity dates, individual financial institutions, and/or security type, so that potential loss on individual securities do not exceed the income generated from the remainder of the portfolio. However, the County's policy does not restrict the amount that can be invested with any one issuer, financial institution, or type of investment.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - ***Investments***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County's investment policy specifies investments should yield a rate of return commensurate with a recognized level of risk for like investments. Also, the County's investment portfolio should be designed with the specific objective of attaining a market rate of return through the various economic cycles, taking into account the County's investment risk, legal constraints on investments, County policy constraints on investments, and cash flow requirements. At year-end, the County's investments have the following range of maturity dates:

		Maturity (Years)	
Investment Types	Fair Value	<1	1-5
Money market funds	$ 39,817,082	$ 39,817,082	$ -
Commercial paper	10,536,158	10,536,158	-
Certificates of deposit (1)	10,147,598	4,000,000	6,147,598

(1) Presented to give an overall view of associated interest rate risk

Investments - Fiduciary Funds

The Retirement System investments are made in accordance with Act 314 of the Michigan Public Acts of 1965, as amended, as well as the Investment Policy adopted by the Board of Trustees of the St. Clair County Employees' Retirement System. Investments in stock are limited to no more than 70% in U.S. Stocks and 20% in foreign stocks. Additionally, investments must comply with the following guidelines:

US Equities - Permitted from 11% up to maximum of 51% for active or passive growth or broad value, large-, mid-, and small-cap investments. Managers may invest up to 10% of their portfolio in the outstanding securities of one issuer. ADR's are permitted up to a maximum of 10% of each portfolio.

International Equities - Active, broad, or focused international equities ranging from 10% to 20% of pension assets. No more than 7.5% of the portfolio at cost or 10% at market rate in any one security.

Global Fixed Income - Active or core plus with an allocation ranging from 20% to 45% of plan assets. No more than 5% of the portfolio at market value may be invested in one issuer, except Treasury and Agency securities. At least 90% of debt securities must have a quality rating of Baa or higher. The account may invest up to 10% of the portfolio market value in securities rated BB to CCC.

Master Limited Partnerships - Active or passive investments ranging from 0% to 8% of plan assets.

Commercial Real Estate - Core, value-added, opportunistic, open-ended, closed, and private investments ranging from 10% to 20% of Plan assets. No more than 10% of the portfolio in properties where there is significant leasing risk, no more than 50% of the portfolio's assets will be invested in all types of leverage, no more than 20% of total assets will be invested in publicly traded REITs, no more than 5% of total assets will be invested in non-traditional property types and structures, no more than 20% of commitments in a single farm land property without approval of the Advisory Committee, no more than 10% of commitments outside of U.S. without approval, will not utilize leverage exceeding 25% of the aggregate sum of commitments.

Alternative Investments - Hedge funds, private equity, private debt, and real assets ranging from 0% to 10% of plan assets. No more than 8% of the portfolio's assets in the outstanding securities of one hedge fund.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Pension investments are made through the use of investment advisors, which are selected and retained by the Retirement Board. The advisors serve at the pleasure of the Retirement Board as provided by investment agreements. At December 31, 2025, the Retirement System had 10 investment advisors. As of December 31, 2025, the County had the following investment types in its retirement fund:

Investment Types	Fair Value	Percentage
U.S. government/agencies	$ 19,383,165	5.02 %
Corporate debt	4,142,308	1.07
Stocks	55,284,965	14.31
Mortgage-backed securities	13,425,890	3.48
Mutual funds	244,736,767	63.36
Partnerships	35,121,688	9.09
	372,094,783	96.33
Money market funds (1)	14,176,870	3.67
Total	$ 386,271,653	100.00 %

(1) These money market funds invest primarily in high quality commercial paper, U.S. Treasuries and government agencies, and other money market securities.

The fiduciary funds' money market funds have been rated as follows:

	Amount	Rating	Rating Agency	Average Days to Maturity
Federated -				
Treasury obligations fund	$ 9,550,090	AAAm	S & P	41
Huntington conservative deposit	4,626,780		Not rated	N/A

Credit Risk

The Retirement Board's adopted Statement of Investment Policies Procedures and Objectives states that all debt securities, except Treasuries and Agencies, must have a quality rating of B or above at the time of issue and allows up to 25% of the portfolio in BB to CCC rated securities. If more than allowed value of securities is within that investment grade, it shall be reported to the Retirement Board immediately along with a proposed plan of action. As of December 31, 2025, investments held in the Retirement System excluding money market funds, partnerships, hedge funds, mutual funds, U.S. government/agencies, mortgage-backed securities, and stocks had the following Standard & Poors ratings:

Fair Value	Ratings
$ 1,087,741	A+
219,185	AAA
499,251	A
1,608,067	A-
728,064	BBB+
$ 4,142,308	

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

The risk that, in the event of a failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another third party. The Retirement System's Investment Policy requires that all investment transactions shall be conducted through a custodian that will act as the Retirement System's third party. Securities shall be held by the custodian, as designated by the Retirement Board, and shall be evidenced by a custodial report. As of December 31, 2025, $350,780,983 in investments was held in third-party safekeeping in the County's name.

Concentration of Credit Risk

The Retirement Board's investment policy states that no more than 5% of the Retirement System's assets may be invested with one issuer, except U.S. Treasuries and Agencies, which have no limitation. The Retirement System did not hold 5% or more in any one issuer.

Interest Rate Risk

The Retirement Board's adopted Statement of Investment Policy and Objectives places no limitation on the Retirement System's fixed income manager on the length to maturity for fixed income investments. Having staggered maturities will reduce the retirement system's risk exposure to rising interest rates. As of December 31, 2025, the fiduciary funds' investments had the following maturities:

		Years			
Investment	Fair Value	<1	1-5	6-10	>10
Corporate debt	$ 4,142,308	$ 499,251	$ 2,112,710	$ 1,530,347	$ -
Mortgage-backed securities	13,425,890	83	-	-	13,425,807
U.S. government/agencies	19,383,165	2,551,684	13,611,247	3,220,234	-

Fair Value of Investments

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

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, the fair value measurements are categorized based on the lowest level input that is significant to valuation. The County's assessment of the significance of particular inputs used requires judgement and consideration of factors specific to each.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The County has the following recurring fair value measurements as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Corporate debt	$ -	$ 4,142,308	$ -	$ 4,142,308
Stocks	55,284,965	-	-	55,284,965
Mutual funds	248,059,579	-	-	248,059,579
U.S. government/agencies	-	19,383,165	-	19,383,165
Mortgage-backed securities	-	13,425,890	-	13,425,890
	$ 303,344,544	$ 36,951,363	$ -	340,295,907
Money market funds				39,817,082
Partnerships valued at NAV				35,121,688
Commercial paper				10,536,158
Marketable CD's				-
				$ 425,770,835

The fair value of corporate debt, U.S. government/agencies, and mortgage-backed securities are based on inputs (pricing) of similar assets at or near December 31, 2025.

Money market funds and commercial paper are recorded at amortized cost, which approximates fair value and these funds are not subject to the fair value disclosures under GASB Statement No. 72. The funds do not require notification of redemptions.

At year-end, the fair value, unfunded commitments, and redemption rules of the partnerships' investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Partnerships	$ 35,121,688	$ 6,186,000	Varies*	Varies*

* Redemption frequency and notice periods of each investment vary from the end of each quarter to not applicable through the commitment period.

NOTE 4 - RECEIVABLES

Receivables at December 31, 2025 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Property taxes	$ 26,818,245	$ 5,659,736
Interest and accounts	10,617,060	2,457,120
Intergovernmental	5,308,563	254,548
	42,743,868	8,371,404
Less - allowance for uncollectible	(429,204)	(345,131)
	$ 42,314,664	$ 8,026,273
Amount not expected to be collected within one year	$ 7,931,438	$ 100,000

NOTE 5 - CAPITAL ASSETS

Primary Government

Capital asset activity of the primary government for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Disposals/ Adjustments	Balance December 31, 2025
Governmental activities				
Capital assets, not being depreciated -				
Land	$ 15,352,329	$ -	$ -	$ 15,352,329
Construction in progress	4,558,669	4,894,211	5,367,623	4,085,257
Total capital assets, not being depreciated	19,910,998	4,894,211	5,367,623	19,437,586
Capital assets, being depreciated -				
Buildings	103,702,990	4,927,172	-	108,630,162
Improvements other than buildings	10,240,187	171,000	-	10,411,187
Machinery and equipment	29,696,919	3,904,481	589,115	33,012,285
Books	6,425,912	540,818	338,116	6,628,614
Subscription assets	679,145	196,071	-	875,216
Right-to-use assets - buildings	1,489,397	461,542	-	1,950,939
Total capital assets, being depreciated	152,234,550	10,201,084	927,231	161,508,403
Less - accumulated depreciation/ amortization for -				
Buildings	54,688,816	2,708,798	-	57,397,614
Improvements other than buildings	6,936,535	420,791	-	7,357,326
Machinery and equipment	21,616,426	2,695,295	589,115	23,722,606
Books	4,830,462	390,921	338,116	4,883,267
Subscription assets	320,281	201,144	-	521,425
Right-to-use assets - buildings	79,246	200,983	-	280,229
Total accumulated depreciation/ amortization	88,471,766	6,617,932	927,231	94,162,467
Total capital assets, being depreciated/amortized, net	63,762,784	3,583,152	-	67,345,936
Governmental activities capital assets, net	$ 83,673,782	$ 8,477,363	$ 5,367,623	$ 86,783,522

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance January 1, 2025	Additions	Disposals/ Adjustments	Balance December 31, 2025
Business-type activities				
Capital assets, not being depreciated -				
Land	$ 2,201,579	$ -	$ -	$ 2,201,579
Capital assets, being depreciated/amortized -				
Buildings	8,271,310	-	-	8,271,310
Improvements other than buildings	42,858,118	-	-	42,858,118
Machinery and equipment	11,012,597	2,997,462	-	14,010,059
Right-to-use assets - equipment	-	2,099,123	-	2,099,123
Total capital assets, being depreciated	62,142,025	5,096,585	-	67,238,610
Less - accumulated depreciation/amortization for -				
Buildings	4,539,042	319,853	-	4,858,895
Improvements other than buildings	29,838,907	849,357	-	30,688,264
Machinery and equipment	6,754,515	665,509	-	7,420,024
Right-to-use assets - equipment	-	87,463	-	87,463
Total accumulated depreciation/ amortization	41,132,464	1,922,182	-	43,054,646
Total capital assets, being depreciated/amortized, net	21,009,561	3,174,403	-	24,183,964
Business-type activities capital assets, net	$ 23,211,140	$ 3,174,403	$ -	$ 26,385,543

Depreciation/amortization expense for 2025 was charged to functions/programs of the primary government as follows:

Governmental activities -	
Judicial	$ 176,555
General government	1,484,964
Public safety	2,833,347
Health and welfare	361,812
Public works	38,258
Recreation and cultural	1,718,895
Community and economic development	368
Total depreciation/amortization expense - governmental activities	6,614,199
Depreciation in the internal service fund	3,733
	$ 6,617,932
Business-type activities -	
Solid waste disposal system	$ 1,481,248
Airport commission	440,934
Total depreciation/amortization expense - business-type activities	$ 1,922,182

NOTE 5 - CAPITAL ASSETS (Continued)

Construction/Purchase Commitments

The County has committed to the following contracts at December 31, 2025 (These commitments do not include any change orders made after December 31, 2025):

	Contract Amount	Payments Through 12/31/2025	Accounts Payable/ Retention	Remaining Balance 12/31/2025
Removal and replacement of jail chillers (a)	$ 891,590	$ -	$ 49,500	$ 842,090
Court case management software system (b)	1,150,000	-	-	1,150,000
Simulcast site and dispatch (c)	5,023,205	2,762,763	-	2,260,442

The County has open contracts at December 31, 2025 for:

(a) Removal and replacement of chillers at the County jail
(b) Case management software system for the Court
(c) Addition of Simulcast site and addition to dispatch

Discretely Presented Component Units

Drainage Districts

Activity for the Drainage Districts for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets, not being depreciated -				
Right-of-ways	$ 1,030,875	$ -	$ -	$ 1,030,875
Construction in progress	2,901,623	265,440	3,014,357	152,706
Total capital assets, not being depreciated	3,932,498	265,440	3,014,357	1,183,581
Capital assets, being depreciated -				
Infrastructure	62,093,192	4,979,491	-	67,072,683
Equipment	89,911	-	14,100	75,811
Total capital assets, being depreciated	62,183,103	4,979,491	14,100	67,148,494
Less - accumulated depreciation for -				
Infrastructure	14,872,646	1,014,363	-	15,887,009
Equipment	88,667	1,244	14,100	75,811
Total accumulated depreciation	14,961,313	1,015,607	14,100	15,962,820
Total capital assets, being depreciated, net	47,221,790	3,963,884	-	51,185,674
Total capital assets, net	$ 51,154,288	$ 4,229,324	$ 3,014,357	$ 52,369,255

Depreciation expense for 2025 was $1,015,607.

NOTE 5 - CAPITAL ASSETS (Continued)

Road Commission

Activity for the Road Commission for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Disposals/ Removals	Balance December 31, 2025
Capital assets, not being depreciated -				
Land	$ 65,629	$ -	$ -	$ 65,629
Land improvements	24,590,395	-	-	24,590,395
Right-of-ways	3,229,311	-	-	3,229,311
Total capital assets, not being depreciated	27,885,335	-	-	27,885,335
Capital assets, being depreciated -				
Building and improvements	6,485,604	31,720	-	6,517,324
Road equipment	23,998,220	2,362,243	448,768	25,911,695
Shop equipment	795,596	84,722	11,971	868,347
Office equipment	191,173	-	19,440	171,733
Engineering equipment	378,265	21,586	38,627	361,224
Infrastructure -				
Roads	179,636,514	11,394,464	15,740,965	175,290,013
Bridges	111,136,703	5,077,873	-	116,214,576
Traffic signals	460,813	346,678	-	807,491
Depletable assets - gravel pits	163,455	-	-	163,455
Total capital assets, being depreciated	323,246,343	19,319,286	16,259,771	326,305,858
Less - accumulated depreciation for -				
Building and improvements	4,339,521	149,380	-	4,488,901
Road equipment	18,484,859	2,125,909	443,400	20,167,368
Shop equipment	619,861	21,051	11,971	628,941
Office equipment	184,567	2,848	19,440	167,975
Engineering equipment	323,303	25,393	36,360	312,336
Infrastructure -				
Roads	80,996,879	8,873,166	15,740,965	74,129,080
Bridges	38,464,512	2,713,452	-	41,177,964
Traffic signals	455,763	25,632	-	481,395
Depletable assets	46,342	-	-	46,342
Total accumulated depreciation	143,915,607	13,936,831	16,252,136	141,600,302
Total capital assets, being depreciated, net	179,330,736	5,382,455	7,635	184,705,556
Total capital assets, net	$ 207,216,071	$ 5,382,455	$ 7,635	$ 212,590,891

Depreciation expense for 2025 was $13,936,831.

NOTE 5 - CAPITAL ASSETS (Continued)

Community Mental Health Authority

Activity for the Community Mental Health Authority for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Disposals/ Adjustments	Balance September 30, 2025
Capital assets, not being depreciated -				
Land	$ 1,774,936	$ 310,535	$ -	$ 2,085,471
Non-depreciable equipment	5,252	-	-	5,252
Construction in progress	290,579	1,540,107	1,745,016	85,670
Total capital assets, not being depreciated	2,070,767	1,850,642	1,745,016	2,176,393
Capital assets, being depreciated -				
Building	19,750,789	1,124,190	-	20,874,979
Leasehold improvements	54,980	13,800	-	68,780
Equipment and furniture	3,616,235	953,023	172,955	4,396,303
Right-to-use asset - building	138,878	-	138,878	-
Total capital assets, being depreciated	23,560,882	2,091,013	311,833	25,340,062
Less - accumulated depreciation for -				
Building	10,580,812	718,147	-	11,298,959
Leasehold improvements	54,980	690	-	55,670
Equipment	2,355,042	393,266	172,955	2,575,353
Right-to-use asset - building	127,305	11,573	138,878	-
Total accumulated depreciation	13,118,139	1,123,676	311,833	13,929,982
Total capital assets, being depreciated, net	10,442,743	967,337	-	11,410,080
Total capital assets, net	$ 12,513,510	$ 2,817,979	$ 1,745,016	$ 13,586,473

Depreciation expense for 2025 was $1,123,676.

NOTE 6 - PAYABLES

Payables at December 31, 2025 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable/accrued expenses	$ 3,840,565	$ 2,121,478
Wages and fringe benefits	2,664,615	47,108
Accrued interest	85,620	37,027
Intergovernmental	1,186,360	24,270
	$ 7,777,160	$ 2,229,883

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

The composition of interfund balances as of December 31, 2025 is as follows:

Advances From/To Primary Government and Component Unit

Receivable Entity	Payable Entity	Amount
Primary government -	Component unit -	
Combined general fund	Drainage districts	$ 50,000

This amount represents the long-term loan between entities for operating cash flow purposes ($50,000) and capital purposes.

Transfers From/To Other Funds

Receiving Fund	Expending Fund	Amount	
Combined general	Drug task force	$ 594,258	(4)
	Opioid settlement	29,625	(4)
	E-911	1,409,728	(4)
	Sheriff's concession	86,000	(4)*
Solid waste disposal	Combined general	2,800,000	(1)*
Nonmajor governmental funds -			
Convention center	Combined general	450,000	(1)
Health department	Combined general	1,838,604	(1)
Friend of court	Family counseling	15,000	(4)
Human services	Combined general	29,001	(1)
Child care	Combined general	2,344,553	(1)
Indigent defense	Combined general	756,045	(1)
Public improvement	Combined general	1,266,936	(3)
Jail/juvenile facility debt	Delinquent tax revolving	2,261,790	(2)*
Convention center debt	Combined general	217,944	(2)
Nonmajor enterprise fund -			
Airport commission	Combined general	150,000	(1)*
Total transfers		$ 14,249,484	

(1) Annual appropriations for operations
(2) Transfers for the payment of debt
(3) Transfers for construction/equipment
(4) Transfers to cover costs
* Net transfers between governmental and business-type activities

NOTE 8 - LEASES

Primary Government

The County has entered into an agreement with the Community Mental Health Authority, a component unit of the County, for the use of the Community Mental Health building. Under this agreement, the County issued bonds that were used for the construction of the facility. The Community Mental Health Authority has agreed to pay the County the amount necessary to pay the principal, interest, and paying agent fees as they come due. Upon final payment of the bond issue, ownership of the building will revert to the Community Mental Health Authority. The building asset has been recorded in the financial statements of the Community Mental Health Authority.

The future minimum payments to be received are as follows:

	Principal	Interest
2026	$ 900,000	$ 56,250

In 2024, the County leased a building from a third party. The lease requires 116 monthly payments ranging from $13,800 to $15,022, including interest of 4%. During 2022, the County leased another building from a third party. The lease requires 84 monthly payments of $1,800, including interest of 4%. In 2025, the County leased a building from a third party. The lease requires 60 monthly payments of $8,500, including interest of 4%.

In 2025, the landfill leased equipment from a third party. The leases require 6 annual payments of $270,826 and $125,609, including interest of 5.29%.

Lease asset activity of the County is included in Note 5. The remaining terms of the agreements are 3-9 years.

The future minimum principal and interest payments are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2026	$ 220,469	$ 64,644	$ 306,363	$ 90,072
2027	233,647	55,673	322,570	73,865
2028	243,257	46,419	339,635	56,801
2029	237,288	36,721	357,601	38,835
2030	202,375	27,857	376,518	19,918
2031-2034	646,943	48,095	-	-
Total lease payable	$ 1,783,979	$ 279,409	$ 1,702,687	$ 279,491

Component Unit - Road Commission

The Road Commission has a significant lease agreement with an unrelated third-party leasing property. The lease is from September 21, 2022 to September 20, 2027 with an option of one additional five-year term. Lease payments of $9,583 are payable monthly, including interest at an implied interest rate of 4%. Lease payments increase 2% each year.

The Road Commission collected $120,444 from this lease for the year ended December 31, 2025, which included $110,044 in lease revenues and $10,400 in lease interest revenue.

NOTE 8 - LEASES (Continued)

A lease receivable and deferred inflow of resources have been recorded to reflect future expected payments. Future minimum payments are as follows:

Year ending December 31,	Amount
2026	$ 116,981
2027	82,777
Total receivable	$ 199,758

NOTE 9 - CONDUIT DEBT OBLIGATIONS

Limited Tax General Obligation bonds were issued under the provisions of Act 185, Public Acts of Michigan, 1957, as amended, to provide capital financing to cities and townships within St. Clair County for construction of water supply and sewage disposal systems. The Bonds are anticipated to be repaid primarily from semi-annual contractual payments from the local unit which has pledged its limited tax full faith and credit for the payment of the bonds. The County has irrevocably pledged the contractual payments from the local unit to pay the bond principal and interest. As additional security for the payment of the Bonds, the County has pledged its full faith and credit for the payments should the local units' payment prove insufficient for any reason. Upon final payment of the respective bond issue or loans, ownership of the system will revert to the respective municipality.

In accordance with GASB Statement No. 91, these bonds are considered conduit debt, and therefore, a liability has not been recorded for the related conduit debt obligation or a receivable for the payments related to those arrangements. At December 31, 2025, the aggregate outstanding principal amount was $1,271,954.

The future minimum payments to be received/paid are as follows:

	Governmental Activities	
	Principal	Interest
2026	$ 470,000	$ 36,154
2027	476,954	21,568
2028	200,000	9,719
2029	125,000	2,625
	$ 1,271,954	$ 70,066

NOTE 10 - LONG-TERM LIABILITIES

PRIMARY GOVERNMENT

The following is a summary of changes in the long-term debt (including current portions) of the Primary Government for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Governmental activities					
Governmental funds -					
General obligation bonds:					
2015 refunding bonds, series A	$ 1,800,000	$ -	$ 900,000	$ 900,000	$ 900,000
2020 refunding bonds	8,865,000	-	2,105,000	6,760,000	2,205,000
2022 refunding bonds	6,380,000	-	270,000	6,110,000	280,000
Amounts for - issuance premiums	525,359	-	102,256	423,103	-
Other direct borrowings:					
Drain districts	3,186,274	10,106	416,989	2,779,391	396,913
Installment purchase	32,904	-	32,904	-	-
Leases	1,429,652	461,542	107,215	1,783,979	220,469
Subscriptions	368,076	196,071	201,127	363,020	175,196
Other liabilities:					
Accumulated vacation, sick, and compensatory leave*	7,597,814	485,096	-	8,082,910	-
Total governmental funds	30,185,079	1,152,815	4,135,491	27,202,403	4,177,578
Internal service fund -					
Other liabilities:					
Workers' compensation claims liability	65,000	35,000		100,000	37,000
General, auto, and property insurance claims liability	903,000	367,000		1,270,000	568,000
Total internal service fund	968,000	402,000	-	1,370,000	605,000
Total governmental activities	31,153,079	1,554,815	4,135,491	28,572,403	4,782,578
Business-type activities					
Enterprise funds -					
Solid waste disposal system:					
General obligation bonds -					
2010 general obligation	3,889,280	-	390,000	3,499,280	400,000
2014 general obligation	2,580,000	-	155,000	2,425,000	160,000
Other direct borrowings:					
Leases	-	2,099,123	396,436	1,702,687	306,363
Other liabilities -					
Closure and post-closure costs	9,810,065	471,077	-	10,281,142	-
Accumulated vacation, sick, and compensatory leave*	44,729	19,154	-	63,883	-
Airport commission -					
Other liabilities:					
Accumulated vacation, sick, and compensatory leave*	30,700	4,963	-	35,663	-
Total enterprise funds	16,354,774	2,594,317	941,436	18,007,655	866,363
Total primary government	$ 47,507,853	$ 4,149,132	$ 5,076,927	$ 46,580,058	$ 5,648,941

* Reported net

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Significant details regarding outstanding long-term debt (including current portions) are presented as follows:

2015 Refunding Bonds, Series A	
The County issued $7,480,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $8,000,000 of 2007 General Obligation Series A Bonds. These bonds were issued to fund the Community Mental Health Authority building. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated April 15, 2015, are due April 1, 2026, with interest ranging of 3.75%.	$ 900,000
2020 Refunding Bonds	
The County issued $13,305,000 of limited tax obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $12,270,000 of 2012 Refunding Bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The bonds, dated March 11, 2020, are due in annual installments ranging from $2,205,000 to $2,300,000 through April 1, 2028, with interest ranging from 1.898% to 2.172%, payable semi-annually.	$ 6,760,000
2022 Refunding Bonds	
The County issued $6,890,000 of general obligation limited tax refunding bonds to provide resources to purchase U.S. Government, State, and Local series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of $7,040,000 of 2012 General Obligation limited tax bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The refunding resulted in an economic gain of $1,106,437, reducing payments by $1,342,805 over the life of the bond. The bonds, dated January 5, 2022, are due in annual installments ranging from $280,000 to $2,075,000 through April 1, 2042, with interest ranging from 3.00% to 5.00%, payable semi-annually.	$ 6,110,000
2010 General Obligation Bonds	
The County issued $14,045,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which $5,096,000 or 36.30% of the bonds are forgivable. At December 31, 2025, the County had drawn $12,605,659, including the forgivable portion of $5,096,000. The bonds, dated January 22, 2010, are due in annual installments ranging from $400,000 to $474,280 through October 1, 2033, with interest of 2.50%, payable semi-annually.	$ 3,499,280

NOTE 10 - LONG-TERM LIABILITIES (Continued)

2014 General Obligation Bonds

The County issued $6,870,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which $3,435,000 or 50% of the bonds are forgivable. A capital grant has been reported for the forgivable portion of the obligation of $3,434,990 in previous years. At December 31, 2024, the County had drawn $6,869,990. The bonds, dated June 25, 2014, are due in annual installments ranging from $160,000 to $215,000 through April 1, 2038, with interest of 2.50% payable semi-annually.	$ 2,425,000

The proceeds of the 2015A, 2017, 2020, and 2022 Refunding Bond issues were placed in special escrow accounts and are invested in securities of the U.S. Government and its agencies. The maturities of these investments coincide with the principal and interest payments on the extinguished debts and are sufficient to pay all principal and interest on the 2003, 2007A, 2012 General Obligation Bonds and the 2012 Refunding Bonds when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in the Financial Statements. At December 31, 2025, the defeased bonds outstanding were $7,050,000, $950,000, $6,270,000 and $6,750,000, respectively.

Drain Districts

The St. Clair County Drain Commission has made improvements to various drains and levied multi-year assessments against the County.	$ 2,779,391

Leases

The County has three leases for building use in governmental activities of $1,783,979 and two leases for equipment at the landfill of $1,702,687. Details of the leases are in Note 8 to these financial statements.	$ 3,486,666

Subscriptions

The County obtains the right to use vendors' information technology software through various long-term contracts. See Note 11 for details.	$ 363,020

Accrued Workers' Compensation Claims

The County has estimated accrued outstanding workers' compensation insurance claims, including an estimate for claims incurred but not reported (IBNR), at December 31, 2025. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund, including the current portion of $37,000.	$ 100,000

Accrued Insurance Claims

The County has estimated the accrued claims for general and auto liability, motor vehicle physical damage and property, including estimates for claims incurred but not reported (IBNR), at December 31, 2025. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund, including the current portion of $568,000.	$ 1,270,000

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Accrued Vacation, Sick, and Compensatory Leave

In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payments for unused vacation, sick, and compensatory leave under formulas and conditions specified in the contracts. The Enterprise Funds' portion of $99,546 has been recorded as a long-term liability on the government-wide and fund level financial statements. The governmental activities portion of $8,082,910 has been recorded in the government-wide financial statements as a long-term liability. The governmental activities portion is generally liquidated by the Combined General Fund or other governmental fund where the employee is charged.

Closure and Post-Closure Costs

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 18, the closure and post-closure care landfill liability at December 31, 2025, as reported in the Solid Waste Disposal System (Enterprise Fund/business activities), amounts to $10,281,142. See Note 19 for additional information.

Letters of Credit

The County Landfill has letters of credit as a surety bond issued to the Michigan Department of Environmental Quality for $3,500,000, $95,000 for the Parker Road Landfill Wetlands and to Wetland - Stocks Creek II for $60,000. The letters are set to mature August 1, 2026, October 15, 2026, and May 21, 2026, respectively, with interest at the prime rate. As of December 31, 2025, there have been no claims on the letters of credit.

Annual Debt Requirements

The annual requirements to pay the debt outstanding (excluding leases in Note 8 and subscriptions in Note 11) at December 31, 2025 for the following bonds and notes of Primary Government are as follows:

Year Ending	Refunding Bonds		G.O. Limited Tax Bonds		Drain Districts	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 3,385,000	$ 299,079	$ 560,000	$ 146,106	$ 396,913	$ 128,432
2027	2,545,000	227,351	575,000	132,044	332,258	110,406
2028	2,605,000	167,946	585,000	117,669	319,334	94,968
2029	315,000	130,568	605,000	102,919	296,924	79,266
2030	330,000	117,668	625,000	87,732	219,326	64,920
2031-2035	1,745,000	462,340	2,344,280	209,569	804,739	194,040
2036-2040	1,990,000	221,673	630,000	23,873	324,397	54,563
2041-2043	855,000	20,365	-	-	85,500	8,050
	$ 13,770,000	$ 1,646,990	$ 5,924,280	$ 819,912	$ 2,779,391	$ 734,645

NOTE 10 - LONG-TERM LIABILITIES (Continued)

COMPONENT UNITS

The following is a summary of changes in long-term debt (including current portions) of the Component Units for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Road Commission - other liabilities -					
Accrued vacation and sick	$ 651,000	$ 105,683 *	$ -	$ 756,683	$ 503,214
Drainage districts -					
General obligation bonds payable	16,801,000	-	1,701,000	15,100,000	1,717,000
Amounts for:					
Issuance premiums	186,938	-	10,748	176,190	-
Issuance discounts	(28,467)	-	(7,117)	(21,350)	-
Other direct borrowings:					
Notes payable	810,533	165,000	132,533	843,000	139,625
Loans payable	1,715,000	-	224,000	1,491,000	226,000
Total drainage districts	19,485,004	165,000	2,061,164	17,588,840	2,082,625
Brownfield Redevelopment Authority -					
Other direct borrowings:					
Notes payable	50,814	129,083	51,579	128,318	52,542
Tipping fees	100,000	-	-	100,000	-
Total Brownfield Redevelopment Authority	150,814	129,083	51,579	228,318	52,542
Community Mental Health Authority (A) -					
Other direct borrowings:					
Notes/contracts payable	3,651,886	831,313	1,858,166	2,625,033	1,021,166
Amounts for - issuance premiums	132,326	-	88,217	44,109	44,109
Other liabilities -					
Accrued vacation and sick	2,750,151	430,010	-	3,180,161	477,024
Total mental health	6,534,363	1,261,323	1,946,383	5,849,303	1,542,299
Total component units	$ 26,821,181	$ 1,661,089	$ 4,059,126	$ 24,423,144	$ 4,180,680

(A) October 1, 2024 through September 30, 2025

* The change in compensated absences is presented net.

Road Commission

Accrued Sick and Vacation

In accordance with contracts negotiated with the various employee groups of the Road Commission, individual employees have a vested right upon termination of employment to receive payment for unused sick leave and vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements, amounted to approximately $498,411 for sick leave and $258,272 for vacation at December 31, 2025.

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Drainage Districts

Bonds Payable

Blue River Gardens Drain Drainage District Bonds		
In February 2008, the Blue River Gardens Drain Drainage District issued $555,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2027 with interest due semi-annually at rates ranging from 4.95% to 5.10%.	$	60,000
Bunce Creek and Huffman Drain Drainage District Bonds		
In March 2009, the Bunce Creek & Huffman Drain Drainage District issued $4,625,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on April 1 of each year through 2029 with interest due semi-annually at rates ranging from 5.125% to 5.375%.		1,000,000
Carrigan and Grace Drain Drainage District		
In January 2024, the Carrigan and Grace Drain Drainage District issued $3,430,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2044 with interest ranging from 4.00% to 5.00% due semi-annually.		3,320,000
Gossman and Branches Drain Drainage District Bonds		
In February 2012, the Gossman and Branches Drain Drainage District issued $1,900,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due May 1 of each year through 2027 with interest of 3.15% due semi-annually.		240,000
Cox-Doty and Stein Drain Drainage District and Railroad and Branches Drain Drainage District Bonds		
In December 2009, the Cox-Doty and Stein Drain and Railroad Drain Drainage Districts issued $2,380,000 of bonds for improvements to the drainage districts. The bonds will be paid from special assessments against property and public corporations within the drainage districts. Principal on the bonds is due on May 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 4.30% to 4.50%.		820,000
Pelton Drain Drainage District Bonds		
In August 2011, the Pelton Drain Drainage District issued $1,300,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due April 1 of each year through 2031 with interest due semi-annually at 4.25%.		395,000

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Lester Bammel Drain Drainage District Bonds

In October 2015, the Lester Bammel Drain Drainage District issued $915,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on June 1 of each year through 2030 with interest due semi-annually at rates ranging from 3.40% to 4.00%.	$	360,000

Marine City Drain Drainage District Bonds

In November 2016, the Marine City Drain Drainage District issued $960,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2026 with interest due of 2.50%.		100,000

Meldrum Drain Drainage District Bonds

In January 2017, the Meldrum Drain Drainage District issued $620,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each June 1 through 2027 with interest due semi-annually at 2.98%.		130,000

Forrest Manor Drainage District Bonds

Department of Agriculture Bonds have been sold for $2,535,000 to finance the acquisition, construction, furnishing, and equipping of improvements to the Forrest Manor Drainage District. Payments on the bonds will be paid through special assessments to the drainage district. Principal payments on the bonds are due on March 1 of each year through 2046 with interest payable semi-annually at 2.25%.		1,944,000

Green Drain Drainage District Bonds

In March 2018, the Green Drain Drainage District issued $1,465,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each March through 2038 with interest due semi-annually at rates ranging from 3.00% to 3.60%.		945,000

Stocks Creek and Branches Drain Drainage District Bonds

In February 2018, the Stocks Creek and Branches Drain Drainage District issued $560,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.40% to 4.10%.		360,000
In March 2018, the Stocks Creek and Branches Drain Drainage District issued $2,360,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.00% to 3.60%.		1,530,000

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Holland Drain Drainage District Bonds	
In October 2021, the Holland Drain Drainage District issued $1,548,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2036 with interest due semi-annually at 1.79%.	$ 1,136,000
Howe Brandymore Drain Drainage District Bonds	
In October 2023, the Howe Brandymore Drain Drainage District issued $3,460,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each June through 2033 with interest due semi-annually at rates ranging from 5.00% to 6.00%.	2,760,000
	$ 15,100,000

Loans	
Department of Environmental Quality Bonds have been sold for $2,425,000 and $560,000 through the State of Michigan Clean Water Revolving Fund to construct sanitary sewer improvements, including two sanitary sewage pump stations and a treatment lagoon for the South Branch Pine River Drain Drainage District. Payments on the loans will be paid through special assessments. Principal on the bonds is due on April 1 of each year through 2028 with interest due semi-annually at interest rates of 1.625% and 2.500%, respectively, for each of the bonds.	$ 535,000
Department of Agriculture Bonds have been sold for $1,520,000 to finance the acquisition, construction, furnishing and equipping of improvements to the Number 211, Avoca Wastewater Treatment Project Drainage District. Payments on the loan will be paid through special assessments to the drainage district. Principal payments on the loan are due on September 1 of each year through 2039 with interest due semi-annually at 4.25%.	956,000
	$ 1,491,000

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Notes Payable

St. Clair County, through the Drain Commission, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes are issued in accordance with the provisions of Act No. 40 of the Michigan Public Acts of 1956, as amended by Act No. 71, Public Acts of 1976 or has received loans from the primary government. Repayment of the notes is made from the special assessment revenues, payment from other government units, etc. During the year, the Drain Commission did not issue drain notes. The balance of the obligations at December 31, 2025 was as follows:

	Interest Rate	Amount	
Governmental activities -			
Mueller Farms	3.40 %	$ 135,000	*
Macomb County drain	2.00	24,000	*
State Road drain	2.77	245,000	
Barringer drain	3.77	58,000	
Bricker drain	2.90	165,000	*
Pickard drain	3.74	216,000	
		$ 843,000	

* Amounts held by primary government

Annual debt service requirements to maturities are as follows:

Year ending	Bonds		Notes		Loans	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,717,000	$ 546,309	$ 139,625	$ 44,946	$ 226,000	$ 48,668
2027	1,629,000	475,806	115,625	44,882	233,000	43,309
2028	1,431,000	411,169	86,625	18,616	235,000	37,826
2029	1,441,000	350,870	86,625	15,840	58,000	33,872
2030	1,213,000	295,984	86,625	13,064	60,000	31,408
2031-2035	3,910,000	938,586	327,875	25,022	345,000	116,238
2036-2040	2,183,000	426,504	-	-	334,000	36,254
2041-2045	1,461,000	125,380	-	-	-	-
2046	115,000	2,588	-	-	-	-
	$ 15,100,000	$ 3,573,196	$ 843,000	$ 162,370	$ 1,491,000	$ 347,575

Brownfield Redevelopment Authority

Notes Payable

The Authority entered into an agreement with the Inn on Water Street for developer fees on a site within the County.	$ 128,318
As part of the clean-up of the City of Marine City, tipping fees were charged to the Brownfield Redevelopment Authority and will be paid with taxes captured. Payment of fees will be made after all notes are repaid.	100,000
	$ 228,318

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Annual debt service requirements at December 31, 2025 are as follows:

	Notes Payable	
Year ending December 31,	Principal	Interest
2026	$ 52,542	$ -
2027	52,542	-
2028	52,542	-
2029	52,542	-
2030	18,150	-
	$ 228,318	$ -

Community Mental Health Authority

The Community Mental Health Authority had the following direct borrowings at year-end:

Direct Borrowing

Description	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Bond payable - St. Clair County	$ 7,480,000	4.23%	2026	$ 900,000
Mortgage payable -				
Marine City #2	484,500	2.65	2027	417,378
24th Street	1,030,000	5.15	2030	818,474
Group home	670,973	4.23	2027	489,181
Total				$ 2,625,033

The Community Mental Health Authority's outstanding loans from direct borrowings and direct placements related to mental health operations contain provisions in the event of default, either by (1) inability to make principal or interest payments, (2) false or misrepresentation made to the lender, (3) becoming insolvent or making an assignment for the benefit of its creditors, (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including interest, become immediately due and payable.

Accrued Vacation and Sick

In accordance with contracts negotiated with various employee groups of the Community Mental Health Authority, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick leave under formulas and conditions specified in the contract. As of September 30, 2025, the vested benefits amounted to $3,180,161.

Annual debt service requirements to pay the debt outstanding at September 30, 2025 are as follows:

	Notes Payable		Contracts Payable	
Year ending September 31,	Principal	Interest	Principal	Interest
2026	$ 121,166	$ 50,266	$ 900,000	$ 56,250
2027	863,717	61,058	-	-
2028	42,296	37,683	-	-
2029	44,558	35,420	-	-
2030	653,296	22,267	-	-
	$ 1,725,033	$ 206,694	$ 900,000	$ 56,250

NOTE 11 - SUBSCRIPTIONS

The County obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed annually.

Subscription asset activity of the County is included in Note 5.

Future principal and interest payment requirements related to the County's subscription liability at December 31, 2025 are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 175,196	$ 14,521	$ 189,717
2027	104,755	7,513	112,268
2028	40,720	3,323	44,043
2029	42,349	1,694	44,043
	$ 363,020	$ 27,051	$ 390,071

NOTE 12 - RETIREMENT PLAN

DEFINED BENEFIT PLAN

Two years of information on the pension plan (the "Plan") is presented. The current year is presented for the Plan to satisfy requirements of GASB Statement No. 67, and the prior year is presented as the measurement date for reporting the liability of the employer to satisfy requirements of GASB Statement No. 68.

Plan Description

The St. Clair County Retirement System is a single-employer defined benefit Plan, which was established by County ordinance in 1964 to provide retirement and pension benefits for eligible employees of St. Clair County, the St. Clair County Road Commission and St. Clair County Community Mental Health Authority. Employees not in this plan are covered by a defined contribution plan. Effective January 1, 2016, the Plan is closed to all but the Sheriff deputies bargaining unit. The system is administered, managed, and operated by a Board composed of 9 Trustees, the chairperson of the Board of Commissioners, or their appointee, a member of the Board of Commissioners, a member of the St. Clair County Road Commission Board, one appointed citizen, four elected employees of the retirement system, and one retired member elected by the retired members. The benefit provisions are governed by Act No. 427 of the Michigan Public Acts of 1984, as amended. The Plan may be amended by the County Board of Commissioners. The Plan is audited within the scope of the audit of the basic financial statements. Separate audited financial statements are not issued.

The membership at December 31, 1899 was composed of 379 active participants, 878 retirees and beneficiaries, and 133 inactive but vested members. The membership at December 31, 1899 was composed of 402 active participants, 867 retirees and beneficiaries, and 132 inactive but vested members. In general, all employees are eligible for regular retirement as follows:

Sheriff Department - 25 years of service regardless of age. Benefits are calculated based on the total service times an annual multiple of final average compensation. Maximum benefits 75% of final average compensation.

Road Commission, Community Mental Health Authority, and General County - when age plus service equals 80 and service is at least 25 years. Maximum benefits 75% of final average compensation, except Prosecuting Attorney, which has maximum benefits of 69.6% of final average compensation if service is 25 years or more.

All Employees - age 60 with 8 years of service.

NOTE 12 - RETIREMENT PLAN (Continued)

In addition to the regular retirement provisions, the system allows for the following retirement provisions at regular or reduced benefits:

Deferred Retirement - 8 or more years of service, benefits begin at 60 or at age 55 with 25 or more years of service.

Death In-Service - 10 or more years of service.

Duty Disability - Sheriff's Department plan members 10 or more years of service, others have no age or service requirements but must be in receipt of Workers' Compensation payments.

Non-Duty Disability - 10 or more years of service.

Life Insurance - $3,500 policy to retirees.

Supplemental Payments to Retirees Age 65 and Older - retirees with less than 20 years of service receive $14 per month and those with 20 or more years of service at retirement receive $16 per month.

Since the County does not issue a stand-alone report for its County defined benefit plan, following are condensed financial statements for the period as of and including December 31, 2025:

Statement of Net Position

Cash and investments	$ 308,647,916
Other assets	177,720
Total assets	308,825,636
Liabilities	101,195
Net position	$ 308,724,441

Statement of Changes in Net Position

Additions -	
Contributions	$ 9,493,221
Investment gain	36,743,317
Total additions	46,236,538
Deductions -	
Benefit payments	20,500,432
Other expenses	175,776
Total deductions	20,676,208
Change in net position	25,560,330
Net position, beginning of year	283,164,111
Net position, end of year	$ 308,724,441

NOTE 12 - RETIREMENT PLAN (Continued)

Summary of Significant Accounting Policies

Basis of Accounting

The St. Clair County Retirement System utilizes the accrual basis of accounting and is reported within the County's reporting entity as a separate Pension Trust Fund. Contributions from employees are recognized in the period in which contributions are paid. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

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.

Contribution and Funding Policy

The Plan’s funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2025, contributions totaling $9,493,221 ($7,794,882 employer and $1,698,339 employee) were made in accordance with contribution requirements determined by an actuarial valuation for the Plan as of December 31, 1899. The required employer contributions were $5,323,177 for General County, $888,275 for the Road Commission, and $1,361,671 for the Community Mental Health Authority. Employee contributions represent 5.00%-8.00% of covered payroll, depending on the contract. The contribution requirement of a Plan member and the County are established by the St. Clair County Retirement Board and may be amended by the St. Clair County Board of Commissioners. Most administrative costs of the Plan are paid with retirement assets. The defined benefit Plan, excluding Sheriff Deputies, is closed to new-hires.

The required contribution rate was determined as part of the December 31, 2023 actuarial valuation using the individual entry age normal cost method. The actuarial assumptions included: (a) 7.00% net investment rate of return, and (b) projected salary increases of 2.25% to 7.00% per year, which includes pay inflation at 2.25%. There are no projected cost-of-living adjustments. The actuarial value was determined using techniques that smooth the effect of short-term volatility in the fair value of investments over a five-year period. The Plan’s unfunded actuarial accrued liability is being amortized as a level dollar on an open period, with a remaining amortization period as of December 31, 1899 of 15 years.

NOTE 12 - RETIREMENT PLAN (Continued)

Net Pension Liability of the County

The net pension liability of the County has been measured as of December 31, 2025, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 1899, and is composed of the following:

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Beginning balance	$ 335,022,649	$ 283,164,111	$ 51,858,538
Service cost	3,768,790	-	3,768,790
Interest on total pension liability	22,997,886	-	22,997,886
Net investment income	-	36,743,317	(36,743,317)
Expected and actual differences	293,319	-	293,319
Contributions from employer	-	7,794,882	(7,794,882)
Contributions from employees	-	1,698,339	(1,698,339)
Benefit payments	(20,500,432)	(20,500,432)	-
Administrative costs	-	(175,776)	175,776
Ending balance	$ 341,582,212	$ 308,724,441	$ 32,857,771
Plan fiduciary net position as a percentage of the total pension liability			90.38%

The net pension liability of the County has been measured as of December 31, 1899, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 1899, and is composed of the following:

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Primary government			
Beginning balance	$ 212,248,418	$ 173,185,232	$ 39,063,186
Service cost	2,082,449	-	2,082,449
Interest on total pension liability	14,556,099	-	14,556,099
Net investment income	-	17,812,198	(17,812,198)
Changes in assumptions	1,127,767	-	1,127,767
Expected and actual differences	1,737,811	-	1,737,811
Contributions from employer	-	5,614,349	(5,614,349)
Contributions from employees	-	1,134,006	(1,134,006)
Benefit payments	(12,773,196)	(12,773,196)	-
Administrative costs	-	(107,390)	107,390
Ending balance	$ 218,979,348	$ 184,865,199	$ 34,114,149
Plan fiduciary net position as a percentage of the total pension liability			84.42%

For governmental activities, the net pension liability is generally liquidated by the General Fund.

NOTE 12 - RETIREMENT PLAN (Continued)

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Component units			
Beginning balance	$ 111,824,550	$ 93,182,368	$ 18,642,182
Service cost	1,062,402	-	1,062,402
Interest on total pension liability	7,656,585	-	7,656,585
Net investment income	-	9,599,774	(9,599,774)
Changes in assumptions	974,653	-	974,653
Expected and actual differences	1,539,441	-	1,539,441
Contributions from employer	-	2,043,139	(2,043,139)
Contributions from employees	-	545,742	(545,742)
Benefit payments	(7,014,330)	(7,014,330)	-
Administrative costs	-	(57,781)	57,781
Ending balance	$ 116,043,301	$ 98,298,912	$ 17,744,389
Road Commission			$ 8,231,778
CMHA			9,512,611
			$ 17,744,389
Plan fiduciary net position as a percentage of the total pension liability			84.71%

Pension Expense (Credit) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the County recognized pension expense of $7,923,308 in the government-wide and proprietary fund financial statements of the primary government and $3,547,597 in the component units [$2,634,211 in the Road Commission and $913,386 in the Community Mental Health Authority]. At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	Component Units
Deferred outflows of resources		
Proportionate share difference	$ -	$ 621,044
Differences between expected and actual experience	868,906	769,720
Differences in assumptions	563,884	518,396
Net difference between projected and actual earnings on Plan investments	5,265,167	2,698,771
Contributions made subsequent to the measurement date	5,520,907	1,909,775
	$ 12,218,864	$ 6,517,706
Deferred inflows of resources		
Proportionate share difference	$ 621,044	$ -
Difference in assumptions	-	31,070
	$ 621,044	$ 31,070

NOTE 12 - RETIREMENT PLAN (Continued)

The amounts of deferred outflows of resources and deferred inflows of resources related to pension, excluding contributions to the Plan subsequent to the measurement date which will be recognized by the Plan in the next measurement period, will be recognized in pension expense as follows:

	Primary Government	Component Units
2026	$ 4,161,620	$ 3,656,967
2027	5,755,787	3,036,423
2028	(2,659,722)	(1,469,744)
2029	(1,180,772)	(646,785)
	$ 6,076,913	$ 4,576,861

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 31, 2025 and 1899:

Asset Class	Target Allocation
Fixed income	20.00%
Domestic large cap equity	20.00
Domestic mid cap equity	15.00
Domestic small cap equity	10.00
International equity	10.00
Emerging equity	5.00
Private real assets	5.00
Real estate	15.00

Rate of Return

For the years ended December 31, 2025 and 1899, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 13.21% and 10.49%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 1899, which used updated procedures to roll forward the estimated liability to December 31, 1899, and by an actuarial valuation as of December 31, 1899, which also used updated procedures to roll forward this estimated liability to December 31, 2025. The 1899 and 2025 liabilities used the following actuarial assumptions based on the most recent experience study completed for the five years ended December 31, 2018 and 2023, respectively:

Salary Increases - 2025: 3.00 - 8.00%; 2024: 2.25 - 7.00%

Investment Rate of Return - 7.00%

Inflation - 2025: 2.42%; 2024: 2.25%

NOTE 12 - RETIREMENT PLAN (Continued)

Mortality Rate - Mortality rates were from the Pub-2010 mortality tables incorporating generational improvements and from the RP-2014 mortality tables incorporating generational improvements. The 2025 liability used the MP-2021 scale and the 2024 liability used the MP-2019 scale.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent for the 2025 and 1899 liabilities. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive. employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 as of December 31, 2025 and 1899 for each major asset class included in the Plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Fixed income	0.81%
Domestic Large Cap Equity	10.01
Domestic Mid Cap Equity	9.04
Domestic Small Cap Equity	8.22
International equity	5.43
Emerging markets equity	6.41
Private real assets	4.87
Real estate	3.53

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent for 2025 and 1899, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability at December 31, 2025	$ 70,031,023	$ 32,857,771	$ 1,487,195
Net pension liability at December 31, 2024 -			
Primary government	$ 58,258,042	$ 34,114,149	$ 13,765,550
Component units	30,551,693	17,744,389	6,945,115
	$ 88,809,735	$ 51,858,538	$ 20,710,665

NOTE 12 - RETIREMENT PLAN (Continued)

DEFINED CONTRIBUTION PLAN

General Government

The County offers to certain employees who have been hired on or after January 1, 2009, the option to participate in a defined contribution plan with contributions being held in accordance with Internal Revenue Code Section 457. The plan is administered by a third-party administrator. Participation in the plan is voluntary to eligible full-time employees. Employees opting to participate in the plan may contribute to the plan in increments of 1% up to a maximum of 8% of total wages with the County matching contributions. The plan may be amended by the County Board of Commissioners.

In addition, certain eligible employees have the option to contribute to a 457-deferred compensation plan in lieu of participating in the County's Retiree Health Care Trust Fund Plan. This option requires employee contributions from 1% - 5% with a matching County contribution of .5% - 2.5% (50% of employee contribution percentage).

Employer contributions for the year ended December 31, 2025 were $1,663,426.

Component Units

The Road Commission provides pension benefits through a defined contribution plan to employees not participating in the defined benefit plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus any investment earnings. The Road Commission matches employee contributions up to 10% of total wages and is subject to forfeiture by the employee based on a 5-year vesting schedule. Employee contributions are 100% vested at the time of contribution. For the year ended December 31, 2025, the Road Commission contributed $402,943 to the plan.

The St. Clair County Community Mental Health Authority offers employees who have been hired on or after January 1, 2016 the option to participate in a defined contribution plan with contributions being held in accordance with Internal Revenue Code Section 457. The plan is administered by a third-party administrator. Participation in the plan is voluntary to eligible full-time employees. The St. Clair County Community Mental Health Authority will match the employee contribution dollar-for-dollar up to the maximum of 8% of total wages. The plan may be amended by the Board of Directors. For the year ended September 30, 2025, employer contributions were $981,547.

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN

Two years of information on the Postemployment Healthcare Plan (the "OPEB Plan") is presented. The current year is presented for the OPEB Plan to satisfy requirements of GASB Statement No. 74, and the prior year is presented as the measurement date for reporting the liability of the employer to satisfy requirements of GASB Statement No. 75.

Plan Description

The single-employer plan administered through St. Clair County provides postemployment benefits for eligible employees of the County, including those of the St. Clair County Road Commission and employees of the St. Clair County Community Mental Health Authority. As of January 1, 2016, the OPEB Plan was closed to all new participants. Postemployment benefits consist of health, dental, and prescription drug coverage. The plan is audited within the scope of the audit of the basic financial statements. Separate audited financial statements are not issued.

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

Benefits Provided

The membership at December 31, 1899 was composed of 299 active participants, 673 retirees and beneficiaries, and 53 terminated vested participants. The membership at December 31, 1899 was composed of 370 active participants, 635 retirees and beneficiaries, and 43 terminated vested participants. In general, all employees are eligible for postemployment benefits as follows:

> Some retirees age 55 and older are provided health, dental, and prescription and drug coverage for recipient and dependents with 25 years of service or age 60 with 8 years of service. (Age 50 with 25 years of service for Sheriff Department or age 60 with 8 years of service.) Members of groups with "Rule of 80" are eligible if the sum of their age plus years of service are greater than or equal to 80 and their years of service equal to 25 years or more.
>
> Beneficiaries of deceased retirees and survivors of deceased employees are provided health and dental coverages for recipients and dependents of retired employees who have at least ten years of service at time of death. Surviving spouse contribution requirement follows members' contribution requirements prior to their death.

Since the County does not issue a stand-alone report for its County postemployment benefit plan, following are condensed financial statements for the period as of and including December 31, 2025:

Statement of Net Position

Cash and investments	$ 77,699,483
Other assets	135,880
Total assets	77,835,363
Liabilities	12,900
Net position	$ 77,822,463

Statement of Changes in Net Position

Additions -	
Contributions	$ 3,375,175
Investment gain	9,344,354
Other	8,635
Total additions	12,728,164
Deductions - benefit payments	4,065,144
Change in net position	8,663,020
Net position, beginning of year	69,159,443
Net position, end of year	$ 77,822,463

Summary of Significant Accounting Policies and Method Used to Value Investments

The Basis of Accounting and Method Used to Value Investments are the same as the Retirement Plan outlined in Note 12.

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

Contribution and Funding Policy

The OPEB Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2025, contributions of $3,375,175 ($3,084,942 employer and $290,233 employee) were made. The actuarial valuation dated December 31, 1899 determined a contribution of $263,181 for the Community Mental Health Authority, $3,863,405 for General County, and $67,389 for Road Commission employees.

The contribution requirements of OPEB Plan members and the County are established by the St. Clair County Board of Commissioners. Most administrative costs of the OPEB Plan are paid with OPEB assets.

The required contribution rate was determined as part of the December 31, 1899 actuarial valuation using the individual entry age normal level percent of salary cost method. The actuarial assumption included (a) a 6.00% net investment rate of return; (b) projected salary increases of 3.00% to 8.00% per year; (c) an annual healthcare cost trend of 8.00% initially for non-Medicare rates, reduced by decrements of 0.25% to an ultimate rate of 4.50%, and a trend of 6.50% for Medicare rates, reduced by decrements of 0.25% to an ultimate rate of 4.00%; and (d) an inflation rate of 3.00%. There are no projected cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the fair value of investment over a five-year period. The OPEB Plan's unfunded actuarial accrued liability is being amortized as a level percentage of member payroll on a closed period with a remaining amortization period as of December 31, 1899 of 5 years.

Investment Policy

The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the County Administrator.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of December 31, 2025 are as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	38.00 %	4.50 %
Domestic equity	48.00	7.00
International equity	9.00	7.50
Real estate	3.00	6.00
Cash	2.00	3.00
Total	100.00 %	

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

Rate of Return

For the years ended December 31, 2025 and 1899, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 13.61% and 11.27%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset) of the County

The net OPEB liability (asset) of the County has been measured as of December 31, 2025, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 1899, and is composed of the following:

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability (Asset)
Beginning balance	$ 68,414,794	$ 69,159,443	$ (744,649)
Service cost	976,622	-	976,622
Interest on total OPEB liability	4,043,307	-	4,043,307
Net investment income	-	9,344,354	(9,344,354)
Changes in assumptions	113,459	-	113,459
Expected and actual differences	5,696,598	-	5,696,598
Contributions from employer	-	3,084,942	(3,084,942)
Contributions from employees	-	290,233	(290,233)
Other revenue	-	8,635	(8,635)
Benefit payments	(4,065,144)	(4,065,144)	-
Ending balance	$ 75,179,636	$ 77,822,463	$ (2,642,827)
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			103.52%

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

The net OPEB liability of the County has been measured as of December 31, 1899, which used updated procedures to roll forward the estimated liability using the December 31, 1899 actuarial valuation, and is composed of the following:

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability
Primary government			
Beginning balance	$ 35,507,277	$ 30,299,519	$ 5,207,758
Service cost	422,902	-	422,902
Interest on total OPEB liability	2,232,525	-	2,232,525
Net investment income	-	3,378,009	(3,378,009)
Changes in assumptions	9,860,322	-	9,860,322
Expected and actual differences	(115,471)	-	(115,471)
Contributions from employer	-	1,148,411	(1,148,411)
Contributions from employees	-	225,596	(225,596)
Benefit payments	(2,126,951)	(2,126,951)	-
Ending balance	$ 45,780,604	$ 32,924,584	$ 12,856,020
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			71.92%

For governmental activities, the net OPEB liability is generally liquidated by the General Fund.

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability (Asset)
Component units			
Beginning balance	$ 16,998,518	$ 31,963,813	$ (14,965,295)
Service cost	213,925	-	213,925
Interest on total OPEB liability	1,066,193	-	1,066,193
Net investment income	-	3,643,796	(3,643,796)
Changes in assumptions	4,988,666	-	4,988,666
Expected and actual differences	490,652	-	490,652
Contributions from employer	-	1,670,000	(1,670,000)
Contributions from employees	-	81,014	(81,014)
Benefit payments	(1,123,764)	(1,123,764)	-
Ending balance	$ 22,634,190	$ 36,234,859	$ (13,600,669)
Road Commission net OPEB asset			$ (941,146)
CMHA net OPEB asset			(12,659,523)
Net OPEB asset			$ (13,600,669)
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			160.09%

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

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

For the year ended December 31, 2025, the County recognized OPEB expense (credit) of $(2,349,541) in the government-wide and proprietary fund financial statements of the primary government and $(3,574,873) in the component units [$(574,923) in the Road Commission and $(2,999,950) in the Community Mental Health Authority]. At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government	Component Units
Deferred outflows of resources		
Proportionate share difference	$ 1,255,682	$ 166,530
Differences between expected and actual experience	167,381	1,883,281
Changes in assumptions	6,624,628	1,427,483
Contributions made subsequent to the measurement date	1,087,561	1,622,250
	$ 9,135,252	$ 5,099,544
Deferred inflows of resources		
Proportionate share difference	$ -	$ 1,422,212
Net difference between projected and actual earnings on OPEB Plan investments	873,150	526,450
Differences between expected and actual experience	1,407,649	825,725
Changes in assumptions	1,971,141	634,497
	$ 4,251,940	$ 3,408,884

The amounts of deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions to the OPEB Plan subsequent to the measurement date which will be recognized by the OPEB Plan in the next measurement period, will be recognized in OPEB expense as follows:

	Primary Government	Component Units
2026	$ 1,117,571	$ (897,612)
2027	4,183,940	1,701,336
2028	(1,040,270)	(505,212)
2029	(465,490)	(230,102)
	$ 3,795,751	$ 68,410

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

Actuarial Assumptions

The total OPEB liability of the OPEB Plan was determined by an actuarial valuation as of December 31, 1899, which used updating procedures to roll forward the estimated liability to December 31, 1899 and by an actuarial valuation at December 31, 1899, which used updating procedures to roll forward the estimated liability to December 31, 2025, the measurement date. The valuation used the following assumptions included in the measurement:

Salary Increases - 2025: 3.00% - 8.00%, including inflation of 3.00%; 2024: 2.25% - 7.00%, including inflation of 2.25%

Investment Rate of Return - 6.00%

Mortality Rates - A version of Pub-2010 with Scale MP-2021 generational mortality improvement

Inflation Rate - 2025: 3.00%; 2024: 2.00%

Healthcare Cost Trend Rate - 2025: 8.00%, decreasing by 0.50% per year to 4.50%; 2024: 7.50%, decreasing by 0.50% per year to 4.50%

Projected Cash Flows - For the 2025 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members. This projection assumes the County and Road Commission contribute $2,522,596 in total annually based on historical contributions of the last three years. The Community Mental Health Authority is expected to contribute the balance of the normal cost, less employee contributions. For the 1899 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members. This projection assumes the County and Road Commission contribute $2,558,601 in total annually based on historical contributions of the last three years. The Community Mental Health Authority is expected to contribute the balance of the normal cost, less employee contributions.

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

The following presents the net OPEB liability (asset) of the County, calculated using the current discount rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset) at December 31, 2025	$ 5,388,873	$ (2,642,827)	$ (9,453,636)
Net OPEB liability (asset) at December 31, 2024 -			
Primary government	$ 17,948,212	$ 12,856,020	$ 8,562,367
Component units	(11,083,061)	(13,600,669)	(15,723,476)
	$ 6,865,151	$ (744,649)	$ (7,161,109)

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the County, calculated using the current healthcare cost trend rate, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease (7.00-3.50%)	Current Discount Rate (8.00-4.50%)	1% Increase (9.00-5.50%)
Net OPEB liability (asset) at December 31, 2025	$ (10,433,283)	$ (2,642,827)	$ 6,594,860
Net OPEB liability (asset) at December 31, 2024 -			
Primary government	$ 7,977,695	$ 12,856,020	$ 18,675,180
Component units	(16,012,540)	(13,600,669)	(10,723,644)
	$ (8,034,845)	$ (744,649)	$ 7,951,536

NOTE 14 - CONTINGENT LIABILITIES

Primary Government

The County participates in a number of federal and state assisted grant programs, which are subject to compliance audits. The Single Audit of the federal programs and the periodic program compliance audits of many of the state programs have not yet been conducted or completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in a number of other lawsuits, a party in other disputes, and subject to claims and property tax appeals and other potential liabilities that have resulted from its activities in providing services to citizens of St. Clair County. The ultimate unrecorded effect on the County’s financial statements of the resolution of these various matters, in the opinion of management, is not considered to be material.

There are various other legal actions pending against the County. Due to the inconclusive nature of many of the actions, it is not possible for Corporate Counsel to determine the probable outcome or a reasonable estimate of the County's potential liability, if any. Those actions, for which a reasonable estimate can be determined of the County's potential liability, if any, are considered by County Management and Legal Counsel to be insignificant to the County as a whole.

A substantial portion of the Health Department’s total patient revenues are for services provided to Medicare, Medicaid, and Blue Cross and Blue Shield of Michigan patients. Payments for these services are based upon allowable costs incurred and are subject to final audit by the intermediaries.

NOTE 14 - CONTINGENT LIABILITIES (Continued)

Component Unit - Road Commission

In the normal course of its operations, the St. Clair County Road Commission often becomes a party to various claims and lawsuits. In the opinion of the Road Commission's legal counsel, if any of these claims should result in an unfavorable resolution to the Road Commission, the Road Commission's liability would be limited to its deductible under insurance policies. The insurer would pay the losses, and there should be no material effect on the financial position of the Road Commission.

The Road Commission participates in a number of federal and state assisted grant programs, which are subject to compliance audits. The periodic program compliance monitoring of many of the federal and state programs have not yet been conducted or completed. Accordingly, the Road Commission's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Road Commission expects such amounts, if any, to be immaterial.

Also, as part of its trunkline maintenance agreement with the State of Michigan, the Road Commission's costs charged to the State are subject to audit. The amounts, if any, which may have to be paid back to the State, cannot be determined at this time, although the Road Commission expects such amounts, if any, to be immaterial.

Component Unit - Community Mental Health Authority

As is common for mental health authorities, St. Clair County Community Mental Health Authority receives a significant portion of its revenues through contracts with the State of Michigan Department of Health and Human Services. Medicaid revenue is passed through Region 10 Prepaid Inpatient Health Plan (PIHP), with a settlement reached at the end of each fiscal year. The settlement is based on accumulated reimbursable cost of CMHA and is subject to final audit by the Michigan Department of Health and Human Services.

NOTE 15 - RISK MANAGEMENT

Primary Government

The County is self-insured for property and liability, health care, unemployment, workers' compensation, and disability. Property and liability insurance are charged to participating funds based on the County's cost allocation plan. Each participating fund of the County makes payments to the Self-Insurance Internal Service Fund equal to an established percentage of gross salaries for that fund, if deemed necessary for health care, unemployment, workers' compensation and disability. These payments are accounted for as other services and charges in the paying fund and charges for services in the receiving fund.

The County is completely self-insured for unemployment compensation and short-term disability claims and is self-insured for workers' compensation claims up to an amount of $500,000 in individual claims for 2025.

Based on claims currently pending and past history, the County has estimated accrued claims, including an estimate for claims incurred but not reported (IBNR), of $0, $0, and $100,000 for unemployment compensation, disability, and workers' compensation, respectively.

NOTE 15 - RISK MANAGEMENT (Continued)

In addition, the Primary Government and the Drainage Districts (component unit) are voluntary members of the Michigan Municipal Risk Management Authority (MMRMA) established pursuant to laws of the State of Michigan which authorize local units of government to exercise jointly any power, privilege, or authority which each might exercise separately.

The administration of MMRMA is directed by a nine-member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board of Directors establishes the general policy of MMRMA, creates and publishes rules to be followed by the Manager and Board of Directors and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the County Board of Commissioners, has designated a representative to MMRMA to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, and to ensure the filing of all required reports and to act as a liaison between the County and MMRMA.

MMRMA administers risk management funds providing St. Clair County with loss protection for general and auto liability and property. Under most circumstances the County's maximum loss per occurrence is limited as follows:

Type of Risk	Maximum Retention per Occurrence	
General and auto liability	$ 250,000	
Property and crime	1,000	per occurrence, plus 10% of the next $100,000 of loss

The County has also elected to be a member of the Stop Loss Program, which limits the County’s self-insurance retention. For 2025, that Stop Loss Program limited the retention for St. Clair County to $750,000 in aggregate claims paid during the year.

MMRMA provides risk management, underwriting, reinsurance, and claims services with member contributions allocated to meet these obligations.

MMRMA has established a reserve to pay losses incurred by members who exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of MMRMA. In the event that St. Clair County incurs a loss in excess of the resources available, the County is liable for the excess.

Based on claims currently pending and past history, the County has estimated the accrued property and liability claims, including an estimate for claims incurred but not reported (IBNR), of $1,270,000, which is recorded in the Self-Insurance Fund.

NOTE 15 - RISK MANAGEMENT (Continued)

The County is self-insured for health care benefits with the administrative services of the program being performed on a contractual basis by a third party. The County pays claims up to $150,000 per contract per contract year. Stop-loss insurance has been purchased to insure the County against losses in excess of these limits. Based on past history, the County has estimated the accrued health care claims, including an estimate for claims IBNR, of $515,000 at December 31, 2025, which is recorded as current liabilities in the Self Insurance (Internal Service) Fund. Changes in the balance of claims liability during the past two years as reported in the Self-Insurance (Internal Service) Fund are as follows:

	Property/Liability Insurance		Disability Insurance		Unemployment	
	2025	2024	2025	2024	2025	2024
Unpaid claims, beginning of year	$ 903,000	$ 975,000	$ -	$ -	$ -	$ -
Incurred claims (including IBNR's)	638,242	256,773	167,921	154,277	22,470	23,242
Claims paid	(271,242)	(328,773)	(167,921)	(154,277)	(22,470)	(23,242)
Unpaid claims, end of year	1,270,000	903,000	-	-	-	-
Less - current portion	(568,000)	(119,000)	-	-	-	-
Long-term liabilities	$ 702,000	$ 784,000	$ -	$ -	$ -	$ -

	Workers' Compensation		Health Care		Total	
	2025	2024	2025	2024	2025	2024
Unpaid claims, beginning of year	$ 65,000	$ 200,000	$ 1,050,000	$ 465,000	$ 2,018,000	$ 1,640,000
Incurred claims (including IBNR's)	145,776	57,012	14,398,926	13,381,094	15,373,335	13,872,398
Claims paid	(110,776)	(192,012)	(14,933,926)	(12,796,094)	(15,506,335)	(13,494,398)
Unpaid claims, end of year	100,000	65,000	515,000	1,050,000	1,885,000	2,018,000
Less - current portion	(37,000)	(65,000)	(515,000)	(1,050,000)	(1,120,000)	(1,234,000)
Long-term liabilities	$ 63,000	$ -	$ -	$ -	$ 765,000	$ 784,000

Component Units

Road Commission

The Road Commission, including the Department of Public Works, is a member of the Michigan County Road Commission Self-Insurance Pool, established pursuant to the laws of the State of Michigan, which authorizes contracts between municipal corporations (inter-local agreements) to form group self-insurance pools and to prescribe conditions to the performance of these contracts. The Michigan County Road Commission Self-Insurance Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop-loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

NOTE 15 - RISK MANAGEMENT (Continued)

The Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors and omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

The Road Commission is also a member of the County Road Commission Road Association Self-Insurance Fund (the "Fund") for workers' compensation self-insurance. This Fund is a municipal self-insurance entity operating within the laws of the State of Michigan. The Fund has entered into reinsurance agreements providing for loss coverage in excess of amounts to be retained by the Fund.

The Road Commission continues to carry commercial insurance for accident insurance. The amount of settlements (claims) for the past three years has not exceeded insurance coverage.

The Road Commission is self-insured for health care benefits. The administrative services for the self-insured program are performed by a health insurance company. The Road Commission makes monthly payments, based on estimated claims and a stop-loss provision (up to $30,000 per contract per contract year), which are adjusted quarterly. The Road Commission has estimated accrued health care claims in excess of the last quarter payments, including an estimate for claims IBNR of $89,000 at December 31, 2025, which is recorded as a current liability.

Community Mental Health Authority

CMHA is exposed to various risks of loss to general and auto liability, property damage, and errors and omissions. CMHA is a member in a public risk pool administered by the Michigan Municipal Risk Management Authority for risk of losses relating to its property and general liability (including auto liability and vehicle physical damage). MMRMA is a municipal self-insurance entity operating pursuant to the State of Michigan Public Act 138 of 1982. The purpose of the MMRMA is to administer a risk management fund, which provides members with loss protection for general and property liability. CMHA has joined with numerous other governmental agencies in Michigan as a participant in MMRMA's "State Pool." Members of the State Pool do not have individual self-retention amounts other than a $250 or $1,000 deductible per occurrence of property and vehicle coverage. State Pool members' limits of coverage (per occurrence) are $15 million for liability and approximately $15 million for buildings and personal property. If a loss exceeds these limits or, if for any reason, MMRMA's resources are depleted, the payment of all unpaid losses is the sole obligation of CMHA.

CMHA is also self-insured for medical and prescription health insurance. The self-insurance is administered by a third-party administrator and any reimbursed claims are billed to CMHA periodically.

CMHA purchases workers' compensation insurance through a commercial carrier with a maximum limit of $500,000 per occurrence.

NOTE 16 - MAJOR TAXPAYER

The County is economically dependent upon the Detroit Edison Company that has real and personal property within the County with a taxable value of $1,001,092,910. This represents approximately 12 percent of the taxable value for the County.

NOTE 17 - DEFERRED COMPENSATION

The County, CMHA, and the Road Commission offer their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, which are available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

A trust, custodial account, or annuity contract exists; assets are owned or held by the trust, custodian, or insurer for the exclusive benefit of participants and beneficiaries and are not subject to the claims of public employer creditors, nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries.

NOTE 18 - NET POSITION/FUND BALANCE

NET INVESTMENT IN CAPITAL ASSETS

Governmental activities	
Capital assets	$ 86,783,522
Less - related debt -	
2020 refunding bonds	(6,760,000)
2022 refunding bonds	(6,110,000)
Lease liabilities	(1,783,979)
Subscription liabilities	(363,020)
Bond premiums	(423,103)
Deferred charges	127,987
	$ 71,471,407
Business-type activities	
Capital assets	$ 26,385,543
Less - related debt -	
2010 G.O. bond	(3,499,280)
2014 G.O. bond	(2,425,000)
Lease liabilities	(1,702,687)
	$ 18,758,576

NOTE 18 - NET POSITION/FUND BALANCE (Continued)

RESTRICTED FUND BALANCE/NET POSITION

The fund balances and net position the Primary Government have been restricted for the following purposes at December 31, 2025:

	Major Fund	Non-major Fund	Total	
Governmental funds				
Acquisition/construction of capital assets -				
Public improvement	$ -	$ 10,476,080	$ 10,476,080	*
Debt service -				
Mental health building debt fund	-	610	610	
Convention center	-	111,615	111,615	
Jail/juvenile facility	-	1,180	1,180	
			113,405	
Recreation and cultural -				
Parks and recreation	3,031,901	-	3,031,901	*
Library	11,422,875	-	11,422,875	*
			14,454,776	
Health and welfare -				
Senior citizens millage	4,757,235	-	4,757,235	*
Health department	-	670,144	670,144	
CDBG housing	-	471,994	471,994	
HUD housing	-	95,311	95,311	
Veterans' millage	-	286,645	286,645	*
Opioid settlement	4,000,609	-	4,000,609	
			10,281,938	
Public safety -				
Drug task force	2,222,775	-	2,222,775	*
Drug law enforcement	-	713,596	713,596	
Local corrections and training	-	59,283	59,283	
Prosecutor's drug forfeitures	-	254,457	254,457	
Concealed pistol licensing	-	414,786	414,786	*
Animal control donations	-	105,571	105,571	
			3,770,468	
Public works - public works projects	-	75	75	
Judicial -				
Friend of court	-	1,268,559	1,268,559	
Family counseling	-	131,385	131,385	*
Indigent defense	-	13,455	13,455	*
			1,413,399	
Other purposes - deeds automation	-	46,178	46,178	*
Total restricted fund balance	$ 25,435,395	$ 15,120,924	$ 40,556,319	

* Restricted by enabling legislation

NOTE 18 - NET POSITION/FUND BALANCE (Continued)

Governmental activities	
Total restricted fund balance - governmental funds	$ 40,556,319
Deferred inflows of resources -	
Recreation and cultural programs	293,510
Health and welfare programs	9,839,926
Public safety programs	7,839
Debt service	9,975
Net pension liability and net OPEB liability associated with recreation and cultural programs	(1,675,366)
Total restricted net position - governmental activities	$ 49,032,203
Business-type activities	
Foreclosure sales	$ 3,880,520

COMMITTED FUND BALANCES

At December 31, 2025, the Board of Commissioners had committed the following fund balances:

Combined general fund -	
Budget incentive	$ 1,621,300
American rescue plan fund -	
General government	3,622,211
Nonmajor funds -	
General government - convention center	883,135
Health and welfare:	
Health department	2,834,980
Human services	49,674
Child care	2,440,825
Capital outlay - municipal building	152,506
	$ 11,604,631

NOTE 19 - CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the County of St. Clair place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The estimated liability for landfill closure and postclosure care costs was $10,281,142 at December 31, 2025, which is based on the estimated percentage of capacity used to date of 40.8%.

Currently, the County has 97 acres licensed, with an additional 10 acres available for licensing. It is estimated that an additional $12,604,710 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity and monitored for 30 years. The estimated remaining life of the landfill is 75 years.

NOTE 19 - CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

The estimated total cost of the landfill closure and post-closure care cost of $22,885,852 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain that landfill were acquired as of December 31, 2025. However, the actual cost of closure and post-closure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

In addition, as required by State regulations, the County has established the Landfill Private-Purpose Trust Fund for the accumulation of statutory fees and interest earnings to be used by the State of Michigan, if necessary, to safely maintain the landfill after its closure.

The County is also required by the State to purchase an irrevocable line of credit in the amount of $3,595,000 that can be drawn on by the State of Michigan to pay any necessary closure and post-closure costs. The County is in compliance with this requirement.

NOTE 20 - TAX ABATEMENTS

The County has received reduced property tax revenues during 2025 as a result of industrial facilities tax exemptions (IFT’s) entered into by cities, villages, and townships within the County.

The IFT’s were entered into based upon the Industrial Development Districts Act, PA 198 of 1974, as amended. IFT’s provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to approximately $250,000 in reduced County tax revenues in the General Fund and $149,000 in reduced County tax revenues in the Special Revenue millage funds for 2025.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 43,546,603	$ 44,157,994	$ 44,225,214	$ 67,220
Licenses and permits	209,300	219,300	212,831	(6,469)
Intergovernmental	16,396,401	17,489,986	16,692,792	(797,194)
Charges for services	7,221,724	8,284,260	8,046,751	(237,509)
Fines and forfeits	335,600	292,600	270,084	(22,516)
Interest and rent	973,255	1,819,151	1,776,283	(42,868)
Other	2,223,418	2,294,577	2,224,468	(70,109)
Total revenues	70,906,301	74,557,868	73,448,423	(1,109,445)
EXPENDITURES				
General government -				
Board of Commissioners	270,064	238,064	225,299	12,765
Other legislative activities	1,403,000	1,278,894	1,152,803	126,091
Administrator/controller	721,667	780,667	777,367	3,300
Elections	224,054	206,254	167,828	38,426
Accounting	409,695	409,695	404,795	4,900
Clerk	964,557	1,111,897	1,000,300	111,597
Equalization	966,133	968,133	925,166	42,967
Human resources	565,642	565,642	521,969	43,673
Purchasing	121,865	108,865	103,589	5,276
Treasurer	710,365	710,365	696,788	13,577
Information technology	2,712,533	3,037,533	3,013,017	24,516
Building and grounds	2,797,818	2,797,818	2,623,816	174,002
Motor pool	160,500	160,500	146,777	13,723
Other	107,560	-	-	-
	12,135,453	12,374,327	11,759,514	614,813
Judicial -				
Circuit court	1,563,410	1,659,475	1,657,911	1,564
District court	2,646,028	2,582,028	2,465,027	117,001
Courthouse security	747,025	747,025	704,930	42,095
Friend of the court	3,712,865	3,643,865	3,643,623	242
Probate court	1,526,685	1,546,685	1,493,562	53,123
Family division - circuit court	1,896,699	1,896,699	1,832,294	64,405
Probation	7,300	7,300	3,911	3,389
District court probation	1,064,188	1,059,188	1,017,905	41,283
Prosecuting attorney	3,852,802	3,852,802	3,812,059	40,743
Victims' rights	10,800	10,800	11,383	(583)
	17,027,802	17,005,867	16,642,605	363,262

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Public safety -				
Sheriff	$ 10,706,420	$ 10,780,523	$ 10,379,271	$ 401,252
Training	27,000	27,000	8,101	18,899
Communications/radio	2,520,593	2,480,593	2,488,177	(7,584)
Marine law enforcement	420,960	420,960	387,890	33,070
Dive team	55,129	55,129	56,250	(1,121)
Corrections/jail	15,835,152	16,557,514	16,515,087	42,427
Other corrections activities	145,000	145,000	102,065	42,935
Emergency preparedness	768,711	702,962	656,282	46,680
Hazardous material handling	41,252	41,252	47,071	(5,819)
Animal shelter/dog warden	734,767	753,767	716,615	37,152
	31,254,984	31,964,700	31,356,809	607,891
Public works -				
Road commission	900,000	900,000	900,000	-
Drain commissioner	624,186	576,186	557,777	18,409
Drains - public benefit	98,637	179,461	179,461	-
	1,622,823	1,655,647	1,637,238	18,409
Health and welfare -				
Medical examiner	836,213	845,150	838,074	7,076
Mental health	955,672	955,672	955,672	-
Public guardian	731,030	713,030	702,530	10,500
Veterans' burial	15,000	15,000	13,200	1,800
	2,537,915	2,528,852	2,509,476	19,376
Community and economic development -				
Planning commission	759,005	758,013	692,899	65,114
Transportation planning	8,350	8,350	3,157	5,193
Redevelopment and housing	-	1,500	1,467	33
Cooperative extension	279,544	279,544	273,134	6,410
Register of deeds	131,218	131,218	104,023	27,195
	1,178,117	1,178,625	1,074,680	103,945
Debt service -				
Principal	416,989	416,989	416,989	-
Interest	147,072	147,072	147,072	-
	564,061	564,061	564,061	-
Total expenditures	66,321,155	67,272,079	65,544,383	1,727,696
Revenues over expenditures	4,585,146	7,285,789	7,904,040	618,251

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Issuance of debt/SBITAs	$ -	$ 166,340	$ 143,178	$ (23,162)
Transfers from other funds	2,086,558	2,135,558	2,119,611	(15,947)
Transfers to other funds	(6,671,704)	(9,471,704)	(10,011,704)	(540,000)
Total other financing sources (uses)	(4,585,146)	(7,169,806)	(7,748,915)	(579,109)
Net change in fund balance	-	115,983	155,125	39,142
Fund balance at beginning of year	12,049,388	12,049,388	12,049,388	-
Fund balance at end of year	$ 12,049,388	$ 12,165,371	$ 12,204,513	$ 39,142

RECONCILIATION OF BUDGET-BASIS TO GAAP-BASIS REPORTING

Net change in general fund fund balance (budgetary basis)	$ 155,125
Perspective difference -	
Other budgeted funds net change allocated to the general fund for GAAP-basis reporting:	
Budget incentive	58,306
Development revolving	(37,944)
Net change in combined general fund fund balance (GAAP-basis)	$ 175,487

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
PARKS AND RECREATION
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 3,882,978	$ 3,848,477	$ 3,849,972	$ 1,495
Intergovernmental	282,000	336,168	93,342	(242,826)
Charges for services	226,000	265,769	282,293	16,524
Interest and rent	75,250	95,602	119,739	24,137
Other	48,500	15,218	8,191	(7,027)
Total revenues	4,514,728	4,561,234	4,353,537	(207,697)
EXPENDITURES				
Recreation and cultural	5,618,728	5,209,800	4,754,978	454,822
Net change in fund balance	(1,104,000)	(648,566)	(401,441)	247,125
Fund balance at beginning of year	3,433,342	3,433,342	3,433,342	-
Fund balance at end of year	$ 2,329,342	$ 2,784,776	$ 3,031,901	$ 247,125

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
LIBRARY
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 9,547,082	$ 9,547,082	$ 9,463,243	$ (83,839)
Intergovernmental	321,000	321,000	424,294	103,294
Charges for services	55,000	55,000	77,581	22,581
Fines and forfeits	361,000	361,000	281,805	(79,195)
Interest and rent	225,150	225,150	339,745	114,595
Other	75,075	75,075	11,898	(63,177)
Total revenues	10,584,307	10,584,307	10,598,566	14,259
EXPENDITURES				
Recreation and cultural	12,084,307	12,042,671	9,167,849	2,874,822
Debt service -				
Principal	-	32,966	32,966	-
Interest	-	8,670	8,670	-
	12,084,307	12,084,307	9,209,485	2,874,822
Revenues over (under) expenditures	(1,500,000)	(1,500,000)	1,389,081	2,889,081
OTHER FINANCING SOURCES				
Lease proceeds	-	-	461,542	461,542
Net change in fund balance	(1,500,000)	(1,500,000)	1,850,623	3,350,623
Fund balance at beginning of year	9,572,252	9,572,252	9,572,252	-
Fund balance at end of year	$ 8,072,252	$ 8,072,252	$ 11,422,875	$ 3,350,623

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
SENIOR CITIZENS MILLAGE
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 6,320,871	$ 6,320,871	$ 6,216,675	$ (104,196)
Intergovernmental	66,074	66,074	135,241	69,167
Interest and rent	185,000	185,000	171,038	(13,962)
Other	-	-	16,974	16,974
Total revenues	6,571,945	6,571,945	6,539,928	(32,017)
EXPENDITURES				
Health and welfare	6,785,195	6,785,195	6,469,041	316,154
Net change in fund balance	(213,250)	(213,250)	70,887	284,137
Fund balance at beginning of year	4,686,348	4,686,348	4,686,348	-
Fund balance at end of year	$ 4,473,098	$ 4,473,098	$ 4,757,235	$ 284,137

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
DRUG TASK FORCE
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 4,396,906	$ 4,360,906	$ 4,359,244	$ (1,662)
Intergovernmental	1,000	4,935	10,032	5,097
Interest and rent	100,000	98,000	95,383	(2,617)
Other	12,000	12,000	14,038	2,038
Total revenues	4,509,906	4,475,841	4,478,697	2,856
EXPENDITURES				
Public safety	4,004,100	4,299,100	4,054,792	244,308
Debt service -				
Principal	18,753	18,753	18,753	-
Interest	2,918	2,918	2,918	-
Total expenditures	4,025,771	4,320,771	4,076,463	244,308
Revenues over expenditures	484,135	155,070	402,234	247,164
OTHER FINANCING USES				
Transfers to other funds	(594,258)	(594,258)	(594,258)	-
Net change in fund balance	(110,123)	(439,188)	(192,024)	247,164
Fund balance at beginning of year	2,414,799	2,414,799	2,414,799	-
Fund balance at end of year	$ 2,304,676	$ 1,975,611	$ 2,222,775	$ 247,164

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
AMERICAN RESCUE PLAN
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 15,000,000	$ 10,744,000	$ 8,893,327	$ (1,850,673)
Interest and rent	800,000	530,000	514,408	(15,592)
Total revenues	15,800,000	11,274,000	9,407,735	(1,866,265)
EXPENDITURES				
Judicial	200,000	261,630	261,629	1
General government	5,300,000	1,338,516	1,321,310	17,206
Public safety	3,500,000	3,345,551	1,818,589	1,526,962
Public works	-	1,969,516	1,185,975	783,541
Health and welfare	5,000,000	2,861,912	2,887,950	(26,038)
Recreation and cultural	1,000,000	1,022,875	1,472,874	(449,999)
Total expenditures	15,000,000	10,800,000	8,948,327	1,851,673
Net change in fund balance	800,000	474,000	459,408	(14,592)
Fund balance at beginning of year	3,162,803	3,162,803	3,162,803	-
Fund balance at end of year	$ 3,962,803	$ 3,636,803	$ 3,622,211	$ (14,592)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
OPIOID SETTLEMENT
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Interest	$ -	$ 50,000	$ 31,849	$ (18,151)
Other	773,575	1,273,960	838,742	(435,218)
	773,575	1,323,960	870,591	(453,369)
EXPENDITURES				
Health and welfare	575,270	575,270	253,669	321,601
Revenues over (under) expenditures	198,305	748,690	616,922	(131,768)
OTHER FINANCING USES				
Transfers to other funds	(76,415)	(36,299)	(29,625)	6,674
Net change in fund balance	121,890	712,391	587,297	(125,094)
Fund balance at beginning of year	3,413,312	3,413,312	3,413,312	-
Fund balance at end of year	$ 3,535,202	$ 4,125,703	$ 4,000,609	$ (125,094)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) is presented on the same basis of accounting as that used in preparing the adopted budget. The County budgets the activities of the Budget Incentive Fund separately from the General Fund as well as the Development Revolving Fund which is not budgeted. For the GAAP-basis basic financial statements, however, the activities of the above mentioned funds are combined with the General Fund.

2. The Major Special Revenue Funds budgets shown in the required supplementary information were prepared on a basis consistent with accounting principles generally accepted in the United States of America and on the same modified accrual basis used to reflect actual results.

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS

	Annual money-weighted rate of return, net of expenses
2025	13.21%
2024	10.49%
2023	11.72%
2022	-15.05%
2021	13.92%
2020	9.12%
2019	18.03%
2018	-4.72%
2017	11.89%
2016	8.13%

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Reporting Year*			
	2025	2024	2023	2022
PRIMARY GOVERNMENT				
TOTAL PENSION LIABILITY				
Service cost	$ 2,082,449	$ 2,024,816	$ 2,165,620	$ 2,349,386
Interest	14,556,099	14,332,040	14,160,546	13,795,460
Changes of assumptions	1,127,767	-	327,600	(725,138)
Differences between expected and actual experience	1,737,811	(560,178)	(1,695,348)	1,903,303
Benefit payments, including refunds	(12,773,196)	(12,533,751)	(12,201,657)	(11,645,804)
Change in total pension liability	6,730,930	3,262,927	2,756,761	5,677,207
Total pension liability, beginning of year	212,248,418	208,985,491	206,228,730	200,551,523
Total pension liability, end of year	$ 218,979,348	$ 212,248,418	$ 208,985,491	$ 206,228,730
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 5,614,349	$ 5,749,763	$ 5,344,705	$ 5,359,604
Contributions - member	1,134,006	1,124,957	1,158,785	1,221,286
Net investment income	17,812,198	18,429,466	(28,645,016)	24,162,657
Benefit payments, including refunds	(12,773,196)	(12,533,751)	(12,201,657)	(11,645,804)
Administrative expenses	(107,390)	(107,068)	(104,553)	(104,764)
Other	-	-	11,452	3,295
Net change in plan fiduciary net position	11,679,967	12,663,367	(34,436,284)	18,996,274
Plan fiduciary net position, beginning of year	173,185,232	160,521,865	194,958,149	175,961,875
Plan fiduciary net position, end of year	$ 184,865,199	$ 173,185,232	$ 160,521,865	$ 194,958,149
COUNTY'S NET PENSION LIABILITY - ending	$ 34,114,149	$ 39,063,186	$ 48,463,626	$ 11,270,581
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	84.42%	81.60%	76.81%	94.53%
COVERED PAYROLL	$ 18,478,208	$ 18,110,870	$ 19,404,248	$ 19,688,620
COUNTY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	184.62%	215.69%	249.76%	57.24%

* The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2025 is the December 31, 2024 net pension liability).

2021	2020	2019	2018	2017	2016
$ 2,647,191	$ 2,793,165	$ 2,676,913	$ 2,572,862	$ 2,504,939	$ 2,768,655
14,435,914	13,869,129	12,691,473	12,385,695	10,449,188	11,544,593
(418,920)	12,136,467	(233,899)	(494,505)	2,728,045	-
1,529,289	210,610	(116,488)	(559,596)	(482,191)	(1,451,427)
(12,289,005)	(11,092,928)	(9,792,455)	(9,938,259)	(7,116,901)	(9,130,574)
5,904,469	17,916,443	5,225,544	3,966,197	8,083,080	3,731,247
194,647,054	176,730,611	171,505,067	167,538,870	159,455,790	155,724,543
$ 200,551,523	$ 194,647,054	$ 176,730,611	$ 171,505,067	$ 167,538,870	$ 159,455,790
$ 3,923,266	$ 3,555,904	$ 3,737,255	$ 3,946,975	$ 4,014,131	$ 4,843,347
1,399,291	1,282,569	1,222,685	1,105,447	1,149,429	1,154,432
16,108,661	26,134,016	(8,457,211)	17,464,462	9,030,086	2,400,568
(12,289,005)	(11,092,928)	(9,792,455)	(9,938,259)	(7,116,901)	(9,130,574)
(105,027)	(145,667)	(101,172)	(111,350)	(129,296)	(95,353)
856	15,325	-	-	-	-
9,038,042	19,749,219	(13,390,898)	12,467,275	6,947,449	(827,580)
166,923,833	147,174,614	160,565,512	148,098,237	141,150,788	141,978,368
$ 175,961,875	$ 166,923,833	$ 147,174,614	$ 160,565,512	$ 148,098,237	$ 141,150,788
$ 24,589,648	$ 27,723,221	$ 29,555,997	$ 10,939,555	$ 19,440,633	$ 18,305,002
87.74%	85.76%	83.28%	93.62%	88.40%	88.52%
$ 20,338,799	$ 21,840,966	$ 21,648,797	$ 21,511,145	$ 22,609,487	$ 23,709,482
120.90%	126.93%	136.52%	50.86%	85.98%	77.21%

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Reporting Year*			
	2025	2024	2023	2022
COMPONENT UNITS				
TOTAL PENSION LIABILITY				
Service cost	$ 1,062,402	$ 1,092,352	$ 1,181,016	$ 1,239,145
Interest	7,656,585	7,328,147	7,262,926	7,015,473
Changes of assumptions	974,653	-	176,754	(416,461)
Differences between expected and actual experience	1,539,441	3,164,923	(1,186,328)	1,645,414
Benefit payments, including refunds	(7,014,330)	(6,712,661)	(6,115,283)	(5,665,524)
Change in total pension liability	4,218,751	4,872,761	1,319,085	3,818,047
Total pension liability, beginning of year	111,824,550	106,951,789	105,632,704	101,814,657
Total pension liability, end of year	$ 116,043,301	$ 111,824,550	$ 106,951,789	$ 105,632,704
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 2,043,139	$ 1,973,794	$ 6,293,675	$ 2,358,377
Contributions - member	545,742	594,766	651,471	668,679
Net investment income	9,599,774	10,079,125	(15,376,815)	12,629,198
Benefit payments, including refunds	(7,014,330)	(6,712,661)	(6,115,283)	(5,665,524)
Administrative expenses	(57,781)	(58,232)	(54,648)	(54,753)
Other	-	-	6,148	1,723
Net change in plan fiduciary net position	5,116,544	5,876,792	(14,595,452)	9,937,700
Plan fiduciary net position, beginning of year	93,182,368	87,305,576	101,901,028	91,963,328
Plan fiduciary net position, end of year	$ 98,298,912	$ 93,182,368	$ 87,305,576	$ 101,901,028
COUNTY'S NET PENSION LIABILITY - ending	$ 17,744,389	$ 18,642,182	$ 19,646,213	$ 3,731,676
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	84.71%	83.33%	81.63%	96.47%
COVERED PAYROLL	$ 10,366,561	$ 10,667,237	$ 11,432,656	$ 11,205,193
COUNTY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	171.17%	174.76%	171.84%	33.30%

* The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2025 is the December 31, 2024 net pension liability).

2021	2020	2019	2018	2017	2016
$ 1,060,542	$ 1,192,543	$ 1,383,784	$ 1,634,397	$ 1,830,004	$ 1,621,125
5,783,444	5,921,437	6,560,638	6,565,930	7,633,742	5,964,738
(167,832)	5,181,675	(120,909)	(270,272)	1,992,996	-
612,677	89,920	(60,217)	(2,607,396)	(352,270)	1,245,014
(4,223,728)	(4,680,755)	(5,487,673)	(4,929,768)	(7,203,403)	(4,528,882)
3,065,103	7,704,820	2,275,623	392,891	3,901,069	4,301,995
98,749,554	91,044,734	88,769,111	88,376,220	84,475,151	80,173,156
$ 101,814,657	$ 98,749,554	$ 91,044,734	$ 88,769,111	$ 88,376,220	$ 84,475,151
$ 2,071,789	$ 2,138,942	$ 2,435,353	$ 2,445,872	$ 2,250,146	$ 2,336,633
560,596	547,595	632,045	783,359	839,726	884,526
6,683,289	13,195,560	(2,790,735)	8,612,555	7,944,148	1,054,248
(4,223,728)	(4,680,755)	(5,487,673)	(4,929,768)	(7,203,403)	(4,528,882)
(42,077)	(62,193)	(52,299)	(56,194)	(94,459)	(47,584)
355	7,737	-	-	-	-
5,050,224	11,146,886	(5,263,309)	6,855,824	3,736,158	(301,059)
86,913,104	75,766,218	81,029,527	74,173,703	70,437,545	70,738,604
$ 91,963,328	$ 86,913,104	$ 75,766,218	$ 81,029,527	$ 74,173,703	$ 70,437,545
$ 9,851,329	$ 11,836,450	$ 15,278,516	$ 7,739,584	$ 14,202,517	$ 14,037,606
90.32%	88.01%	83.22%	91.28%	83.93%	83.38%
$ 11,729,885	$ 12,525,127	$ 12,616,569	$ 14,197,693	$ 15,104,860	$ 15,228,470
83.98%	94.50%	121.10%	54.51%	94.03%	92.18%

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Plan Year *			
	2025	2024	2023	2022
TOTAL PLAN				
TOTAL PENSION LIABILITY				
Service cost	$ 3,768,790	$ 3,144,851	$ 3,117,168	$ 3,346,636
Interest	22,997,886	22,212,684	21,660,187	21,423,472
Changes of assumptions	-	2,102,420	-	503,097
Change in benefit terms	-	-	-	1,257
Differences between expected and actual experience	293,319	3,277,252	2,604,745	(2,881,676)
Benefit payments, including refunds	(20,500,432)	(19,787,526)	(19,246,412)	(18,316,940)
Change in total pension liability	6,559,563	10,949,681	8,135,688	4,075,846
Total pension liability, beginning of year	335,022,649	324,072,968	315,937,280	311,861,434
Total pension liability, end of year	$ 341,582,212	$ 335,022,649	$ 324,072,968	$ 315,937,280
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 7,794,882	$ 7,657,488	$ 7,723,557	$ 11,638,380
Contributions - member	1,698,339	1,679,748	1,719,723	1,810,256
Net investment income	36,743,317	27,411,972	28,508,591	(44,021,831)
Benefit payments, including refunds	(20,500,432)	(19,787,526)	(19,246,412)	(18,316,940)
Administrative expenses	(175,776)	(165,171)	(165,300)	(159,201)
Other	-	-	-	17,600
Net change in plan fiduciary net position	25,560,330	16,796,511	18,540,159	(49,031,736)
Plan fiduciary net position, beginning of year	283,164,111	266,367,600	247,827,441	296,859,177
Plan fiduciary net position, end of year	$ 308,724,441	$ 283,164,111	$ 266,367,600	$ 247,827,441
COUNTY'S NET PENSION LIABILITY - ending	$ 32,857,771	$ 51,858,538	$ 57,705,368	$ 68,109,839
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	90.38%	84.52%	82.19%	78.44%
COVERED PAYROLL	$ 28,095,020	$ 28,844,769	$ 28,778,107	$ 30,836,904
COUNTY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	117.0%	179.8%	200.5%	220.9%

* The Plan Year is based on the prior year actuarial liability rolled forward to the current year. These amounts are not reported in the County's primary government and component unit financial statements until the following year.

2021	2020	2019	2018	2017	2016
$ 3,588,531	$ 3,707,733	$ 3,985,708	$ 4,060,697	$ 4,207,259	$ 4,334,943
20,810,933	20,219,358	19,790,566	19,252,111	18,951,625	18,082,930
(1,141,599)	(586,752)	17,318,142	(354,808)	(764,777)	4,721,041
-	-	-	-	-	-
3,548,717	2,141,966	300,530	(176,705)	(3,166,992)	(834,461)
(17,311,328)	(16,512,733)	(15,773,683)	(15,280,128)	(14,868,027)	(14,320,304)
9,495,254	8,969,572	25,621,263	7,501,167	4,359,088	11,984,149
302,366,180	293,396,608	267,775,345	260,274,178	255,915,090	243,930,941
$ 311,861,434	$ 302,366,180	$ 293,396,608	$ 267,775,345	$ 260,274,178	$ 255,915,090
$ 7,717,981	$ 5,995,055	$ 5,694,846	$ 6,172,608	$ 6,392,847	$ 6,264,277
1,889,965	1,959,887	1,830,164	1,854,730	1,888,806	1,989,155
36,791,855	22,791,950	39,329,576	(11,247,946)	26,077,017	16,974,234
(17,311,328)	(16,512,733)	(15,773,683)	(15,280,128)	(14,868,027)	(14,320,304)
(159,517)	(147,104)	(207,860)	(153,471)	(167,544)	(223,755)
5,018	1,211	23,062	-	-	-
28,933,974	14,088,266	30,896,105	(18,654,207)	19,323,099	10,683,607
267,925,203	253,836,937	222,940,832	241,595,039	222,271,940	211,588,333
$ 296,859,177	$ 267,925,203	$ 253,836,937	$ 222,940,832	$ 241,595,039	$ 222,271,940
$ 15,002,257	$ 34,440,977	$ 39,559,671	$ 44,834,513	$ 18,679,139	$ 33,643,150
95.19%	88.61%	86.52%	83.26%	92.82%	86.85%
$ 32,873,411	$ 33,839,843	$ 33,483,820	$ 34,265,366	$ 35,708,838	$ 37,714,347
45.6%	101.8%	118.1%	130.8%	52.3%	89.2%

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
PRIMARY GOVERNMENT					
2025	$ 5,323,177	$ 5,544,882	$ (221,705)	$ 17,607,680	31.49%
2024	5,093,033	5,614,349	(521,316)	17,327,123	32.40%
2023	4,660,241	5,749,762	(1,089,521)	18,749,277	30.67%
2022	5,344,705	5,344,705	-	18,826,099	28.39%
2021	5,359,604	5,359,604	-	19,688,620	27.22%
2020	3,908,222	3,923,266	(15,044)	20,388,799	19.24%
2019	3,500,277	3,555,904	(55,627)	21,840,966	16.28%
2018	3,517,819	3,737,255	(219,436)	21,648,797	17.26%
2017	3,822,897	3,947,749	(124,852)	21,511,145	18.35%
2016	3,551,582	4,014,131	(462,549)	22,609,487	17.75%
COMPONENT UNITS					
2025	$ 2,224,069	$ 2,224,069	$ -	$ 9,845,224	22.59%
2024	1,971,407	1,971,407	-	13,400,788	14.71%
2023	1,953,610	1,998,025	(44,415)	10,746,879	18.59%
2022	2,243,783	6,280,578	(4,036,795)	11,828,764	53.10%
2021	2,140,611	2,266,840	(126,229)	11,870,072	19.10%
2020	1,738,935	2,063,461	(324,526)	12,525,127	16.47%
2019	1,705,957	2,126,341	(420,384)	13,158,103	16.16%
2018	1,919,500	2,476,820	(557,320)	12,759,059	19.41%
2017	2,195,477	2,373,562	(178,085)	13,933,660	17.03%
2016	2,101,104	2,275,043	(173,939)	15,356,127	14.82%
2015	2,146,742	2,348,157	(201,415)	15,286,757	15.36%

* Amounts combined do not agree to Total Plan on following page as this is reporting fiscal years of the component units and the following page is reporting on the Plan's fiscal year.

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS (PLAN YEAR)

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
PLAN TOTAL					
2025	$ 7,573,123	$ 7,794,882	$ (221,759)	$ 26,984,351	28.89%
2024	7,136,172	7,657,488	(521,316)	27,250,143	28.10%
2023	6,567,873	7,723,557	(1,155,684)	29,062,897	26.58%
2022	7,601,585	11,638,380	(4,036,795)	30,275,367	38.44%
2021	7,508,530	7,717,981	(209,451)	32,068,684	24.07%
2020	5,655,485	5,995,055	(339,570)	33,483,820	17.90%
2019	5,174,822	5,694,846	(520,024)	34,265,366	16.62%
2018	5,396,056	6,172,608	(776,552)	34,585,027	17.85%
2017	6,090,683	6,392,847	(302,164)	35,512,868	18.00%
2016	5,620,520	6,264,277	(643,757)	37,413,854	16.74%

VALUATION DATE December 31 of the second previous fiscal year

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Individual entry age
Amortization method	Level dollar
Remaining amortization period	15 years on a closed period
Asset valuation method	5-year smoothed fair value
Salary increases	2.25%-7.00% for 2021 and after; previous years: 3.50%-8.00% for General and Road Commission, 2.00% for Community Mental Health
Investment rate of return	7.00%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	2022: Pub-2010 General, Public Safety, or Blue Collar mortality table with generational improvements from 2010 based on the SOA Scale MP-2020 2021: Pub-2010 General, Public Safety, or Blue Collar mortality table with generational improvements from 2010 based on the SOA Scale MP-2019 2020 and prior: RP-2014 Mortality Table with generational improvements from 2006 based on MP-18

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF INVESTMENT RETURNS

	Annual money-weighted rate of return, net of expenses
2025	13.61%
2024	11.27%
2023	13.94%
2022	-13.51%
2021	11.21%
2020	12.47%
2019	18.14%
2018	-3.18%
2017	20.08%

GASB Statement No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Reporting Year**			
	2025	2024	2023	2022
PRIMARY GOVERNMENT				
TOTAL OPEB LIABILITY				
Service cost	$ 422,902	$ 664,256	$ 788,162	$ 1,492,709
Interest	2,232,525	2,309,900	2,668,711	3,161,353
Changes in benefit terms	-	-	-	-
Changes of assumptions	9,860,322	(5,902,627)	1,261,865	(11,074,270)
Differences between expected and actual experience	(115,471)	(3,898,975)	(9,514,087)	(21,186,858)
Benefit payments, including refunds	(2,126,951)	(1,972,993)	(1,858,908)	(1,978,269)
Change in total OPEB liability	10,273,327	(8,800,439)	(6,654,257)	(29,585,335)
Total OPEB liability, beginning of year	35,507,277	44,307,716	50,961,973	80,547,308
Total OPEB liability, end of year	$ 45,780,604	$ 35,507,277	$ 44,307,716	$ 50,961,973
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 1,148,411	$ 1,279,556	$ 815,382	$ 1,306,023
Contributions - member	225,596	238,917	257,667	297,250
Net investment income	3,378,009	3,716,029	(4,272,046)	3,236,486
Benefit payments, including refunds	(2,126,951)	(1,972,993)	(1,858,908)	(1,978,269)
Administrative expenses	-	-	-	(606)
Net change in plan fiduciary net position	2,625,065	3,261,509	(5,057,905)	2,860,884
Plan fiduciary net position, beginning of year	30,299,519	27,038,010	32,095,915	29,235,031
Plan fiduciary net position, end of year	$ 32,924,584	$ 30,299,519	$ 27,038,010	$ 32,095,915
COUNTY'S NET OPEB LIABILITY - ending	$ 12,856,020	$ 5,207,758	$ 17,269,706	$ 18,866,058
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY	71.92%	85.33%	61.02%	62.98%
COVERED PAYROLL	$ 15,698,118	$ 15,567,855	$ 18,749,794	$ 18,783,130
COUNTY'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	81.9%	33.5%	92.1%	100.4%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2025 is the December 31, 2024 net OPEB liability).

2021	2020	2019	2018
$ 968,599	$ 1,244,520	$ 2,891,255	$ 2,619,609
3,449,856	3,302,524	4,866,947	4,729,272
-	-	(49,455,733)	-
17,272,934	(2,107,273)	(10,761,637)	6,184,642
(1,974,016)	(909,232)	(7,983,356)	1,660,027
(1,827,809)	(2,248,196)	(2,711,471)	(2,757,601)
17,889,564	(717,657)	(63,153,995)	12,435,949
62,657,744	63,375,401	126,529,396	114,093,447
$ 80,547,308	$ 62,657,744	$ 63,375,401	$ 126,529,396
$ 995,689	$ 986,546	$ 959,219	$ 841,331
318,453	327,237	342,549	353,887
3,166,151	4,155,708	(787,575)	2,878,791
(1,827,809)	(2,248,196)	(2,711,471)	(2,757,601)
(225)	(304)	(316)	(21,220)
2,652,259	3,220,991	(2,197,594)	1,295,188
26,582,772	23,361,781	25,559,375	24,264,187
$ 29,235,031	$ 26,582,772	$ 23,361,781	$ 25,559,375
$ 51,312,277	$ 36,074,972	$ 40,013,620	$ 100,970,021
36.30%	42.43%	36.86%	20.20%
$ 15,462,425	$ 19,455,357	$ 20,021,640	$ 21,110,866
331.9%	185.4%	199.9%	478.3%

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Reporting Year**			
	2025	2024	2023	2022
COMPONENT UNITS				
TOTAL OPEB LIABILITY				
Service cost	$ 213,925	$ 352,316	$ 408,339	$ 811,875
Interest	1,066,193	1,132,149	1,304,828	1,552,300
Changes in benefit terms	-	-	-	-
Changes of assumptions	4,988,666	(2,841,162)	686,516	(5,496,872)
Differences between expected and actual experience	490,652	(2,345,214)	(4,586,525)	(10,022,490)
Benefit payments, including refunds	(1,123,764)	(1,011,058)	(1,080,601)	(1,696,877)
Change in total OPEB liability	5,635,672	(4,712,969)	(3,267,443)	(14,852,064)
Total OPEB liability, beginning of year	16,998,518	21,711,487	24,978,930	39,830,994
Total OPEB liability, end of year	$ 22,634,190	$ 16,998,518	$ 21,711,487	$ 24,978,930
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 1,670,000	$ 1,680,373	$ 1,719,065	$ 1,613,592
Contributions - member	81,014	84,896	85,927	84,542
Net investment income	3,643,796	3,845,055	(4,205,298)	3,092,265
Benefit payments, including refunds	(1,123,764)	(1,011,058)	(1,080,601)	(1,696,877)
Administrative expenses	-	-	-	(575)
Net change in plan fiduciary net position	4,271,046	4,599,266	(3,480,907)	3,092,947
Plan fiduciary net position, beginning of year	31,963,813	27,364,547	30,845,454	27,752,507
Plan fiduciary net position, end of year	$ 36,234,859	$ 31,963,813	$ 27,364,547	$ 30,845,454
COUNTY'S NET OPEB LIABILITY (ASSET) - ending	$ (13,600,669)	$ (14,965,295)	$ (5,653,060)	$ (5,866,524)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY	160.09%	188.04%	126.04%	123.49%
COVERED PAYROLL	$ 10,234,767	$ 10,580,737	$ 11,534,797	$ 11,849,570
COUNTY'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	-132.9%	-141.4%	-49.0%	-49.5%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2025 is the December 31, 2024 net OPEB liability).

2021	2020	2019	2018
$ 538,660	$ 729,526	$ 1,858,363	$ 1,711,610
1,693,811	1,738,847	2,559,282	2,539,458
-	-	(26,905,935)	-
8,461,157	(2,702,348)	(5,469,086)	3,127,806
(319,991)	(948,479)	(3,676,283)	(775,585)
(1,579,927)	(967,952)	(1,327,251)	(1,348,601)
8,793,710	(2,150,406)	(32,960,910)	5,254,688
31,037,284	33,187,690	66,148,600	60,893,912
$ 39,830,994	$ 31,037,284	$ 33,187,690	$ 66,148,600
$ 1,479,720	$ 1,699,457	$ 1,910,694	$ 1,527,062
84,056	86,724	81,607	89,223
3,168,584	3,716,505	(645,767)	2,176,273
(1,579,927)	(967,952)	(1,327,251)	(1,348,601)
(209)	(260)	(248)	(15,407)
3,152,224	4,534,474	19,035	2,428,550
24,600,283	20,065,809	20,046,774	17,618,224
$ 27,752,507	$ 24,600,283	$ 20,065,809	$ 20,046,774
$ 12,078,487	$ 6,437,001	$ 13,121,881	$ 46,101,826
69.68%	79.26%	60.46%	30.31%
$ 11,783,235	$ 12,316,538	$ 12,718,123	$ 14,257,669
102.5%	52.3%	103.2%	323.3%

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Plan Year **			
	2025	2024	2023	2022
TOTAL PLAN				
TOTAL OPEB LIABILITY				
Service cost	$ 976,622	$ 636,827	$ 1,016,572	$ 1,196,501
Interest	4,043,307	3,298,718	3,442,049	3,973,539
Changes in benefit terms	-	-	-	-
Changes of assumptions	113,459	14,848,988	(8,743,789)	1,948,379
Differences between expected and actual experience	5,696,598	375,181	(6,244,189)	(14,100,610)
Benefit payments, including refunds	(4,065,144)	(3,250,715)	(2,984,051)	(2,939,509)
Change in total OPEB liability	6,764,842	15,908,999	(13,513,408)	(9,921,700)
Total OPEB liability, beginning of year	68,414,794	52,505,795	66,019,203	75,940,903
Total OPEB liability, end of year	$ 75,179,636	$ 68,414,794	$ 52,505,795	$ 66,019,203
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 3,084,942	$ 2,818,411	$ 2,959,929	$ 2,534,447
Contributions - member	290,233	306,610	323,813	343,594
Net investment income	9,344,354	7,007,588	7,553,052	(8,484,521)
Benefit payments, including refunds	(4,065,144)	(3,250,715)	(2,984,051)	(2,939,509)
Administrative expenses	-	-	-	-
Other	8,635	14,217	8,032	7,177
Net change in plan fiduciary net position	8,663,020	6,896,111	7,860,775	(8,538,812)
Plan fiduciary net position, beginning of year	69,159,443	62,263,332	54,402,557	62,941,369
Plan fiduciary net position, end of year	$ 77,822,463	$ 69,159,443	$ 62,263,332	$ 54,402,557
COUNTY'S NET OPEB LIABILITY (ASSET) - ending	$ (2,642,827)	$ (744,649)	$ (9,757,537)	$ 11,616,646
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY	103.52%	101.09%	118.58%	82.40%
COVERED PAYROLL	$ 21,770,852	$ 25,932,885	$ 26,148,592	$ 28,214,243
COUNTY'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	-12.1%	-2.9%	-37.3%	41.2%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB Statement No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The Plan Year is based on the prior year actuarial liability rolled forward to the current year. These amounts are not reflected in the County's primary government and component unit financial statements until the following year.

2021	2020	2019	2018	2017
$ 2,304,584	$ 1,507,259	$ 1,974,046	$ 4,749,618	$ 4,331,219
4,713,653	5,143,667	5,041,371	7,426,229	7,268,730
-	-	-	(76,361,668)	-
(16,571,142)	25,734,091	(4,809,621)	(16,230,723)	9,312,448
(31,209,348)	(2,294,007)	(1,857,711)	(11,659,639)	884,442
(3,675,146)	(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
(44,437,399)	26,683,274	(2,868,063)	(96,114,905)	17,690,637
120,378,302	93,695,028	96,563,091	192,677,996	174,987,359
$ 75,940,903	$ 120,378,302	$ 93,695,028	$ 96,563,091	$ 192,677,996
$ 2,922,597	$ 2,475,409	$ 2,686,003	$ 2,869,913	$ 2,368,393
378,810	402,509	413,961	424,156	443,110
6,327,834	6,327,947	7,864,780	(1,433,342)	5,055,064
(3,675,146)	(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
(1,181)	(433)	(564)	(564)	(36,627)
917	6,787	7,433	-	-
5,953,831	5,804,483	7,755,465	(2,178,559)	3,723,738
56,987,538	51,183,055	43,427,590	45,606,149	41,882,411
$ 62,941,369	$ 56,987,538	$ 51,183,055	$ 43,427,590	$ 45,606,149
$ 12,999,534	$ 63,390,764	$ 42,511,973	$ 53,135,501	$ 147,071,847
82.88%	47.34%	54.63%	44.97%	23.67%
$ 27,245,660	$ 31,487,706	$ 31,771,895	$ 32,739,763	$ 35,368,535
47.7%	201.3%	133.8%	162.3%	415.8%

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
PRIMARY GOVERNMENT					
2025	$ 3,863,405	$ 1,396,942	$ 2,466,463	$ 15,698,118	8.90%
2024	1,316,934	1,148,411	168,523	18,041,647	6.37%
2023	3,218,049	1,291,929	1,926,120	18,749,794	6.89%
2022	4,128,109	815,382	3,312,727	17,884,191	4.56%
2021	3,891,144	1,306,023	2,585,121	18,783,130	6.95%
2020	4,862,296	995,689	3,866,607	15,462,425	6.44%
2019	4,205,510	986,546	3,218,964	19,455,357	5.07%
2018	4,013,767	959,219	3,054,548	20,021,640	4.79%
COMPONENT UNITS					
2025	$ 319,639	$ 1,677,250	$ (1,357,611)	$ 9,676,986	17.33%
2024	1,397,221	1,859,903	(462,682)	11,153,160	16.68%
2023	454,592	1,677,750	(1,223,158)	11,034,552	15.20%
2022	817,924	1,701,862	(883,938)	11,946,885	14.25%
2021	898,761	1,582,925	(684,164)	12,064,465	13.12%
2020	1,219,087	1,457,090	(238,003)	12,495,298	11.66%
2019	1,530,849	1,766,524	(235,675)	12,388,218	14.26%
2018	2,858,768	1,901,430	957,338	12,759,059	14.90%

The valuation determining the 2018 actuarially determined contribution reflects changes in the costs of insurance provided, mainly with the Medicare Advantage Plan projecting a 42.32% decrease in cost from 2018 to 2019.

* GASB Statement No. 75 was implemented for the fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** Amounts combined do not agree to Total Plan on the following page, as this is reporting fiscal years of the component units and the following page is reporting on the Plan's fiscal year.

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS (PLAN YEAR)

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
PLAN TOTAL					
2025	$ 4,193,975	$ 3,084,942	$ 1,109,033	$ 21,770,852	14.17%
2024	1,530,859	2,818,411	(1,287,552)	25,932,885	10.87%
2023	3,910,035	2,959,929	950,106	26,148,592	11.32%
2022	5,221,344	2,534,447	2,686,897	28,214,243	8.98%
2021	5,065,216	2,922,597	2,142,619	27,245,660	10.73%
2020	6,081,383	2,475,409	3,605,974	29,487,706	8.39%
2019	5,675,768	2,686,003	2,989,765	31,771,895	8.45%
2018	5,772,415	2,869,913	2,902,502	32,739,763	8.77%
2017	14,223,015	2,368,393	11,854,622	35,368,535	6.70%

VALUATION DATE December 31 of the previous fiscal year

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Individual entry age
Amortization method	Level percent of pay
Remaining amortization period	5 years
Asset valuation method	5-year smoothed fair value
Inflation	2025: 3.00%, 2024-2019: 2.00%, 2018: 2.80%, 2017: 3.00%
Salary increases	3.00%-8.00% in 2025; 2.25-7.00% for 2019-2024; 3.50-8.00% Road Commission and Community Mental Health for prior years
Investment rate of return	2025: 6.00%, 2024: 6.40%, 2021-2023: 5.25%, 2020: 6.00%, 2019: 6.34%, 2018: 6.50%, 2017: 5.00%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	Pub-2010 General, Public Safety, or Blue Collar weighted Mortality Table fully generational using scale MP-2018; Pub-2010 Non-Public Safety, Public Safety, or RPH-2006 Disabled Mortality Table Fully generational using scale MP-2018 for Disabled Retirees; and Pub-2010 General Headcount-weighted Mortality Table fully generational using scale MP-2018. For 2018 and 2017: RP-2017 Mortality Table with generational improvements from 2006 based on the Social Security mortality

The valuation determining the 2018 actuarially determined contribution reflects changes in the costs of insurance provided, mainly with the Medicare Advantage Plan projecting a 42.32% decrease in cost from 2018 to 2019.

GASB Statement No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN
COMBINING BALANCE SHEET
COMBINED GENERAL FUND
December 31, 2025

	General	Budget Incentive	Development Revolving	Eliminations	Combined General
ASSETS					
Cash and cash equivalents	$ 45,728	$ 211,399	$ -	$ -	$ 257,127
Investments	10,608,338	-	-	-	10,608,338
Receivables, net of allowance -					
Property taxes	1,977,349	-	-	-	1,977,349
Interest and accounts	605,231	-	-	-	605,231
Due from other governmental units	3,282,469	-	-	-	3,282,469
Due from other funds	-	1,450,000	-	(1,450,000)	-
Long-term notes receivable	1,124,000	-	75,887	-	1,199,887
Advances to component units	50,000	-	-	-	50,000
Deposits	23,987	-	-	-	23,987
Total assets	$ 17,717,102	$ 1,661,399	$ 75,887	$ (1,450,000)	$ 18,004,388
LIABILITIES					
Accounts payable	$ 821,041	$ 17,099	$ -	$ -	$ 838,140
Accrued liabilities	1,944,403	-	-	-	1,944,403
Due to other funds	1,450,000	-	-	(1,450,000)	-
Bonds and restitution payable	644,557	-	-	-	644,557
Unearned revenue	197,568	23,000	-	-	220,568
Total liabilities	5,057,569	40,099	-	(1,450,000)	3,647,668
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue -					
Property taxes	39,068	-	-	-	39,068
Grants/fees	415,952	-	-	-	415,952
Total deferred inflows of resources	455,020	-	-	-	455,020
FUND BALANCES					
Nonspendable -					
Long-term notes receivable/advances	1,174,000	-	75,887	-	1,249,887
Deposits	23,987	-	-	-	23,987
Committed	-	1,621,300	-	-	1,621,300
Unassigned	11,006,526	-	-	-	11,006,526
Total fund balances	12,204,513	1,621,300	75,887	-	13,901,700
Total liabilities, deferred inflows of resources, and fund balances	$ 17,717,102	$ 1,661,399	$ 75,887	$ (1,450,000)	$ 18,004,388

ST. CLAIR COUNTY, MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINED GENERAL FUND
For the year ended December 31, 2025

	General	Budget Incentive	Development Revolving	Eliminations	Combined General
REVENUES					
Taxes	$ 44,225,214	$ -	$ -	$ -	$ 44,225,214
Licenses and permits	212,831	-	-	-	212,831
Intergovernmental	16,692,792	-	-	-	16,692,792
Charges for services	8,046,751	27,000	-	-	8,073,751
Fines and forfeits	270,084	-	-	-	270,084
Interest and rent	1,776,283	-	-	-	1,776,283
Other	2,224,468	-	-	-	2,224,468
Total revenues	73,448,423	27,000	-	-	73,475,423
EXPENDITURES					
Current -					
General government	11,759,514	122,397	-	-	11,881,911
Judicial	16,642,605	30,489	-	-	16,673,094
Public safety	31,356,809	12,373	-	-	31,369,182
Public works	1,637,238	-	-	-	1,637,238
Health and welfare	2,509,476	-	-	-	2,509,476
Community and economic development	1,074,680	-	-	-	1,074,680
Debt service -					
Principal	416,989	-	-	-	416,989
Interest	147,072	-	-	-	147,072
Total expenditures	65,544,383	165,259	-	-	65,709,642
Revenues over (under) expenditures	7,904,040	(138,259)	-	-	7,765,781
OTHER FINANCING SOURCES (USES)					
Issuance of debt	143,178	-	-	-	143,178
Transfers from other funds	2,119,611	216,805	-	(216,805)	2,119,611
Transfers to other funds	(10,011,704)	(20,240)	(37,944)	216,805	(9,853,083)
Total other financing sources (uses)	(7,748,915)	196,565	(37,944)	-	(7,590,294)
Net change in fund balance	155,125	58,306	(37,944)	-	175,487
Fund balance at beginning of year	12,049,388	1,562,994	113,831	-	13,726,213
Fund balance at end of year	$ 12,204,513	$ 1,621,300	$ 75,887	$ -	$ 13,901,700

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
BUDGET INCENTIVE
For the year ended December 31, 2025

	Amended Budget	Actual	Variance with Actual Positive (Negative)
REVENUES			
Charges for services	$ 27,000	$ 27,000	$ -
EXPENDITURES			
General government	180,000	122,397	57,603
Judicial	60,000	30,489	29,511
Public safety	-	12,373	(12,373)
Total expenditures	240,000	165,259	74,741
Revenues under expenditures	(213,000)	(138,259)	74,741
OTHER FINANCING USES			
Transfers from other funds	-	216,805	216,805
Transfers to other funds	(20,240)	(20,240)	-
	(20,240)	196,565	216,805
Net change in fund balance	(233,240)	58,306	291,546
Fund balance at beginning of year	1,562,994	1,562,994	-
Fund balance at end of year	$ 1,329,754	$ 1,621,300	$ 291,546

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, debt service, or capital projects) that are restricted or committed to expenditures for specified purposes. The Nonmajor Special Revenue Funds of the County are as follows:

Friend of Court – is used to account for the revenues and expenditures of the Friend of the Court office required in 1982 Public Acts 294 through 298.

Convention Center – is used to account for the proceeds from and operations of the convention center.

Drug Law Enforcement – is used to account for revenues derived from the sale of assets seized by the Drug Task Force in drug cases and expenditures made in accordance with state drug forfeiture laws.

Health Department – is used to account for the operations of providing health protection and health services. Financing is provided by state and federal grants, charges for services and General Fund appropriations.

HUD Housing – is used to account for federal grant money received prior to 1987 for renovations made to qualified housing. It is also used to account for the loans resulting from these renovation projects. The interest from the loans and the repayments are used to supplement funding of future grants.

CDBG Housing – is used to account for federal grant money received after 1987 for renovations made to qualified housing. It is also used to account for the loans resulting from these renovation projects.

Human Services – is used to account for the cost of providing financial assistance to County residents who cannot meet basic requirements for personal needs, shelter and medical care. Financing is provided by the Michigan Family Independence Agency and General Fund appropriations.

Child Care – is used to account for court-ordered expenses for the health and welfare of minor children, and community based residential treatment program for emotionally impaired children and their families. Financing is provided by General Fund appropriations and state matching of certain eligible costs.

Indigent Defense – is used to account for revenues and expenditures of the delivery of indigent criminal defense services required by Act 93 of 2013.

Veterans' Millage – is used to account for a County special millage to be used for Veterans' aid.

Emergency 911 (E-911) – is used to account for revenues and expenditures of purchasing and providing Emergency 911 services.

Deeds Automation – is used to account for the revenues and expenditures set aside for the updating and streamlining the records system in the deeds office.

Local Corrections and Training – is used to account for the County's portion of booking fees collected in the Jail and used for corrections officer education and training and/or inmate substance abuse/mental health programs.

Family Counseling – is used to account for the portion of marriage license fees set aside for providing family counseling to individuals who have domestic related actions pending before the Circuit Court.

SPECIAL REVENUE FUNDS (continued)

Concealed Pistol Licensing – was created under State of Michigan Act 3 of 2015 and accounts for the deposit of licensing fees collected by the County and the related expenditures of the cost of administering.

Animal Control Donations – is used to account for contributions received for animal control programs.

Prosecutor's Drug Forfeitures – is used to account for the prosecuting attorney's proceeds for vehicle and drug forfeitures.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for restricted resources for the payment of general long-term debt principal, interest, and related costs. The Debt Service Funds of the County are as follows:

Mental Health Building Debt – is used to account for the debt service requirements related to the construction of a Community Mental Health Building.

Convention Center – is used to account for the debt service requirements related to the Blue Water Area Convention Center.

Public Works Projects – is used to account for collections and payments from townships and cities within the County for conduit debt.

Jail/Juvenile Facility – is used to account for the accumulation of resources and payment of debt for the Jail/Juvenile facility.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for restricted financial resources to be used for the acquisition or construction of capital assets (other than those financed by Proprietary and Trust Funds). The Capital Projects Funds of the County are as follows:

Public Improvement – is used to account for the funds earmarked for improvements in County facilities or equipment. Financing is provided primarily by General Fund appropriations.

Municipal Building – is used to account for local revenues used for major improvements to existing County buildings.

ST. CLAIR COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
ASSETS						
Cash and cash equivalents	$ 726,692	$ 945,515	$ 715,393	$ 4,049,912	$ 95,311	$ 471,994
Investments	500,000	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	6,146	60,701	-	108,856	-	-
Due from other governmental units	43,182	-	-	408,463	-	-
Long-term notes receivable	-	-	-	-	149,572	489,214
Total assets	$ 1,276,020	$ 1,006,216	$ 715,393	$ 4,567,231	$ 244,883	$ 961,208
LIABILITIES						
Accounts payable	$ 2,605	$ 89,201	$ 1,797	$ 67,409	$ -	$ -
Accrued liabilities	4,856	-	-	205,593	-	-
Advances and deposits	-	-	-	17,875	-	-
Due to other governmental units	-	-	-	628,708	-	41,636
Unearned revenue	-	-	-	79,319	-	-
Total liabilities	7,461	89,201	1,797	998,904	-	41,636
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving loans	-	-	-	-	149,572	447,578
Grants/fees	-	33,880	-	63,203	-	-
Taxes levied for subsequent period	-	-	-	-	-	-
Total deferred inflows of resources	-	33,880	-	63,203	149,572	447,578
FUND BALANCES						
Restricted	1,268,559	-	713,596	670,144	95,311	471,994
Committed	-	883,135	-	2,834,980	-	-
Total fund balances	1,268,559	883,135	713,596	3,505,124	95,311	471,994
Total liabilities, deferred inflows of resources, and fund balances	$ 1,276,020	$ 1,006,216	$ 715,393	$ 4,567,231	$ 244,883	$ 961,208

Special Revenue Funds							
Human Services	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training	Family Counseling
$ 55,178	$ 1,992,548	$ 579,095	$ 338,211	$ -	$ 49,608	$ 59,283	$ 132,145
-	-	-	-	-	-	-	-
-	-	-	777,195	-	-	-	-
-	70	-	-	-	380	-	-
-	1,113,823	-	6,471	-	-	-	-
-	-	-	-	-	-	-	-
$ 55,178	$ 3,106,441	$ 579,095	$ 1,121,877	$ -	$ 49,988	$ 59,283	$ 132,145
$ 4,939	$ 97,643	$ 109,283	$ 8,313	$ -	$ -	$ -	$ 760
565	131,441	70,544	12,002	-	3,810	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	385,813	-	-	-	-	-
5,504	229,084	565,640	20,315	-	3,810	-	760
-	-	-	1,238	-	-	-	-
-	-	-	-	-	-	-	-
-	436,532	-	-	-	-	-	-
-	-	-	813,679	-	-	-	-
-	436,532	-	814,917	-	-	-	-
-	-	13,455	286,645	-	46,178	59,283	131,385
49,674	2,440,825	-	-	-	-	-	-
49,674	2,440,825	13,455	286,645	-	46,178	59,283	131,385
$ 55,178	$ 3,106,441	$ 579,095	$ 1,121,877	$ -	$ 49,988	$ 59,283	$ 132,145

(Continued)

ST. CLAIR COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds			Debt Service Funds
	Concealed Pistol Licensing	Animal Control Donations	Prosecutor's Drug Forfeitures	Mental Health Building
ASSETS				
Cash and cash equivalents	$ 412,191	$ 104,896	$ 254,967	$ 610
Investments	-	-	-	-
Receivables, net of allowance -				
Property taxes	-	-	-	-
Interest and accounts	-	675	375	-
Due from other governmental units	6,084	-	-	-
Long-term notes receivable	-	-	-	900,000
Total assets	$ 418,275	$ 105,571	$ 255,342	$ 900,610
LIABILITIES				
Accounts payable	$ -	$ -	$ 510	$ -
Accrued liabilities	3,489	-	-	-
Advances and deposits	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	3,489	-	510	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue -				
Delinquent property taxes	-	-	-	-
Lease contract/revolving loans	-	-	-	900,000
Grants/fees	-	-	375	-
Taxes levied for subsequent period	-	-	-	-
Total deferred inflows of resources	-	-	375	900,000
FUND BALANCES				
Restricted	414,786	105,571	254,457	610
Committed	-	-	-	-
Total fund balances	414,786	105,571	254,457	610
Total liabilities, deferred inflows of resources, and fund balances	$ 418,275	$ 105,571	$ 255,342	$ 900,610

Debt Service Funds			Capital Projects Funds		
Convention Center	Public Works Projects	Jail/Juvenile Facility	Public Improvement	Municipal Building	Total
$ 83,166	$ 516,091	$ 1,180	$ 10,618,232	$ 152,702	$ 22,354,920
-	-	-	-	-	500,000
-	-	-	-	-	777,195
38,424	-	-	-	107	215,734
-	-	-	-	-	1,578,023
-	-	-	-	-	1,538,786
$ 121,590	$ 516,091	$ 1,180	$ 10,618,232	$ 152,809	$ 26,964,658
$ -	$ -	$ -	$ 142,152	$ 303	$ 524,915
-	-	-	-	-	432,300
-	-	-	-	-	17,875
-	516,016	-	-	-	1,186,360
-	-	-	-	-	465,132
-	516,016	-	142,152	303	2,626,582
-	-	-	-	-	1,238
-	-	-	-	-	1,497,150
9,975	-	-	-	-	543,965
-	-	-	-	-	813,679
9,975	-	-	-	-	2,856,032
111,615	75	1,180	10,476,080	-	15,120,924
-	-	-	-	152,506	6,361,120
111,615	75	1,180	10,476,080	152,506	21,482,044
$ 121,590	$ 516,091	$ 1,180	$ 10,618,232	$ 152,809	$ 26,964,658

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	370,769	-	-
Intergovernmental	190,932	-	-	4,876,334	-	-
Charges for services	34,915	833,150	-	2,136,812	-	-
Fines and forfeits	-	-	51,885	-	-	-
Interest and rent	21,644	231,694	-	-	-	4,798
Other	3,952	4,615	1,163	12,273	-	38,740
Total revenues	251,443	1,069,459	53,048	7,396,188	-	43,538
EXPENDITURES						
Current -						
Judicial	134,190	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	56,432	-	-	-
Health and welfare	-	-	-	9,575,692	-	-
Recreation and cultural	-	1,743,507	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debit service -						
Principal	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total expenditures	134,190	1,743,507	56,432	9,575,692	-	-
Revenues over (under) expenditures	117,253	(674,048)	(3,384)	(2,179,504)	-	43,538
OTHER FINANCING SOURCES (USES)						
Issuance of notes/SBITAs	-	-	-	62,999	-	-
Transfers from other funds	15,000	450,000	-	1,838,604	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	15,000	450,000	-	1,901,603	-	-
Net change in fund balances	132,253	(224,048)	(3,384)	(277,901)	-	43,538
Fund balances at beginning of year	1,136,306	1,107,183	716,980	3,783,025	95,311	428,456
Fund balances at end of year	$ 1,268,559	$ 883,135	$ 713,596	$ 3,505,124	$ 95,311	$ 471,994

Special Revenue Funds							
Human Services	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training	Family Counseling
$ -	$ -	$ -	$ 778,528	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	3,929,059	2,757,057	77,121	-	-	-	-
-	37,581	13,540	-	1,409,728	125,749	21,495	13,275
-	-	-	-	-	-	-	-
-	-	-	48	-	3,033	-	-
-	17,625	-	21,937	-	-	-	-
-	3,984,265	2,770,597	877,634	1,409,728	128,782	21,495	13,275
-	-	3,433,742	-	-	-	-	1,055
-	-	-	-	-	179,856	-	-
-	-	-	-	-	-	16,091	-
29,270	6,185,466	-	703,079	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	55,496	-	-	-	-	-
-	-	52,090	-	-	-	-	-
29,270	6,185,466	3,541,328	703,079	-	179,856	16,091	1,055
(29,270)	(2,201,201)	(770,731)	174,555	1,409,728	(51,074)	5,404	12,220
-	-	-	-	-	-	-	-
29,001	2,344,553	756,045	-	-	-	-	-
-	-	-	-	(1,409,728)	-	-	(15,000)
29,001	2,344,553	756,045	-	(1,409,728)	-	-	(15,000)
(269)	143,352	(14,686)	174,555	-	(51,074)	5,404	(2,780)
49,943	2,297,473	28,141	112,090	-	97,252	53,879	134,165
$ 49,674	$ 2,440,825	$ 13,455	$ 286,645	$ -	$ 46,178	$ 59,283	$ 131,385

(Continued)

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Special Revenue Funds			Debt Service Funds
	Concealed Pistol Licensing	Animal Control Donations	Prosecutor's Drug Forfeitures	Mental Health Building
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	150,613	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	28,125	-
Fines and forfeits	-	-	9,242	-
Interest and rent	-	-	-	957,075
Other	-	32,028	205	-
Total revenues	150,613	32,028	37,572	957,075
EXPENDITURES				
Current -				
Judicial	-	-	-	-
General government	145,586	-	-	-
Public safety	-	12	21,144	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Debit service -				
Principal	-	-	-	900,000
Interest and charges	-	-	-	57,075
Total expenditures	145,586	12	21,144	957,075
Revenues over (under) expenditures	5,027	32,016	16,428	-
OTHER FINANCING SOURCES (USES)				
Issuance of notes/SBITAs	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	5,027	32,016	16,428	-
Fund balances at beginning of year	409,759	73,555	238,029	610
Fund balances at end of year	$ 414,786	$ 105,571	$ 254,457	$ 610

Debt Service Funds			Capital Projects Funds		
Convention Center	Public Works Projects	Jail/Juvenile Facility	Public Improvement	Municipal Building	Total
$ -	$ -	$ -	$ -	$ -	$ 778,528
-	-	-	-	-	521,382
-	-	-	-	-	11,830,503
-	-	-	-	18,403	4,672,773
-	-	-	-	-	61,127
-	-	-	-	-	1,218,292
253,168	516,451	-	90,060	-	992,217
253,168	516,451	-	90,060	18,403	20,074,822
-	-	-	-	-	3,568,987
-	-	-	-	-	325,442
-	-	-	-	-	93,679
-	-	-	-	-	16,493,507
-	-	-	-	-	1,743,507
-	-	-	1,494,446	7,749	1,502,195
270,000	465,000	2,105,000	-	-	3,795,496
177,569	51,451	156,790	-	-	494,975
447,569	516,451	2,261,790	1,494,446	7,749	28,017,788
(194,401)	-	(2,261,790)	(1,404,386)	10,654	(7,942,966)
-	-	-	-	-	62,999
217,944	-	2,261,790	1,266,936	-	9,179,873
-	-	-	-	-	(1,424,728)
217,944	-	2,261,790	1,266,936	-	7,818,144
23,543	-	-	(137,450)	10,654	(124,822)
88,072	75	1,180	10,613,530	141,852	21,606,866
$ 111,615	$ 75	$ 1,180	$ 10,476,080	$ 152,506	$ 21,482,044

(Concluded)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
FRIEND OF COURT			
REVENUES			
Intergovernmental	$ 187,404	$ 190,932	$ 3,528
Charges for services	38,000	34,915	(3,085)
Interest and rent	32,000	21,644	(10,356)
Other	6,000	3,952	(2,048)
Total revenues	263,404	251,443	(11,961)
EXPENDITURES - judicial	145,480	134,190	11,290
Revenues over expenditures	117,924	117,253	(671)
OTHER FINANCING SOURCES - transfers from other funds	15,000	15,000	-
Net change in fund balance	132,924	132,253	(671)
Fund balance at beginning of year	1,136,306	1,136,306	-
Fund balance at end of year	$ 1,269,230	$ 1,268,559	$ (671)
CONVENTION CENTER			
REVENUES			
Charges for services	$ 920,000	$ 833,150	$ (86,850)
Interest and rent	238,400	231,694	(6,706)
Other	-	4,615	4,615
Total revenues	1,158,400	1,069,459	(88,941)
EXPENDITURES - recreation and cultural	1,712,851	1,743,507	(30,656)
Revenues under expenditures	(554,451)	(674,048)	(119,597)
OTHER FINANCING SOURCES			
Transfers from other funds	450,000	450,000	-
Net change in fund balance	(104,451)	(224,048)	(119,597)
Fund balance at beginning of year	1,107,183	1,107,183	-
Fund balance at end of year	$ 1,002,732	$ 883,135	$ (119,597)

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
DRUG LAW ENFORCEMENT			
REVENUES			
Fines and forfeits	$ 40,000	$ 51,885	$ 11,885
Other	5,000	1,163	(3,837)
Total revenues	45,000	53,048	8,048
EXPENDITURES - public safety	100,000	56,432	43,568
Net change in fund balance	(55,000)	(3,384)	51,616
Fund balance at beginning of year	716,980	716,980	-
Fund balance at end of year	$ 661,980	$ 713,596	$ 51,616
HEALTH DEPARTMENT			
REVENUES			
Licenses and permits	$ 388,000	$ 370,769	$ (17,231)
Intergovernmental	5,498,968	4,876,334	(622,634)
Charges for services	2,249,170	2,136,812	(112,358)
Other	45,000	12,273	(32,727)
Total revenues	8,181,138	7,396,188	(784,950)
EXPENDITURES - health and welfare	10,019,742	9,575,692	444,050
Revenues under expenditures	(1,838,604)	(2,179,504)	(340,900)
OTHER FINANCING SOURCES			
SBITAs	-	62,999	62,999
Transfers from other funds	1,838,604	1,838,604	-
	1,838,604	1,901,603	62,999
Net change in fund balance	-	(277,901)	(277,901)
Fund balance at beginning of year	3,783,025	3,783,025	-
Fund balance at end of year	$ 3,783,025	$ 3,505,124	$ (277,901)
HUD HOUSING			
Net change in fund balance	$ -	$ -	$ -
Fund balance at beginning of year	95,311	95,311	-
Fund balance at end of year	$ 95,311	$ 95,311	$ -

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
CDBG HOUSING			
REVENUES			
Interest	$ 5,000	$ 4,798	$ (202)
Other	38,740	38,740	-
Net change in fund balance	43,740	43,538	(202)
Fund balance at beginning of year	428,456	428,456	-
Fund balance at end of year	$ 472,196	$ 471,994	$ (202)
HUMAN SERVICES			
EXPENDITURES - health and welfare	$ 40,001	$ 29,270	$ 10,731
OTHER FINANCING SOURCES			
Transfers from other funds	29,001	29,001	-
Net change in fund balance	(11,000)	(269)	10,731
Fund balance at beginning of year	49,943	49,943	-
Fund balance at end of year	$ 38,943	$ 49,674	$ 10,731
CHILD CARE			
REVENUES			
Intergovernmental	$ 5,933,784	$ 3,929,059	$ (2,004,725)
Charges for services	182,500	37,581	(144,919)
Other	35,000	17,625	(17,375)
Total revenues	6,151,284	3,984,265	(2,167,019)
EXPENDITURES - health and welfare	8,640,138	6,185,466	2,454,672
Revenues under expenditures	(2,488,854)	(2,201,201)	287,653
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	2,344,553	2,344,553	-
Net change in fund balance	(144,301)	143,352	287,653
Fund balance at beginning of year	2,297,473	2,297,473	-
Fund balance at end of year	$ 2,153,172	$ 2,440,825	$ 287,653

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
INDIGENT DEFENSE			
REVENUES			
Intergovernmental	$ 3,130,342	$ 2,757,057	$ (373,285)
Charges for services	-	13,540	13,540
Total revenues	3,130,342	2,770,597	(359,745)
EXPENDITURES			
Judicial	3,778,801	3,433,742	345,059
Debt service -			
Principal	55,496	55,496	-
Interest	52,090	52,090	-
Total expenditures	3,886,387	3,541,328	345,059
Revenues under expenditures	(756,045)	(770,731)	(14,686)
OTHER FINANCING SOURCES			
Transfers from other funds	756,045	756,045	-
Net change in fund balance	-	(14,686)	(14,686)
Fund balance at beginning of year	28,141	28,141	-
Fund balance at end of year	$ 28,141	$ 13,455	$ (14,686)
VETERANS' MILLAGE			
REVENUES			
Taxes	$ 778,981	$ 778,528	$ (453)
Intergovernmental	62,071	77,121	15,050
Interest and rent	100	48	(52)
Other	18,000	21,937	3,937
Total revenues	859,152	877,634	18,482
EXPENDITURES - health and welfare	794,383	703,079	91,304
Net change in fund balance	64,769	174,555	109,786
Fund balance at beginning of year	112,090	112,090	-
Fund balance at end of year	$ 176,859	$ 286,645	$ 109,786
E - 911			
REVENUES - charges for services	$ 1,419,000	$ 1,409,728	$ (9,272)
OTHER FINANCING USES - transfers to other funds	(1,419,000)	(1,409,728)	9,272
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	$ -	$ -	$ -

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
DEEDS AUTOMATION			
REVENUES			
Charges for services	$ 123,000	$ 125,749	$ 2,749
Interest	4,000	3,033	(967)
Total revenues	127,000	128,782	1,782
EXPENDITURES - general government	180,632	179,856	776
Net change in fund balance	(53,632)	(51,074)	2,558
Fund balance at beginning of year	97,252	97,252	-
Fund balance at end of year	$ 43,620	$ 46,178	$ 2,558
LOCAL CORRECTIONS AND TRAINING			
REVENUES - charges for services	$ 23,500	$ 21,495	$ (2,005)
EXPENDITURES - public safety	23,500	16,091	7,409
Net change in fund balance	-	5,404	5,404
Fund balance at beginning of year	53,879	53,879	-
Fund balance at end of year	$ 53,879	$ 59,283	$ 5,404
FAMILY COUNSELING			
REVENUES - charges for services	$ 14,500	$ 13,275	$ (1,225)
EXPENDITURES - judicial	1,000	1,055	(55)
Revenues over expenditures	13,500	12,220	(1,280)
OTHER FINANCING USES - transfers to other funds	(15,000)	(15,000)	-
Net change in fund balance	(1,500)	(2,780)	(1,280)
Fund balance at beginning of year	134,165	134,165	-
Fund balance at end of year	$ 132,665	$ 131,385	$ (1,280)

(Continued)

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2025

	Amended Budget	Actual	Variance Positive (Negative)
CONCEALED PISTOL LICENSING			
REVENUES - licenses and permits	$ 145,000	$ 150,613	$ 5,613
EXPENDITURES - general government	158,705	145,586	13,119
Net change in fund balance	(13,705)	5,027	18,732
Fund balance at beginning of year	409,759	409,759	-
Fund balance at end of year	$ 396,054	$ 414,786	$ 18,732
ANIMAL CONTROL DONATIONS			
REVENUES - other	$ 35,000	$ 32,028	$ (2,972)
EXPENDITURES - public safety	5,000	12	4,988
Net change in fund balance	30,000	32,016	2,016
Fund balance at beginning of year	73,555	73,555	-
Fund balance at end of year	$ 103,555	$ 105,571	$ 2,016
PROSECUTOR'S DRUG FORFEITURES			
REVENUES			
Charges for services	$ 23,000	$ 28,125	$ 5,125
Fines and forfeits	25,000	9,242	(15,758)
Other	-	205	205
Total revenues	48,000	37,572	(10,428)
EXPENDITURES - public safety	31,000	21,144	9,856
Net change in fund balance	17,000	16,428	(572)
Fund balance at beginning of year	238,029	238,029	-
Fund balance at end of year	$ 255,029	$ 254,457	$ (572)

(Concluded)

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to report operations that provide services, which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. The Nonmajor Enterprise Funds of the County are as follows:

Sheriff's Concession – is used to account for the concession operations in the County Jail complex, which sells various items to the jail inmates.

Homestead Exemption Audits – is used to account for the operations of administering audits of County residents claiming homestead exemption on their property.

School Tax Collection – is used to account for the administrative fees charged to school districts for the collection of their taxes.

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2025

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
ASSETS				
Current assets -				
Cash and cash equivalents	$ 707,504	$ 53,244	$ 114,595	$ 875,343
Interest and accounts receivable, net of allowance	166,897	-	-	166,897
Total assets	874,401	53,244	114,595	1,042,240
LIABILITIES				
Current liabilities -				
Accounts payable	42,574	-	-	42,574
Accrued expenses	2,388	-	-	2,388
Total liabilities	44,962	-	-	44,962
NET POSITION - unrestricted	$ 829,439	$ 53,244	$ 114,595	$ 997,278

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2025

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
OPERATING REVENUES				
Charges for services	$ 957,684	$ -	$ -	$ 957,684
Other	7,825	-	-	7,825
	965,509	-	-	965,509
OPERATING EXPENSES				
Personal services	82,439	-	-	82,439
Supplies	14,780	-	-	14,780
Other services	697,256	25	-	697,281
Total operating expenses	794,475	25	-	794,500
Operating income (loss)	171,034	(25)	-	171,009
NON-OPERATING REVENUES				
Interest revenue	2,626	-	-	2,626
Net income (loss) before contributions and transfers	173,660	(25)	-	173,635
TRANSFERS - transfers to other funds	(86,000)	-	-	(86,000)
Change in net position	87,660	(25)	-	87,635
Net position at beginning of year	741,779	53,269	114,595	909,643
Net position at end of year	$ 829,439	$ 53,244	$ 114,595	$ 997,278

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2025

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	$ 962,147	$ -	$ -	$ 962,147
Cash payments to suppliers	(697,944)	(25)	-	(697,969)
Cash payments to employees	(74,008)	-	-	(74,008)
Cash payments for interfund services	(7,984)	-	-	(7,984)
Net cash provided by (used in) operating activities	182,211	(25)	-	182,186
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(86,000)	-	-	(86,000)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	2,626	-	-	2,626
Net increase (decrease) in cash and cash equivalents	98,837	(25)	-	98,812
Cash and cash equivalents at beginning of year	608,667	53,269	114,595	776,531
Cash and cash equivalents at end of year	$ 707,504	$ 53,244	$ 114,595	$ 875,343
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 171,034	$ (25)	$ -	$ 171,009
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Change in assets and liabilities:				
Accounts receivable	(3,362)	-	-	(3,362)
Accounts payable	14,092	-	-	14,092
Accrued expenses	447	-	-	447
Net cash provided by (used in) operating activities	$ 182,211	$ (25)	$ -	$ 182,186

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the County for the other parties (either as a trustee or as an agent) that cannot be, or are not, used to finance the County's own operating programs.

Pension and Other Employee Benefits Trust Funds

Basic Retirement System – is used to account for employer and employee pension contributions, investment income, accumulated assets and payments to beneficiaries including retiree health care.

Other Postemployment Benefits – is used to account for employer and employee contributions, investment income, accumulated assets and payment for post-employment benefits other than pension.

The Pension and Other Employee Benefits Trust Funds are accounted for in essentially the same manner as Proprietary Funds, but with an important expanded emphasis on net position restricted for pension and other post-employment benefits.

Custodial Funds

Treasurer – is used to account for taxes collected, public guardian, and court costs collected by the County on behalf of individuals, private organizations, or other governments.

Clerk – is used to account for transfer taxes collected and court costs collected by the County on behalf of the State.

Penal Fines – is used to account for the portion of fines that are collected by the 72nd District Court and distributed to libraries within St. Clair County.

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
December 31, 2025

	Basic Retirement System	Other Postemployment Benefits	Total
ASSETS			
Cash and cash equivalents	$ 9,559,747	$ 4,692,869	$ 14,252,616
Investments, at fair value -			
U.S. government/agencies	12,112,059	7,271,106	19,383,165
Corporate debt	1,664,258	2,478,050	4,142,308
Stocks	21,337,083	33,947,882	55,284,965
Mortgage-backed securities	13,425,890	-	13,425,890
Mutual funds	215,427,191	29,309,576	244,736,767
Partnerships	35,121,688	-	35,121,688
Receivables -			
Interest and dividends	172,401	123,426	295,827
Other	5,319	12,454	17,773
Total assets	308,825,636	77,835,363	386,660,999
LIABILITIES			
Accounts payable	97,044	12,900	109,944
Accrued liabilities	4,151	-	4,151
Total liabilities	101,195	12,900	114,095
NET POSITION			
Restricted for pension benefits	308,724,441	-	308,724,441
Restricted for other postemployment benefits	-	77,822,463	77,822,463
	$ 308,724,441	$ 77,822,463	$ 386,546,904

ST. CLAIR COUNTY, MICHIGAN
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the year ended December 31, 2025

	Basic Retirement System			
	Member Contributions	Employer Contributions	Pension Payments	Total
ADDITIONS				
Contributions -				
Member contributions	$ 1,698,339	$ -	$ -	$ 1,698,339
Employer contributions	-	7,794,882	-	7,794,882
Total contributions	1,698,339	7,794,882	-	9,493,221
Investment income -				
Net appreciation in fair value of investments	-	30,839,625	-	30,839,625
Interest/dividends	-	6,300,736	-	6,300,736
Less - investment expense	-	(397,044)	-	(397,044)
Net investment income	-	36,743,317	-	36,743,317
Other	-	-	-	-
Total additions	1,698,339	44,538,199	-	46,236,538
DEDUCTIONS				
Retirement payroll	-	-	20,426,932	20,426,932
Health/dental insurance	-	-	-	-
Death benefits	-	73,500	-	73,500
Administration	-	175,776	-	175,776
Total deductions	-	249,276	20,426,932	20,676,208
Net increase (decrease) before transfers	1,698,339	44,288,923	(20,426,932)	25,560,330
INTERFUND TRANSFERS IN (OUT)				
Retirees obligation	(2,726,213)	(356,265)	3,082,478	-
Interest	574,912	(29,822,465)	29,247,553	-
Net increase (decrease)	(452,962)	14,110,193	11,903,099	25,560,330
NET POSITION RESTRICTED FOR PENSION BENEFITS AND OTHER POSTEMPLOYMENT BENEFITS				
Beginning of year	29,815,666	43,912,163	209,436,282	283,164,111
End of year	$ 29,362,704	$ 58,022,356	$ 221,339,381	$ 308,724,441

Other Postemployment Benefits	Total
$ 290,233	$ 1,988,572
3,084,942	10,879,824
3,375,175	12,868,396
7,132,070	37,971,695
2,417,904	8,718,640
(205,620)	(602,664)
9,344,354	46,087,671
8,635	8,635
12,728,164	58,964,702
-	20,426,932
4,065,144	4,065,144
-	73,500
-	175,776
4,065,144	24,741,352
8,663,020	34,223,350
-	-
-	-
8,663,020	34,223,350
69,159,443	352,323,554
$ 77,822,463	$ 386,546,904

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2025

	Treasurer	Clerk	Penal Fines	Total
ASSETS				
Cash and cash equivalents	$ 3,608,520	$ 799,625	$ 3,001	$ 4,411,146
Investments	3,322,812	-	-	3,322,812
Accounts receivable	286,512	1,614	1,040	289,166
Due from other governmental units	143,419	-	-	143,419
Total assets	7,361,263	801,239	4,041	8,166,543
LIABILITIES				
Due to other governmental units	139,099	765,933	4,041	909,073
Due to individual and agencies	5,399,608	35,306	-	5,434,914
Undistributed taxes	1,822,556	-	-	1,822,556
Total liabilities	7,361,263	801,239	4,041	8,166,543
NET POSITION - unrestricted	$ -	$ -	$ -	$ -

ST. CLAIR COUNTY, MICHIGAN
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the year ended December 31, 2025

	Treasurer	Clerk	Penal Fines	Total
ADDITIONS				
Penal fines	$ -	$ -	$ 8,311	$ 8,311
Court costs	1,026,732	701,771	-	1,728,503
Transfer taxes collected	-	6,309,381	-	6,309,381
Concealed weapon permit fees	-	143,354	-	143,354
Taxes collected	95,419,167	-	-	95,419,167
Public Guardian trust receipts	7,621,571	-	-	7,621,571
Other collections	616,893	-	-	616,893
Total additions	104,684,363	7,154,506	8,311	111,847,180
DEDUCTIONS				
Penal fines paid to libraries	-	-	8,311	8,311
Court costs paid to State	1,026,732	701,771	-	1,728,503
Transfer taxes paid to State	-	6,309,381	-	6,309,381
Concealed weapon permit fees paid to State	-	143,354	-	143,354
Taxes paid to other entities	95,419,167	-	-	95,419,167
Payments made on behalf of public guardian clients	7,621,571	-	-	7,621,571
Other	616,893	-	-	616,893
Total deductions	104,684,363	7,154,506	8,311	111,847,180
Net increase (decrease)	-	-	-	-
NET POSITION				
Beginning of year	-	-	-	-
End of year	$ -	$ -	$ -	$ -

DRAINAGE DISTRICTS

ST. CLAIR COUNTY, MICHIGAN
BALANCE SHEET/STATEMENT OF NET POSITION
DRAIN FUNDS
December 31, 2025

	County Drain	Drain Revolving	Special Services	Drain Debt
ASSETS				
Cash and cash equivalents	$ 1,206,756	$ 212,154	$ 10,568	$ 3,382,878
Special assessments receivable	4,498,462	-	-	14,307,196
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	-	-	-	-
Assets being depreciated	-	-	-	-
Total assets	$ 5,705,218	$ 212,154	$ 10,568	$ 17,690,074
LIABILITIES				
Accounts payable	$ 242,103	$ -	$ -	$ -
Accrued interest	-	-	-	-
Advances from primary government	-	50,000	-	-
Non-current liabilities -				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	242,103	50,000	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	4,498,462	-	-	14,307,196
FUND BALANCES				
Restricted	-	-	-	3,382,878
Committed	-	162,154	10,568	-
Unassigned	964,653	-	-	-
	964,653	162,154	10,568	3,382,878
Total liabilities, deferred inflows of resources, and fund balance	$ 5,705,218	$ 212,154	$ 10,568	$ 17,690,074
NET POSITION				
Net investment in capital assets				
Restricted				
Unrestricted				
Total net position				

Equipment	Total	GASB No. 34 Adjustments	Statement of Net Position
$ 27,399	$ 4,839,755	$ -	$ 4,839,755
-	18,805,658	-	18,805,658
-	-	1,183,581	1,183,581
-	-	51,185,674	51,185,674
$ 27,399	$ 23,645,413	52,369,255	76,014,668
$ 161	$ 242,264	-	242,264
-	-	136,569	136,569
-	50,000	-	50,000
-	-	2,082,625	2,082,625
-	-	15,506,215	15,506,215
161	292,264	17,725,409	18,017,673
-	18,805,658	(18,805,658)	-
-	3,382,878	(3,382,878)	-
27,238	199,960	(199,960)	-
-	964,653	(964,653)	-
27,238	4,547,491	(4,547,491)	-
$ 27,399	$ 23,645,413		
		34,780,415	34,780,415
		22,051,967	22,051,967
		1,164,613	1,164,613
		$ 57,996,995	$ 57,996,995

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET FOR DRAIN FUNDS
TO THE STATEMENT OF NET POSITION OF DRAIN ACTIVITIES
December 31, 2025

Fund balances - drain funds		$ 4,547,491
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds		
Capital assets		68,332,075
Accumulated depreciation		(15,962,820)
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Special assessments		18,805,658
Discounts and premiums on bonds are reported as other financing sources or uses in the governmental funds, whereas they are capitalized and amortized from net position (netted against long-term debt)		
Bond premium		(176,190)
Bond discount		21,350
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds		
Notes payable	$ (843,000)	
Bonds payable	(15,100,000)	
Clean water revolving loans	(1,491,000)	
Accrued interest on bonds/notes payable	(136,569)	(17,570,569)
Net position of drainage districts		$ 57,996,995

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES
DRAIN FUNDS
For the year ended December 31, 2025

	County Drain	Drain Revolving	Special Services	Drain Debt
REVENUES				
Charges for services	$ 1,197,839	$ -	$ -	$ 2,886,463
Interest and rent	61,156	-	-	-
Other	71,272	-	-	-
Total revenues	1,330,267	-	-	2,886,463
EXPENDITURES/EXPENSES				
Public works	2,408,477	-	-	-
Debt service	-	-	-	2,777,070
Total expenditures/expenses	2,408,477	-	-	2,777,070
Revenues over (under) expenditures	(1,078,210)	-	-	109,393
OTHER FINANCING SOURCES (USES)				
Gain on sale of assets	17,200	-	-	-
Bond/note proceeds	165,000	-	-	-
Transfer from other funds	5,014	-	-	8,189
Transfer to other funds	(8,189)	-	-	(5,014)
Total other financing sources (uses)	179,025	-	-	3,175
Net change in fund balance/net position	(899,185)	-	-	112,568
Fund balances/net position at beginning of year	1,863,838	162,154	10,568	3,270,310
Fund balances/net position at end of year	$ 964,653	$ 162,154	$ 10,568	$ 3,382,878

Equipment	Total	GASB No. 34 Adjustments	Statement of Activities
$ -	$ 4,084,302	$ 808,362	$ 4,892,664
-	61,156	-	61,156
103,600	174,872	-	174,872
103,600	4,320,330	808,362	5,128,692
109,444	2,517,921	(1,214,967)	1,302,954
-	2,777,070	(2,072,888)	704,182
109,444	5,294,991	(3,287,855)	2,007,136
(5,844)	(974,661)	4,096,217	3,121,556
15,360	32,560	-	32,560
-	165,000	(165,000)	-
-	13,203	(13,203)	-
-	(13,203)	13,203	-
15,360	197,560	(165,000)	32,560
9,516	(777,101)	3,931,217	3,154,116
17,722	5,324,592	49,518,287	54,842,879
$ 27,238	$ 4,547,491	$ 53,449,504	$ 57,996,995

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF DRAIN FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - drain fund	$ (777,101)
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 outlay	2,230,574
Depreciation expense	(1,015,607)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	808,362
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments on long-term liabilities	2,057,533
Bond/note proceeds	(165,000)
Accrued interest expense on bonds and the amortization of bond issuance costs, discounts, and premiums are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.	
Decrease in accrued interest payable	11,724
Amortization of bond premium	10,748
Amortization of bond discount	(7,117)
Change in net position of drainage districts	$ 3,154,116

BROWNFIELD REDEVELOPMENT AUTHORITY

ST. CLAIR COUNTY, MICHIGAN
BALANCE SHEET/STATEMENT OF NET POSITION
BROWNFIELD REDEVELOPMENT AUTHORITY
December 31, 2025

	Operating	GASB No. 34 Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 378,189	$ -	$ 378,189
LIABILITIES			
Accounts payable	$ 7,048	-	7,048
Non-current liabilities -			
Due within one year	-	52,542	52,542
Due in more than one year	-	175,776	175,776
Total liabilities	7,048	228,318	235,366
FUND BALANCES - unassigned	371,141	(371,141)	-
Total liabilities, deferred inflows of resources, and fund balance	$ 378,189		
NET POSITION - unrestricted		$ 142,823	$ 142,823

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET FOR BROWNFIELD REDEVELOPMENT AUTHORITY
TO THE STATEMENT OF NET POSITION OF
BROWNFIELD REDEVELOPMENT AUTHORITY
December 31, 2025

Fund balance - Brownfield Redevelopment Authority	$ 371,141
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds	
Notes payable	(228,318)
Net position of Brownfield Redevelopment Authority	$ 142,823

ST. CLAIR COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES
BROWNFIELD REDEVELOPMENT AUTHORITY
For the year ended December 31, 2025

	Operating	GASB No. 34 Adjustments	Statement of Activities
REVENUES			
Property taxes	$ 154,208	$ -	$ 154,208
Intergovernmental	8,992	(8,992)	-
Total revenues	163,200	(8,992)	154,208
EXPENDITURES/EXPENSES			
Community and economic development	137,707	-	137,707
Debt service	51,579	(51,579)	-
Total expenditures/expenses	189,286	(51,579)	137,707
Revenues over (under) expenditures	(26,086)	42,587	16,501
OTHER FINANCING SOURCES			
Issued notes	129,083	(129,083)	-
Net change in fund balance/net position	102,997	(86,496)	16,501
Fund balances/net position at beginning of year	268,144	(141,822)	126,322
Fund balances/net position at end of year	$ 371,141	$ (228,318)	$ 142,823

ST. CLAIR COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF BROWNFIELD REDEVELOPMENT AUTHORITY TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances	$ 102,997
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(8,992)
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.	
Issuance of debt	(129,083)
Principal payments on long-term liabilities	51,579
Change in net position of Brownfield Redevelopment Authority	$ 16,501

STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

This part of St. Clair County, Michigan's annual comprehensive financial report presents detailed information as a context for understanding what the information says about the government's overall financial health.

Contents | **Page**

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 1

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS - UNAUDITED
(accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities -										
Net investment in capital assets	$ 54,110	$ 53,996	$ 53,387	$ 54,447	$ 55,341	$ 57,744	$ 57,110	$ 57,866	$ 66,280	$ 71,471
Restricted	12,682	13,472	14,983	17,886	19,891	20,456	27,924	40,416	46,418	49,033
Unrestricted	(46,735)	(52,293)	(87,523)	(45,026)	(45,590)	(46,328)	(35,210)	(26,042)	(14,910)	(13,092)
Total governmental activities net position	$ 20,057	$ 15,175	$ (19,153)	$ 27,307	$ 29,642	$ 31,872	$ 49,823	$ 72,240	$ 97,788	$ 107,412
Business-type activities -										
Net investment in capital assets	$ 15,360	$ 13,028	$ 13,803	$ 17,089	$ 16,241	$ 17,206	$ 17,507	$ 16,209	$ 16,742	$ 18,759
Restricted	3,531	3,715	770	784	1,185	2,335	2,358	2,979	3,576	3,880
Unrestricted	30,252	30,604	32,312	31,192	31,292	29,383	26,655	26,736	28,307	26,375
Total business-type activities net position	$ 49,143	$ 47,347	$ 46,885	$ 49,064	$ 48,718	$ 48,924	$ 46,521	$ 45,924	$ 48,625	$ 49,014
Primary government -										
Net investment in capital assets	$ 69,470	$ 67,024	$ 67,190	$ 71,536	$ 71,582	$ 74,950	$ 74,617	$ 74,075	$ 83,022	$ 90,230
Restricted	16,212	17,187	15,753	18,670	21,077	22,791	30,282	43,395	49,994	52,913
Unrestricted	(16,483)	(21,690)	(55,211)	(13,834)	(14,298)	(16,945)	(8,555)	694	13,397	13,283
Total primary government net position	$ 69,200	$ 62,522	$ 27,732	$ 76,372	$ 78,360	$ 80,796	$ 96,344	$ 118,164	$ 146,413	$ 156,426

ST. CLAIR COUNTY, MICHIGAN
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - UNAUDITED
(accrual basis of accounting)
(amounts expressed in thousands)

SCHEDULE 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES										
Governmental activities -										
Legislative	$ 1,247	$ 1,184	$ 1,209	$ 1,231	$ 1,370	$ 1,412	$ 1,625	$ -	$ -	$ -
Judicial	11,635	13,965	12,393	5,486	13,313	14,273	13,008	17,650	17,510	20,128
General government	14,840	12,038	14,755	6,055	15,320	14,626	17,417	12,228	12,032	14,282
Public safety	29,258	32,127	32,189	9,654	32,412	33,238	28,308	30,822	30,895	38,357
Public works	1,083	971	2,187	982	1,102	1,377	1,076	1,942	3,933	2,849
Health and welfare	20,412	20,845	21,992	16,125	21,276	20,689	20,286	22,512	22,892	25,760
Community and economic development	592	2,605	682	719	598	795	725	1,462	1,017	1,030
Recreation and culture	9,586	10,362	10,367	7,376	9,127	9,139	9,966	11,602	13,649	16,015
Interest on long-term debt	1,863	1,795	1,654	1,510	1,400	883	899	669	1,124	1,072
Total governmental activities expenses	90,515	95,893	97,428	49,137	95,918	96,431	93,310	98,887	103,052	119,493
Business-type activities -										
Delinquent revolving tax	430	423	400	406	398	546	527	549	527	499
Airport commission	925	1,088	1,070	1,024	960	1,110	1,478	1,487	1,411	1,366
Sheriff concession	798	1,156	1,161	1,014	759	789	772	820	812	794
Solid waste disposal system	7,084	8,462	7,656	7,530	8,506	8,849	9,103	9,195	8,590	9,415
Total business-type activities expenses	9,237	11,129	10,286	9,974	10,623	11,294	11,881	12,051	11,340	12,074
Total primary government expenses	$ 99,753	$ 107,022	$ 107,714	$ 59,112	$ 106,541	$ 107,725	$ 105,191	$ 110,938	$ 114,392	$ 131,567
PROGRAM REVENUES										
Governmental activities -										
Charges for services:										
Judicial	$ 1,987	$ 1,977	$ 1,961	$ 2,055	$ 1,651	$ 1,856	$ 1,734	$ 1,651	$ 1,584	$ 1,654
General government	4,937	5,117	5,194	4,614	5,108	5,522	4,951	4,975	5,390	5,054
Public safety	6,264	6,320	7,493	6,554	4,699	5,129	5,891	5,467	5,943	5,967
Health and welfare	2,543	2,997	3,057	3,791	2,942	3,685	8,081	9,996	4,159	3,862
Community and economic development	663	811	777	945	173	233	1,091	941	889	911
Recreation and culture	783	848	768	871	618	990	731	795	775	696
Interest on long-term debt	970	945	933	940	815	507	487	420	901	823
Operating grants and contributions	14,380	17,102	15,539	16,534	23,248	18,578	24,174	23,059	35,706	32,508
Capital grants and contributions	641	231	96	570	254	1,541	-	-	-	-
Total governmental activities program revenues	33,168	36,348	35,818	36,873	39,508	38,041	47,140	47,304	55,347	51,475

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities -										
Charges for services:										
Delinquent revolving tax	$ 1,259	$ 920	$ 990	$ 925	$ 1,319	$ 2,054	$ 786	$ 1,553	$ 1,676	$ 1,278
Airport commission	577	553	585	587	508	587	893	746	713	678
Sheriff concession	832	1,201	1,337	1,098	851	935	883	882	944	966
Homestead exemption audits	1	-	-	-	-	-	-	-	-	-
Solid waste disposal system	6,808	8,800	8,944	8,325	9,419	9,474	8,861	9,119	7,675	6,418
Operating grants and contributions	68	75	112	119	371	131	92	106	229	309
Capital grants and contributions	760	-	226	3,360	172	712	164	180	-	-
Total business-type activities program revenues	10,305	11,549	12,193	14,415	12,638	13,893	11,680	12,586	11,237	9,649
Total primary government program revenues	$ 43,472	$ 47,897	$ 48,012	$ 51,288	$ 52,146	$ 51,934	$ 58,821	$ 59,890	$ 66,584	$ 61,124
Net (expense)/revenue:										
Governmental activities	$ (57,348)	$ (59,545)	$ (61,610)	$ (12,264)	$ (56,410)	$ (58,390)	$ (46,170)	$ (51,583)	$ (47,705)	$ (68,018)
Business-type activities	1,068	421	1,907	4,440	2,015	2,599	(200)	535	(103)	(2,425)
Total primary government net expense	$ (56,280)	$ (59,124)	$ (59,703)	$ (7,824)	$ (54,395)	$ (55,791)	$ (46,370)	$ (51,048)	$ (47,808)	$ (70,443)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities -										
Property taxes	$ 43,557	$ 45,983	$ 47,282	$ 49,197	$ 50,785	$ 52,528	$ 54,888	$ 61,864	$ 64,407	$ 68,901
Unrestricted grants and contributions	5,675	4,549	4,265	4,526	3,571	4,308	4,587	5,025	5,407	6,034
Unrestricted investment income	417	657	1,031	1,331	456	148	1,232	4,009	4,282	3,308
Interest and penalties on delinquent taxes	5	14	5	4	7	5	3	1	1	1
Gain/loss on disposal of capital assets	-	-	(62)	-	408	120	54	145	-	-
Transfers	3,613	3,461	3,516	3,666	3,519	3,511	3,356	2,956	(844)	(602)
Total governmental activities	53,267	54,664	56,037	58,724	58,745	60,619	64,121	74,000	73,253	77,642
Business-type activities -										
Unrestricted investment income	103	168	279	145	104	48	167	713	649	257
Interest and penalties on delinquent taxes	1,119	1,075	1,101	1,260	1,054	1,070	986	1,111	1,311	1,955
Transfers	(3,613)	(3,461)	(3,516)	(3,666)	(3,519)	(3,511)	(3,356)	(2,956)	844	602
Special item - return of contribution	-	-	-	-	-	-	-	-	-	-
Total business-type activities	(2,391)	(2,217)	(2,135)	(2,261)	(2,362)	(2,393)	(2,203)	(1,132)	2,804	2,814
Total primary government	$ 50,876	$ 52,447	$ 53,902	$ 56,463	$ 56,383	$ 58,227	$ 61,918	$ 72,868	$ 76,057	$ 80,456
CHANGE IN NET POSITION										
Governmental activities	$ (4,081)	$ (4,881)	$ (5,572)	$ 46,460	$ 2,335	$ 2,229	$ 17,952	$ 22,417	$ 25,548	$ 9,624
Business-type activities	(1,323)	(1,796)	(228)	2,180	(346)	206	(2,404)	(597)	2,701	389
Total primary government	$ (5,404)	$ (6,678)	$ (5,801)	$ 48,640	$ 1,989	$ 2,435	$ 15,548	$ 21,820	$ 28,249	$ 10,013

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 3

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - UNAUDITED
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund -										
Nonspendable	$ 5,800	$ 3,063	$ 2,567	$ 2,389	$ 2,189	$ 1,502	$ 1,506	$ 2,234	$ 1,535	$ 1,274
Committed	1,438	1,548	1,303	1,235	1,132	1,056	1,288	1,437	1,563	1,621
Assigned	552	-	38	76	133	-	-	-	-	-
Unassigned	4,242	7,694	8,487	8,916	9,226	9,963	10,235	9,794	10,628	11,007
Total general fund	$ 12,032	$ 12,305	$ 12,394	$ 12,616	$ 12,680	$ 12,521	$ 13,029	$ 13,465	$ 13,726	$ 13,902
All other governmental funds -										
Restricted	$ 15,741	$ 16,703	$ 18,084	$ 20,692	$ 22,769	$ 21,634	$ 26,377	$ 32,263	$ 38,418	$ 40,556
Committed	3,800	3,847	5,033	3,540	7,211	9,119	9,605	12,282	9,872	9,983
Unassigned	-	-	-	-	(657)	-	-	-	-	-
Total all other governmental funds	$ 19,542	$ 20,550	$ 23,117	$ 24,232	$ 29,323	$ 30,753	$ 35,982	$ 44,545	$ 48,290	$ 50,539

ST. CLAIR COUNTY, MICHIGAN SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - UNAUDITED
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Taxes	$ 43,570	$ 45,986	$ 47,290	$ 49,195	$ 50,794	$ 52,523	$ 54,902	$ 61,864	$ 64,395	$ 68,893
Licenses and permits	766	813	754	802	791	797	705	672	648	734
Intergovernmental	20,769	21,250	20,027	20,849	27,428	23,746	30,005	28,065	40,722	38,079
Charges for services	12,611	13,484	14,708	14,533	11,050	12,354	12,610	13,349	13,371	13,106
Fines and forfeits	949	987	937	1,015	823	1,042	1,218	853	721	613
Interest and rent	1,893	2,117	2,567	2,983	2,165	1,849	2,818	5,612	5,462	4,267
Other	3,024	2,683	2,792	2,431	2,425	2,618	3,811	2,616	5,996	4,107
Total revenues	83,582	87,318	89,074	91,809	95,476	94,929	106,069	113,031	131,315	129,799
EXPENDITURES										
Legislative	1,242	1,178	1,193	1,289	1,366	1,403	1,644	-	-	-
Judicial	10,696	11,499	11,226	11,872	12,656	13,785	13,917	18,321	21,726	20,504
General government	11,575	10,879	12,199	12,298	12,991	13,000	17,451	12,664	14,969	13,528
Public safety	24,826	26,160	26,399	28,272	28,177	29,347	30,588	32,568	35,329	37,336
Public works	1,086	977	2,179	985	1,104	1,380	1,071	1,946	4,265	2,823
Health and welfare	19,589	19,971	21,082	21,592	20,760	20,387	21,629	23,046	27,038	28,614
Community and economic development	592	2,610	661	723	596	800	718	1,593	1,256	1,075
Recreation and cultural	9,176	9,927	9,409	10,279	8,755	10,183	10,847	11,982	14,321	17,139
Capital outlay	1,313	1,086	1,364	1,132	2,443	1,833	1,690	1,109	2,164	1,502
Debt service -										
Principal	3,385	3,480	3,691	3,981	4,225	4,552	3,653	3,824	4,439	4,264
Interest/issuance costs	1,978	1,929	1,789	1,665	1,560	1,046	944	728	724	654
Total expenditures	85,458	89,697	91,192	94,088	94,634	97,716	104,153	107,781	126,231	127,439
Revenues over (under) expenditures	(1,876)	(2,379)	(2,118)	(2,279)	842	(2,787)	1,916	5,250	5,084	2,360
OTHER FINANCING SOURCES (USES)										
Transfers in	12,526	12,470	13,641	15,055	13,598	11,794	14,080	13,705	13,898	11,299
Transfers out	(8,913)	(9,009)	(10,125)	(11,440)	(10,079)	(8,283)	(10,724)	(10,749)	(16,942)	(11,902)
Lease proceeds	-	-	-	-	-	-	132	-	1,357	462
Issuance of notes/SBITAs	263	127	1,287	-	178	427	133	648	608	206
Issuance of refunding bonds	-	1,595	-	-	13,305	-	6,890	-	-	-
Sale of assets	-	-	-	-	408	120	54	145	-	-
Premium on debt	-	156	-	-	-	-	428	-	-	-
Payment to refunding bond escrow agent	-	(1,679)	-	-	(13,097)	-	(7,173)	-	-	-
Total other financing sources (uses)	3,875	3,661	4,802	3,616	4,313	4,058	3,821	3,749	(1,079)	65
Net change in fund balances	$ 2,000	$ 1,282	$ 2,684	$ 1,337	$ 5,155	$ 1,271	$ 5,737	$ 8,999	$ 4,005	$ 2,425
Debt service as a percentage of noncapital expenditures	6.45%	6.18%	6.14%	6.18%	6.33%	5.98%	4.53%	4.37%	4.55%	4.18%

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year Ended	Real Property: Residential Property	Real Property: Commercial Property	Real Property: Industrial Property	Real Property: Other Property	Total Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2016	$ 4,133,911,528	$ 565,812,942	$ 727,091,150	$ 442,567,334	$ 673,454,031	$ 6,542,836,985	8.2329	$ 13,158,800,715	49.72%
2017	4,408,301,523	594,112,810	749,080,816	447,497,500	715,405,067	6,914,397,716	8.2329	13,912,504,690	49.70%
2018	4,563,302,894	632,776,798	787,646,500	457,459,860	751,715,432	7,192,901,484	8.2329	14,447,177,908	49.79%
2019	4,926,686,250	727,881,650	881,363,100	483,262,272	782,040,598	7,801,233,870	8.2329	15,689,217,728	49.72%
2020	5,336,286,542	759,296,900	585,743,640	481,075,525	1,064,013,180	8,226,415,787	8.2329	16,517,857,736	49.80%
2021	5,686,004,860	763,780,500	543,518,300	481,816,700	1,166,734,900	8,641,855,260	8.2156	17,361,608,443	49.78%
2022	6,109,184,271	791,350,500	610,829,000	498,810,880	1,131,672,900	9,141,847,551	9.2171	18,361,962,566	49.79%
2023	6,842,038,349	866,291,900	601,236,300	527,324,536	1,272,740,200	10,109,631,285	9.1173	20,332,716,785	49.72%
2024	7,679,422,046	884,209,500	602,883,500	635,742,155	1,227,475,006	11,029,732,207	9.2173	22,176,112,604	49.74%
2025	8,186,364,538	924,807,500	604,753,500	656,673,085	1,239,971,670	11,612,570,293	9.2173	23,362,424,662	49.71%

Source: County equalization department

ST. CLAIR COUNTY, MICHIGAN
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS - UNAUDITED
(Per $1,000 of Assessed Value)

SCHEDULE 6

			County													
Fiscal Year	Townships **	Cities and Villages**	Operating	Senior Citizens	Drug Task Force	Library	Parks	Roads	Veterans	Ambulance	Total	Community College	Intermediate School	Local Schools**	Total
2016	2.72	16.57	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	-	8.2329	1.89	3.43	29.83	62.67
2017	2.77	16.50	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	-	8.2329	1.89	3.43	29.86	62.69
2018	2.90	17.27	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	-	8.2329	1.89	3.43	29.82	63.54
2019	2.98	17.18	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	-	8.2329	1.89	3.43	29.81	63.52
2020	3.07	17.10	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	-	8.2329	1.89	3.43	29.95	63.67
2021	3.15	17.31	5.3153	0.7983	0.5598	0.6985	0.4944	0.2495	0.0998	-	8.2156	1.88	3.42	29.86	63.83
2022	3.35	17.08	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.0998	0.5000	9.2171	1.88	3.42	29.72	64.67
2023	3.40	16.80	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.0000	0.5000	9.1173	1.88	3.42	29.66	64.27
2024	3.42	16.71	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.1000	0.5000	9.2173	1.88	3.42	29.25	63.90
2025	3.45	16.62	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.1000	0.5000	9.2173	1.88	3.42	29.19	63.77

Note: All tax rates rounded to two (2) decimal places, except the County rates.

** Average from townships, cities and villages, and local schools are presented as these units have varying rates.

Source: Equalization department

ST. CLAIR COUNTY, MICHIGAN
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO - UNAUDITED

SCHEDULE 7

		2025			2016		
		Taxable Valuation	Rank	Percentage of Total Taxable Value	Taxable Valuation	Rank	Percentage of Total Taxable Value
DTE Companies	Electrical Utility	$ 1,001,092,910	1	12.14%	$ 766,278,748	1	13.53%
ITC Transmission	Electrical Transmission	134,132,634	2	1.63%	106,954,607	2	1.89%
Consumers Energy Company	Liquid Natural Gas Storage	80,923,615	3	0.98%	23,203,076	6	0.41%
Enbridge Energy	Natural Gas & Pipeline	77,851,905	4	0.94%	59,960,631	3	1.06%
Semco Energy Gas Company	Gas Utility	73,453,137	5	0.89%	N/A		N/A
Blue Water Natural Gas Holdings	Natural Gas Storage	27,785,840	7	0.34%	17,271,379	7	0.31%
Marysville Hydrocarbon LLC	Propane and Butane Storage	23,315,278	6	0.28%	23,354,600	5	0.41%
ZF Axle Drives Marysville LLC	Automobile Manufacturing	15,641,223	8	0.19%	59,660,566	4	1.05%
MPT of Port Huron LLC	Petroleum Distributor	14,113,211	9	0.17%	13,185,300	10	0.23%
Meijer	Retail	12,930,364	10	0.16%	N/A		N/A
MI DNR	Government - Natural Resources	N/A		N/A	15,464,347	8	0.27%
Marysville Ethanol	Ethanol Manufacturing	N/A		N/A	15,360,907	9	0.27%
		$ 1,461,240,117		17.71%	$ 1,100,694,161		19.43%

Source: Equalization department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS - UNAUDITED

Year	Total Tax Levy	Current Tax Collections to March 1	Percentage of Levy Collected	Delinquent Tax Collections to December 31	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes **	Percentage of Delinquent Taxes to Tax Levy
2016	$ 47,048,311	$ 44,803,444	95.2%	$ 2,100,442	$ 46,903,885	99.7%	$ 144,425	0.3%
2017	48,222,693	46,107,827	95.6%	1,987,468	48,095,295	99.7%	127,398	0.3%
2018	49,767,833	47,517,704	95.5%	2,108,820	49,626,524	99.7%	141,309	0.3%
2019	51,533,061	49,293,110	95.7%	2,058,171	51,351,281	99.6%	181,780	0.4%
2020	53,615,087	51,223,311	95.5%	2,198,612	53,421,922	99.6%	193,164	0.4%
2021	55,441,606	53,062,636	95.7%	2,221,463	55,284,099	99.7%	157,507	0.3%
2022	65,241,916	62,443,595	95.7%	2,644,149	65,087,743	99.8%	154,173	0.2%
2023	69,109,563	66,166,783	95.7%	2,732,337	68,899,119	99.7%	210,444	0.3%
2024	73,095,516	69,661,008	95.3%	3,217,347	72,878,355	99.7%	217,161	0.3%
2025	76,322,933	72,750,320	95.3%	3,361,945	76,112,265	99.7%	210,668	0.3%

** Represents Delinquent Personal Property Taxes and Chargebacks

Note: The Delinquent Tax Revolving Fund purchases the delinquent real taxes of each unit in March of each year. Taxes levied are for County general operations and six extra-voted millages (Senior Citizens, Drug Task Force, Library, Veterans, Roads, EMS and Parks).

Source: County Treasurer's Office

ST. CLAIR COUNTY, MICHIGAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS - UNAUDITED

	Governmental Activities						Business-type Activities			
Fiscal Year	General Obligation Bonds	Drain Districts	Installment Purchases	Leases	Subscriptions	Premiums	General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2016	$ 44,385,000	$ 3,001,226	$ -	$ -	$ -	$ 2,685,792	$ 8,452,477	$ 58,524,495	0.90%	358.96
2017	41,180,000	2,823,141	-	-	-	2,553,994	8,757,681	55,314,816	0.82%	339.27
2018	37,825,000	3,773,915	-	-	-	2,265,957	8,941,711	52,806,583	0.75%	323.89
2019	34,180,000	3,438,118	-	-	-	1,977,920	8,930,432	48,526,470	0.67%	297.64
2020	31,345,000	3,260,730	-	-	-	914,723	8,529,280	44,049,733	0.55%	274.65
2021	27,140,000	3,341,065	-	-	-	626,686	8,034,280	39,142,031	0.46%	244.05
2022	23,810,000	2,991,428	99,792	297,308	-	768,930	7,524,280	35,491,738	0.42%	221.29
2023	20,475,000	2,998,180	66,168	201,790	526,660	647,144	7,004,280	31,919,222	0.36%	199.02
2024	17,045,000	3,186,274	32,904	1,429,652	368,076	525,359	6,469,280	29,056,545	0.31%	181.17
2025	13,770,000	2,779,391	-	1,783,979	363,020	423,103	5,924,280	25,043,773	0.27%	156.15

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

ST. CLAIR COUNTY, MICHIGAN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS - UNAUDITED

SCHEDULE 10

Fiscal Year	Population *	Assessed Value (000)	Bonded Debt	Premiums, Discounts & Adjustments	Less: Amounts Available in Debt Service Funds	Total	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2016	163,040	$ 6,542,837	$ 52,837,477	$ 2,685,017	$ 1,662,063	$ 53,860,431	0.38	321.98
2017	163,040	6,914,398	49,937,681	2,553,994	1,445,250	51,046,425	0.34	305.50
2018	163,040	7,192,901	46,766,711	2,265,957	1,300,644	47,732,024	0.30	286.28
2019	163,040	7,801,234	43,110,432	1,977,920	972,680	44,115,672	0.26	265.20
2020	163,040	8,226,416	39,874,280	914,723	1,626,527	39,162,476	0.22	235.91
2021	160,383	8,641,855	35,174,280	626,686	101,354	35,699,612	0.19	219.24
2022	160,383	9,141,848	31,334,280	768,930	99,826	32,003,384	0.19	199.54
2023	160,383	10,109,631	27,479,280	647,144	92,289	28,034,135	0.15	174.79
2024	160,383	11,029,732	23,514,280	525,359	89,862	23,949,777	0.11	149.33
2025	160,383	11,612,570	19,694,280	423,103	113,405	20,003,978	0.09	124.73

* U.S. Census

Note: Net Bonded Debt represents the Building Authority Debt, less debt service money available.

ST. CLAIR COUNTY, MICHIGAN SCHEDULE 11
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2024 - UNAUDITED

DIRECT DEBT		
Community Mental Health - refunding bonds		$ 900,000
Jail refunding bonds		6,760,000
Convention Center - general obligation bonds		6,110,000
Leases		1,783,979
Subscriptions		363,020
Drain districts		2,779,391
Premiums/discounts		423,103
NET DIRECT DEBT		19,119,493
OVERLAPPING DEBT		
Cities	$ 95,395,005	
Townships	32,952,846	
Villages	4,216,463	
School districts	269,598,971	
Intermediate school district	1,216,598	
Community college	1,413,161	404,793,044
NET DIRECT AND OVERLAPPING DEBT		$ 423,912,537

Source: Debt information provided by Municipal Advisory Council of Michigan and Bendzinski and Co., Detroit, Michigan

Note: Percentage of overlap based on assessed property values.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
2016	$ 654,283,699	$ 48,706,882	$ 605,576,817
2017	691,556,650	44,003,141	647,553,509
2018	719,290,148	41,598,915	677,691,233
2019	780,123,387	37,618,118	742,505,269
2020	822,641,579	34,820,834	787,820,745
2021	864,185,526	30,574,014	833,611,512
2022	914,184,755	27,570,358	833,704,461
2023	1,010,963,129	24,914,942	986,048,187
2024	1,102,973,221	22,587,265	1,080,385,956
2025	1,161,257,029	19,119,493	1,142,137,536

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2024

State equalized value	$ 11,612,570,293
Legal debt limit (10% of state equalized value)	$ 1,161,257,029
Less - total long-term debt	19,119,493
Legal debt margin	$ 1,142,137,536

Note: Total long-term debt does not include accumulated vacation, sick and compensatory time, net OPEB obligation, accrued insurance liability claims, and Landfill closure and post-closure costs.

ST. CLAIR COUNTY, MICHIGAN
SCHEDULE 13
DEMOGRAPHIC AND ECONOMICAL STATISTICS
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Population *	U. S. Census	Personal Income **	Per Capita Income **	K - 12 School Enrollment ***	Unemployment Rate ****
2016	159,699	163,040	$ 6,527,171	$ 40,937	22,974	6.2
2017	159,719	163,040	6,747,630	42,381	22,497	5
2018	159,134	163,040	7,061,186	44,316	21,892	4.7
2019	159,390	163,040	7,266,059	45,662	21,479	4.9
2020	159,042	160,383	7,981,688	50,107	20,406	12.0
2021	160,229	160,383	8,451,582	52,805	20,266	5.9
2022	160,502	160,383	8,417,015	52,557	19,794	3.9
2023	160,081	160,383	8,926,443	55,834	19,504	3.8
2024	160,201	160,383	9,288,771	57,943	19,018	4.5
2025	160,421	160,383	**9,288,771**	**57,943**	18,792	5.0

Sources

*	Southeast Michigan Council of Governments
**	U.S. Department of Commerce - Bureau of Economic Analysis. Numbers are in thousands.
***	St. Clair County Regional Educational Service Agency
****	Michigan Department of Labor and Economic Growth

Bold Data was not available at the time of publication, so the previous year data was used.

ST. CLAIR COUNTY, MICHIGAN
PRINCIPAL EMPLOYERS
PRIOR YEAR AND NINE YEARS AGO - UNAUDITED

SCHEDULE 14

		2025			2016		
Employer	Product/Service	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
McLaren Port Huron	Health Care	1,300	1	1.76%	1,500	1	2.19%
Motherson (SMR Automotive)	Manufacturing	949	2	1.29%	804	5	1.18%
Port Huron School District	Education	949	2	1.29%	1,065	2	1.56%
St. Clair County	Municipal Government	923	4	1.25%	872	3	1.27%
DTE Energy	Utility	747	5	1.01%	850	4	1.24%
US Farathane	Manufacturing	650	6	0.88%	N/A	N/A	N/A
ZF Marysville	Manufacturing	602	7	0.82%	603	9	0.88%
St. Clair County Community Mental Health	Health Care	478	8	0.65%	N/A	N/A	N/A
Marysville Public School District	Education	455	9	0.62%	N/A	N/A	N/A
Magna Electric Vehicle Structures	Manufacturing	450	10	0.61%	N/A	N/A	N/A
East China School District	Education	425	11	0.58%	550	10	0.80%
Lake Huron Medical Center	Health Care	407	13	0.55%	778	6	1.14%
Meijer (Both Marysville & Fort Gratiot)	Grocery/Retail	600	15 & 18	0.81%	630	8	0.92%
Grupo Antolin	Manufacturing	N/A	N/A	N/A	684	7	1.00%
		7,503		10.17%	8,336		12.18%

Source: Economic Development Alliance of St. Clair County

* Meijer is broken out separately by the EDA for Marysville & Fort Gratiot, previously it was combined
**East China School District, Lake Huron, and Meijer are shown in 2025 for comparison to 2016 and not included in Total Employees and Employment %

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 15

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legislative -										
Board of Commissioners	7	7	7	7	7	7	7	7	7	7
Judicial -										
Circuit court	12	12	13	13	13	14	14	14	15	15
District court	27	27	28	28	28	28	28	28	28	28
Courthouse security	5	5	5	5	5	5	5	5	5	5
Friend of the court	33	33	35	37	37	37	38	38	39	39
Probate court - adult	10	10	11	11	10	11	12	12	12	12
Probate court - juvenile	15	16	14	14	14	14	14	14	16	16
Probation - adult	8	8	7	9	9	10	10	11	11	11
General government -										
Administrator/controller	4	4	4	4	4	4	4	4	4	4
Elections	0	0	0	0	0	1	1	1	1	1
Accounting	4	4	4	4	4	4	4	4	4	4
Purchasing	1	1	1	1	1	1	1	1	1	1
Clerk	9	9	9	9	9	9	10	10	10	10
Equalization	8	8	8	9	9	9	8	8	8	9
Human resources	7	7	6	7	7	7	7	7	7	7
Prosecuting attorney	26	26	28	27	28	28	29	30	30	29
Register of deeds	2	2	2	2	2	2	2	3	3	3
Treasurer	7	7	7	8	8	8	8	8	8	8
Cooperative extension	2	2	2	2	2	2	2	2	2	2
Information technology	15	16	16	16	16	16	16	15	16	17
Buildings and grounds	20	20	20	20	20	20	20	20	21	23
Drain commissioner	7	7	6	6	6	6	6	6	6	5
Public defender	0	0	0	0	20	23	23	23	24	24

(Continued)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety -										
Sheriff department	85	86	86	87	90	90	90	91	92	92
Communications	22	22	22	22	22	22	22	26	26	26
Marine patrol	1	1	1	1	1	1	1	1	1	1
Jail	100	100	100	101	100	102	102	102	102	102
Emergency services	3	3	3	4	4	4	4	4	4	4
Animal control	3	3	3	5	5	5	7	7	7	7
Metropolitan planning	6	7	7	7	7	7	8	8	8	8
Health and welfare -										
Medical Examiner	2	2	1	1	2	0	0	0	0	0
Veterans counselor	6	6	6	6	6	6	6	6	6	6
Public guardian	4	5	5	5	6	8	8	8	9	9
Health Department	61	64	65	73	78	85	88	88	91	92
Child care	40	40	40	41	42	41	42	42	55	53
Opioid settlement	0	0	0	0	0	0	0	0	2	2
Recreation and culture -										
Parks and recreation	11	11	11	11	11	11	15	15	16	17
Library	37	35	35	35	35	37	41	53	70	65
Proprietary activities -										
Landfill	4	5	4	4	4	4	4	4	4	14
Airport	1	1	2	2	2	2	2	2	4	4

(Concluded)

Source: Accounting department, annual budget by department sheets, and annual budget book.

ST. CLAIR COUNTY, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Judicial -										
Circuit court cases filed	3,638	3,732	3,650	3,623	2,197	2,979	3,252	3,172	3,325	3,120
Circuit court cases dispositions	3,818	3,797	3,699	3,725	2,145	3,066	3,347	3,324	3,235	3,293
General government -										
Marriage licenses	968	970	938	832	804	947	949	889	844	890
Births certificates	1,435	1,262	1,335	1,368	1,265	1,212	1,082	967	836	862
Divorces filed	525	550	503	539	339	586	616	572	541	446
Death certificates	1,592	1,653	1,538	1,608	1,905	2,164	1,771	1,651	1,640	1,728
Public safety -										
Inmate bookings	5,164	4,442	4,160	3,598	2,719	2,978	3,051	2,905	3,114	3,023
Total incidents dispatched	114,070	118,884	137,091	129,620	116,629	133,857	245,150	255,013	230,980	183,235
Dog licenses issued (1)	26,405	25,582	19,570	23,727	13,379	10,230	9,699	8,126	7,256	6,777
Airport -										
Take-offs and landings (2)	26,500	27,011	27,000	25,000	15,000	27,838	27,839	27,839	27,500	27,500
Landfill -										
Tons of waste collected	297,049	384,686	308,774	303,275	345,953	360,624	335,992	323,519	236,860	199,287

Source: Various County departments

(1) Starting in 2019 the purchase of a 3-year dog license is available
(2) These numbers were estimates

ST. CLAIR COUNTY, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

SCHEDULE 17

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Judicial -										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	0	0	0	0	0	0	0	1	1	1
General government -										
Buildings	4	4	4	4	4	4	4	4	4	4
Vehicles	25	25	23	24	23	22	12	10	10	9
Public safety -										
Buildings	5	5	5	5	5	5	5	5	5	5
Jail beds available	491	491	491	491	491	491	491	491	491	491
Vehicles:										
Patrol	34	39	40	34	40	40	40	38	37	42
Other	40	40	34	38	33	33	35	36	34	39
Health and welfare -										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	12	12	13	11	12	12	14	14	13	15
Recreation and cultural -										
Buildings	47	47	47	47	47	47	47	47	47	47
Vehicles	10	9	9	10	10	10	11	11	10	12
Park acreage	632.78	633	633	633	633	646	646	646	646	646
Airport -										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	2	2	2	2	2	2	4	4	3	3
Landfill -										
Buildings	6	6	6	6	6	6	6	6	6	6
Vehicles	3	3	2	4	4	4	4	3	3	7

Source: Accounting department

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