

**County of Chippewa, Michigan**

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**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

**CHIPPEWA COUNTY, MICHIGAN**

ORGANIZATION

**COUNTY BOARD OF COMMISSIONERS**

CHAIRMAN	JIM MARTIN
COMMISSIONER	JUSTIN KNEPPER
COMMISSIONER	DAMON LIEURANCE
COMMISSIONER	JAMES TRAYNOR
COMMISSIONER	ROBERT SAVOIE

**APPOINTED/ELECTED OFFICERS**

COUNTY ADMINISTRATOR	KELLY CHURCH
COUNTY TREASURER	CARMEN FAZZARI
COUNTY CLERK	STEVE WOODGATE
COUNTY REGISTER OF DEEDS	GIGI FERRO
COUNTY SHERIFF	MICHAEL BITNAR
COUNTY DRAIN COMMISSIONER	ANTHONY STACKPOOLE
COUNTY PROSECUTOR	ROBERT STRATTON III

**JUDICIARY**

CIRCUIT/JUVENILE COURT	HON. JAMES LAMBROS
PROBATE COURT/DISTRICT COURT	HON. ERIC BLUBAUGH

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**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**KINROSS OFFICE**

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AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

MEMBER AICPA DIVISION FOR  
CPA FIRMS

MEMBER MACPA  
OFFICES IN MICHIGAN

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
County of Chippewa, Michigan  
Sault Ste. Marie, MI 49783

**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 Chippewa County, Michigan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County of Chippewa, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the County of Chippewa, Michigan, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principals generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Chippewa County, Michigan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chippewa County, Michigan'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 misstatements, 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 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 misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures on 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 Chippewa County, Michigan'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 Chippewa County, Michigan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those in charge 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, schedules of funding progress and budgetary comparison information on pages 4 through 9, pages 74 through 76, and pages 77 through 82 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 of Chippewa, Michigan's basic financial statements. The accompanying combining major and nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining major and nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the statistical section 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 concluded that an uncorrected misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024, on our consideration of the County of Chippewa, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Chippewa County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Chippewa, Michigan's internal control over financial reporting and compliance.



**Anderson, Tackman & Company, PLC**  
**Certified Public Accountants**  
**Kincheloe, Michigan**

June 6, 2024

## **Management's Discussion and Analysis**

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As management of Chippewa County, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chippewa County for the year ended December 31, 2023.

### Financial Highlights

- The net position of the County exceeded its liabilities at the close of the most recent fiscal year by \$14,525,465. Of this amount, \$2,549,361 is restricted.
- The County's governmental activities net position increased by \$1,626,043 and an increase of \$423,072 in net position of the business-type activities with an overall increase of \$2,049,115 in net position of the primary government.
- During the year, the County had expenses for governmental activities that were \$28,063,752 and expenses for business-type activities that were \$402,275.
- The General Fund reported a net fund balance of \$10,793,578, an increase of \$679,843. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,630,951, or 64% of total General Fund expenditures (excluding operating transfers.)

### 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 comprise five components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) required supplementary information, and (5) other information.

**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, outflows, liabilities and inflows, with the difference between the two 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.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety (including the jail), public works, health and welfare, community and economic development, and culture and recreation. The business-type activities of the County include the delinquent tax collections, commissary, and foreclosure funds.

The government-wide financial statements include not only Chippewa County itself (known as the primary government), but also a legally separate Chippewa County Road Commission, Eastern Upper Peninsula Transportation Authority, and Chippewa County Economic Development Corporation for which Chippewa County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

**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 categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**Proprietary funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its jail commissary operations and delinquent tax operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Chippewa County uses an internal service fund to account for its central supplies and self-insurance activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

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

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to the discussion and analysis, required pension and OPEB funding progress information, and budgetary and actual presentation.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the combining fund financial statements of the general, nonmajor governmental, enterprise, and internal service funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Chippewa County, net position exceeded liabilities by \$14,525,465 at the close of the most recent fiscal year.

In a condensed format, the table below shows the net position of Chippewa County.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current Assets	\$ 20,772,543	\$ 20,941,743	\$ 13,497,677	\$ 13,174,033	\$ 34,270,220	\$ 34,115,776
Capital Assets	10,150,065	9,998,736	-	-	10,150,065	9,998,736
<b>Total Assets</b>	<b>30,922,608</b>	<b>30,940,479</b>	<b>13,497,677</b>	<b>13,174,033</b>	<b>44,420,285</b>	<b>44,114,512</b>
<b>Deferred Outflows of Resources</b>	<b>3,642,221</b>	<b>8,098,282</b>	<b>-</b>	<b>-</b>	<b>3,642,221</b>	<b>8,098,282</b>
<b>Liabilities</b>						
Current Liabilities	3,065,577	3,388,116	275,176	374,604	3,340,753	3,762,720
Noncurrent Liabilities	25,656,526	29,758,669	-	-	25,656,526	29,758,669
<b>Total Liabilities</b>	<b>28,722,103</b>	<b>33,146,785</b>	<b>275,176</b>	<b>374,604</b>	<b>28,997,279</b>	<b>33,521,389</b>
<b>Deferred Inflows of Resources</b>	<b>4,539,762</b>	<b>6,363,248</b>	<b>-</b>	<b>-</b>	<b>4,539,762</b>	<b>6,363,248</b>
<b>Net Position</b>						
Net Investment in Capital Assets	6,815,065	6,213,736	-	-	6,815,065	6,213,736
Restricted	2,549,361	2,306,180	-	-	2,549,361	2,306,180
Unrestricted	(8,061,462)	(8,991,188)	13,222,501	12,799,429	5,161,039	3,808,241
<b>Total Net Position</b>	<b>\$ 1,302,964</b>	<b>\$ (471,272)</b>	<b>\$ 13,222,501</b>	<b>\$ 12,799,429</b>	<b>\$ 14,525,465</b>	<b>\$ 12,328,157</b>

The largest portion of the County’s net position, \$6,815,065, reflects its investments in capital assets (e.g., land and improvements, buildings and improvements, equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to the citizens; consequently, these assets are not available for future spending.

An additional portion of the County’s net position, \$2,549,361, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,161,039 may be used to meet the government’s ongoing obligations.

The current level of unrestricted net position for our governmental activities stands at (\$8,061,462), or about (29%) of expenses. Net Position of the governmental activities had a net increase of \$1,626,043.

Net position of the business–type activities increased by \$423,072 during fiscal year 2023. This is comparable to the prior year increase of \$412,029.

The following table shows the activities of the County.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Program Revenues</b>						
Charges for Services	\$ 6,396,673	\$ 5,934,933	\$ 1,113,931	\$ 1,159,135	\$ 7,510,604	\$ 7,094,068
Operating Grants and Contributions	9,988,199	15,505,421	-	-	9,988,199	15,505,421
<b>General Revenues</b>						
Property Taxes	11,191,251	10,606,156	-	-	11,191,251	10,606,156
State Revenue Sharing and Other	818,687	779,221	-	-	818,687	779,221
Interest Income	765,980	167,393	240,421	31,242	1,006,401	198,635
<b>Total Revenues</b>	<b>29,160,790</b>	<b>32,993,124</b>	<b>1,354,352</b>	<b>1,190,377</b>	<b>30,515,142</b>	<b>34,183,501</b>
<b>Expenses</b>						
Judicial	4,291,683	3,781,918	-	-	4,291,683	3,781,918
General Government	5,615,869	3,111,985	-	-	5,615,869	3,111,985
Public Safety	7,261,401	7,271,569	-	-	7,261,401	7,271,569
Public Works	907,679	486,561	-	-	907,679	486,561
Health and Welfare	8,489,780	8,603,571	-	-	8,489,780	8,603,571
Economic and Community Development	543,826	-	-	-	543,826	-
Interest Expense - Unallocated	199,658	231,413	-	-	199,658	231,413
Other	-	1,485,814	-	-	-	1,485,814
Depreciation - Unallocated	753,856	649,243	-	-	753,856	649,243
Tax Collection	-	-	11,382	3,831	11,382	3,831
Other Nonmajor	-	-	390,893	320,926	390,893	320,926
<b>Total Expenses</b>	<b>28,063,752</b>	<b>25,622,074</b>	<b>402,275</b>	<b>324,757</b>	<b>28,466,027</b>	<b>25,946,831</b>
Excess (Deficiency) Before Transfers	1,097,038	7,371,050	952,077	865,620	2,049,115	8,236,670
Transfers	529,005	453,591	(529,005)	(453,591)	-	-
<b>Changes in Net Position</b>	<b>1,626,043</b>	<b>7,824,641</b>	<b>423,072</b>	<b>412,029</b>	<b>2,049,115</b>	<b>8,236,670</b>
Net Position - Beginning Restated	(323,079)	(8,295,913)	12,799,429	12,387,400	12,476,350	4,091,487
<b>Net Position - Ending</b>	<b>\$ 1,302,964</b>	<b>\$ (471,272)</b>	<b>\$ 13,222,501</b>	<b>\$ 12,799,429</b>	<b>\$ 14,525,465</b>	<b>\$ 12,328,157</b>

Governmental Activities- Operating grants and contributions decreased by \$5,517,222 when compared to the previous year. This is primarily due to the County spending the remaining portion of their ARPA expenditures in the prior year.

Taxes increased by \$585,095 due largely to an increase in taxable value of property within the County.

Judicial expenses increased by \$509,765, General government expenses increased by \$2,503,884, and public safety expenses decreased by \$10,168. The increase is a result of the reclassification of expenditures in compliance with the Uniform Chart of Accounts.

Business-type Activities- The County’s total business type revenues decreased by \$45,204, primarily due to a decrease in charges for services in the 2020 tax foreclosure fund. Total business type program expenses increased by \$77,518. This is primarily due to an increase in excess proceed expenditures in the 2019 tax foreclosure fund.

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. Unassigned fund balance may serve as a useful measure of government’s net resources available for spending at the end of the fiscal year.

The County’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

**The County’s Funds**

Our analysis of the County’s major funds begins on page 12 following the entity wide financial statements. The individual funds’ financial statements provide detailed information about the most significant funds, not the County as a whole. The County Board of Commissioners creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The County’s major funds for 2023 include the General Fund, Health Department, Senior Nutrition, Ambulance, Chippewa County Recycling, and Tax Collections Funds.

The General Fund supports most of the County’s governmental services. The costliest are the judicial, general government, public safety, and health and welfare functions. The general fund’s fund balance increased by \$679,843 from \$10,113,735 in the prior year to \$10,793,578 in the current year. Total revenues for the general fund increased by \$4,295,637 compared to the prior year. The primary reason is due to the sale of the War Memorial hospital property to My Michigan Health, followed by an increase in federal and state revenues in the current year. Total expenditures for the general fund increased by \$2,700,698 compared to the previous year. The primary cause of this is due to an additional expenditure of \$2,000,000 to fund the OPEB liability in the current year.

The Health Department Fund ended the year with a fund balance of \$1,215,827, which was a decrease of \$811,078 from the prior year. This is primarily due to an increase in salaries, fringe, supplies and contractual services in the current year. The Senior Nutrition Fund ended the year with a fund balance of \$184,201, which is an increase of \$107,039 from the prior year. The increase is primarily due to an increase in millage in the current year. The Ambulance fund had an ending fund balance of \$0. While the Chippewa County Recycling Fund ended the year with an ending fund balance of \$368,682, a decrease of \$178,554 from the prior year. This was due to an increase of expenditures in the current year for additional equipment needs.

The Delinquent Tax fund is supported by interest and fees from the collection of taxes.

**General Fund Budgetary Highlights**

Over the course of the year, the County board amended the budget to take into account events during the year. The differences between the original budget and the final amended budget for expenditures and transfers out in the General Fund are indicated in the report.

During the year, general fund revenues were \$1,777,536 higher than budgetary estimates, while general fund expenditures were \$536,867 less than budgetary estimates. The actual change in fund balance was an increase.

**Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$10,150,065 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was \$151,329.

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

- Purchases include vehicles of \$287,373, various equipment of \$231,755 and building improvements of \$421,280 of this amount, \$407,500 relates to the construction in progress of the animal shelter and a sheriff storage building.

**Debt Administration**

At the end of the current fiscal year, the County had a total debt outstanding of \$26,131,526. Of this amount, \$3,335,000 comprises debt backed by the full faith and credit of the government. The remainder of the County's debt is comprised of vested employee benefits, OPEB obligations and net pension liability.

The County reduced its bond debt by \$450,000 in principal payments and issued no new debt.

**Economic Factors and Next Year's Budgets and Rates**

In order to maintain financial stability over the long term, the budgeting practice in Chippewa County is to not only adopt a balanced budget as required by law, but to manage its budget in a manner such that actual expenses do not exceed actual revenues on an annual basis. This policy, along with a conscious awareness of the fund balance, has given Chippewa County the reserves necessary to address difficult economic times without resorting to a crisis-management approach. It has permitted the County Board to utilize its annual budget process as the primary vehicle to make decisions on the type and level of County services to be provided. When unexpected revenue losses or expenditure increases occur during the year, they will be addressed through short term expenditure reduction measures such as reductions in controllable expenses, hiring delays, and deferrals of certain capital expenditures. In 2024, the County plans again to use current revenues to provide essential services and to maintain the County's financial reserve at similar levels. The ongoing cost of providing essential services for the citizens of the County will again need to be monitored to maintain the financial position of the County.

**Component Units**

A separate management discussion and analysis is available for the Chippewa County Health Department, Road Commission, Economic Development Corporation and E.U.P. Transportation Authority. Refer to these audit reports for further information.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chippewa County Administrator's Office at (906) 635-6330.

## **Basic Financial Statements**

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Statement of Net Position  
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS:</b>				
Cash and Investments - Unrestricted	\$ 15,748,680	\$ 11,893,394	\$ 27,642,074	\$ 5,408,252
Cash and Investments - Restricted	102,200	-	102,200	602,060
Receivables:				
Accounts	697,297	-	697,297	1,281,809
Taxes	2,848,843	1,358,800	4,207,643	1,040,373
Leases	-	-	-	1,903,741
Interest	1,825	244,824	246,649	-
Due from Governmental Units	976,853	159	977,012	5,378,664
Inventory	6,308	-	6,308	1,276,104
Prepaid Items	390,537	500	391,037	125,610
Net OPEB Asset	-	-	-	239,415
Capital Assets (nondepreciable)	639,310	-	639,310	78,412,923
Capital Assets (net of accumulated depreciation)	9,510,755	-	9,510,755	84,058,179
<b>TOTAL ASSETS</b>	<b>30,922,608</b>	<b>13,497,677</b>	<b>44,420,285</b>	<b>179,727,130</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension Related Items	3,216,930	-	3,216,930	2,596,873
OPEB Related Items	337,598	-	337,598	293,627
Deferred Charges on Refunding	87,693	-	87,693	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,642,221</b>	<b>-</b>	<b>3,642,221</b>	<b>2,890,500</b>
<b>LIABILITIES:</b>				
Accounts Payable	702,918	-	702,918	2,536,721
Accrued Liabilities	592,938	-	592,938	266,033
Unearned Revenue	610,463	-	610,463	457,144
Advances	-	-	-	742,006
Accrued Interest Payable	45,015	-	45,015	-
Due to Governmental Units	639,243	275,176	914,419	-
Notes Payable - Due within one year	-	-	-	90,913
Notes Payable - Due in more than one year	-	-	-	42,317
Bonds Payable - Due within one year	475,000	-	475,000	-
Bonds Payable - Due in more than one year	2,860,000	-	2,860,000	-
Vested Employee Benefits - Due in more than one year	449,246	-	449,246	875,693
OPEB Obligations - Due in more than one year	1,840,947	-	1,840,947	8,151,893
Net Pension Liability - Due in more than one year	20,506,333	-	20,506,333	19,732,019
<b>TOTAL LIABILITIES</b>	<b>28,722,103</b>	<b>275,176</b>	<b>28,997,279</b>	<b>32,894,739</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension Related Items	652,585	-	652,585	383,146
OPEB Related Items	1,550,688	-	1,550,688	1,697,278
Lease Items	-	-	-	1,755,455
Taxes Levied for a Subsequent Period	2,336,489	-	2,336,489	1,040,373
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,539,762</b>	<b>-</b>	<b>4,539,762</b>	<b>4,876,252</b>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	6,815,065	-	6,815,065	162,337,872
Restricted	2,549,361	-	2,549,361	1,287,051
Restricted for County Roads	-	-	-	(18,979,663)
Unrestricted	(8,061,462)	13,222,501	5,161,039	201,379
<b>TOTAL NET POSITION</b>	<b>\$ 1,302,964</b>	<b>\$ 13,222,501</b>	<b>\$ 14,525,465</b>	<b>\$ 144,846,639</b>

See accompanying notes to financial statements.



# County of Chippewa, Michigan

## Statement of Activities For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
Judicial	4,291,683	449,303	1,775,179	-	(2,067,201)	-	(2,067,201)	-
General Government	5,615,869	473,684	1,522,751	-	(3,619,434)	-	(3,619,434)	-
Public Safety	7,261,401	1,950,151	1,520,135	-	(3,791,115)	-	(3,791,115)	-
Public Works	907,679	-	639,444	-	(268,235)	-	(268,235)	-
Health and Welfare	8,489,780	3,474,280	4,520,138	-	(495,362)	-	(495,362)	-
Economic and Community Development	543,826	49,255	10,552	-	(484,019)	-	(484,019)	-
Interest Expense - Unallocated	199,658	-	-	-	(199,658)	-	(199,658)	-
Depreciation - Unallocated	753,856	-	-	-	(753,856)	-	(753,856)	-
Total Governmental Activities	<u>28,063,752</u>	<u>6,396,673</u>	<u>9,988,199</u>	<u>-</u>	<u>(11,678,880)</u>	<u>-</u>	<u>(11,678,880)</u>	<u>-</u>
<b>Business-type activities:</b>								
Tax Collection	11,382	580,769	-	-	-	569,387	569,387	-
Other Nonmajor	390,893	533,162	-	-	-	142,269	142,269	-
Total Business-type Activities	<u>402,275</u>	<u>1,113,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711,656</u>	<u>711,656</u>	<u>-</u>
Total Primary Government	<u>\$ 28,466,027</u>	<u>\$ 7,510,604</u>	<u>\$ 9,988,199</u>	<u>\$ -</u>	<u>(11,678,880)</u>	<u>711,656</u>	<u>(10,967,224)</u>	<u>-</u>
<b>Component Units:</b>								
Road Commission	\$ 14,708,737	\$ 4,125,762	\$ 9,406,164	\$ 5,086,311				3,909,500
Economic Development Corporation	6,167,199	3,329,343	50,000	2,853,377				65,521
E.U.P. Transportation Authority	6,637,424	2,735,267	3,326,292	8,854,667				8,278,802
Total Component Units	<u>27,513,360</u>	<u>10,190,372</u>	<u>12,782,456</u>	<u>16,794,355</u>				<u>12,253,823</u>
Total	<u>\$ 55,979,387</u>	<u>\$ 17,700,976</u>	<u>\$ 22,770,655</u>	<u>\$ 16,794,355</u>				
<b>General Revenues and Transfers:</b>								
Taxes- Real Property					11,189,697	-	11,189,697	943,794
Taxes- Personal Property					1,554	-	1,554	-
State Revenue Sharing and Other					818,687	-	818,687	-
Interest Income					765,980	240,421	1,006,401	136,399
Transfers					529,005	(529,005)	-	-
Gain (Loss) on Disposals					-	-	-	178,713
Total General Revenues and Transfers					<u>13,304,923</u>	<u>(288,584)</u>	<u>13,016,339</u>	<u>1,258,906</u>
Changes in Net Position					1,626,043	423,072	2,049,115	13,512,729
Net Position - Beginning (as restated see note 12)					(323,079)	12,799,429	12,476,350	131,333,910
Net Position - Ending					<u>\$ 1,302,964</u>	<u>\$ 13,222,501</u>	<u>\$ 14,525,465</u>	<u>\$ 144,846,639</u>

See accompanying notes to financial statements.

# County of Chippewa, Michigan

## Balance Sheet Governmental Funds December 31, 2023

	General	Health Department 9/30/2023	Senior Nutrition	Ambulance	Chippewa County Recycling	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and Investments - Unrestricted	\$ 9,498,600	\$ 2,114,460	\$ 184,201	\$ 1,556	\$ 368,682	\$ 3,527,529	\$ 15,695,028
Cash and Investments - Restricted	-	102,200	-	-	-	-	102,200
Receivables:							
Accounts	11,356	413,412	-	-	-	248,596	673,364
Taxes	512,354	-	982,956	563,591	658,901	131,041	2,848,843
Interest	1,825	-	-	-	-	-	1,825
Inventory	-	3,746	-	-	-	-	3,746
Due from Other Funds	286,764	-	-	-	-	-	286,764
Due from Governmental Units	662,594	144,758	-	-	-	169,501	976,853
Prepaid Items	144,398	37,758	-	-	-	22,683	204,839
<b>TOTAL ASSETS</b>	<b>\$ 11,117,891</b>	<b>\$ 2,816,334</b>	<b>\$ 1,167,157</b>	<b>\$ 565,147</b>	<b>\$ 1,027,583</b>	<b>\$ 4,099,350</b>	<b>\$ 20,793,462</b>
<b>LIABILITIES:</b>							
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,037	\$ 79,037
Accounts Payable	149,195	297,149	-	-	-	256,574	702,918
Accrued Liabilities	173,313	387,561	-	-	-	31,226	592,100
Due to Governmental Units	-	637,687	-	1,556	-	-	639,243
Unearned Revenue	1,805	278,110	-	-	-	330,548	610,463
<b>TOTAL LIABILITIES</b>	<b>324,313</b>	<b>1,600,507</b>	<b>-</b>	<b>1,556</b>	<b>-</b>	<b>697,385</b>	<b>2,623,761</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Taxes Levied for a Subsequent Period	-	-	982,956	563,591	658,901	131,041	2,336,489
<b>FUND BALANCES:</b>							
Nonspendable	144,398	41,504	-	-	-	22,683	208,585
Restricted	-	102,200	184,201	-	-	2,262,960	2,549,361
Committed	-	-	-	-	-	7,503	7,503
Assigned	18,229	1,072,123	-	-	368,682	977,778	2,436,812
Unassigned	10,630,951	-	-	-	-	-	10,630,951
<b>TOTAL FUND BALANCES</b>	<b>10,793,578</b>	<b>1,215,827</b>	<b>184,201</b>	<b>-</b>	<b>368,682</b>	<b>3,270,924</b>	<b>15,833,212</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,117,891</b>	<b>\$ 2,816,334</b>	<b>\$ 1,167,157</b>	<b>\$ 565,147</b>	<b>\$ 1,027,583</b>	<b>\$ 4,099,350</b>	
<b>Reconciliation to amounts reported for governmental activities in the statement of net position:</b>							
Capital assets used by governmental activities							10,150,065
Deferred Charges on Refunding							87,693
Long-term notes and bonds payable for governmental activities							(3,335,000)
Long-term Vested Employee Benefits							(449,246)
Internal service funds included in governmental activities							57,280
Accrued interest expense recognized under full accrual accounting							(45,015)
Net pension & OPEB liabilities and related deferred outflows & inflows							(20,996,025)
<b>Net position of governmental activities</b>							<b>\$ 1,302,964</b>

# County of Chippewa, Michigan

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds For the Year Ended December 31, 2023

	General	Health Department 9/30/2023	Senior Nutrition	Ambulance	Chippewa County Recycling	Nonmajor Governmental Funds	Totals Governmental Funds
<b>REVENUES:</b>							
Taxes	\$ 8,939,003	\$ -	\$ 947,056	\$ 542,987	\$ 635,791	\$ 126,414	\$ 11,191,251
Licenses and Permits	31,937	-	-	-	-	-	31,937
Federal Sources	1,686,759	1,106,554	-	-	-	316,541	3,109,854
State Sources	1,892,436	552,941	3,983	996	2,655	1,012,484	3,465,495
Local Sources	50,000	278,640	-	-	-	857,383	1,186,023
Charges for Services	1,485,220	3,474,280	-	-	-	1,321,918	6,281,418
Interest and Rentals	762,789	247	-	-	-	2,944	765,980
Fines and Forfeitures	83,318	-	-	-	-	-	83,318
Other Revenue	2,368,261	496,571	-	-	-	180,682	3,045,514
<b>TOTAL REVENUES</b>	<b>17,299,723</b>	<b>5,909,233</b>	<b>951,039</b>	<b>543,983</b>	<b>638,446</b>	<b>3,818,366</b>	<b>29,160,790</b>
<b>EXPENDITURES:</b>							
Judicial	3,483,804	-	-	-	-	1,074,367	4,558,171
General Government	5,923,378	-	-	-	-	20,723	5,944,101
Public Safety	5,463,000	-	-	-	-	2,194,217	7,657,217
Public Works	57,050	-	-	-	817,000	33,629	907,679
Health and Welfare	670,366	6,720,311	844,000	353,589	-	48,661	8,636,927
Community and Economic Development	542,234	-	-	-	-	-	542,234
Capital Outlay	383,211	-	-	-	-	557,197	940,408
Debt Service	-	-	-	-	-	603,044	603,044
<b>TOTAL EXPENDITURES</b>	<b>16,523,043</b>	<b>6,720,311</b>	<b>844,000</b>	<b>353,589</b>	<b>817,000</b>	<b>4,531,838</b>	<b>29,789,781</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>776,680</b>	<b>(811,078)</b>	<b>107,039</b>	<b>190,394</b>	<b>(178,554)</b>	<b>(713,472)</b>	<b>(628,991)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	2,637,750	-	-	-	-	822,987	3,460,737
Transfers Out	(2,734,587)	-	-	(190,394)	-	(6,751)	(2,931,732)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(96,837)</b>	<b>-</b>	<b>-</b>	<b>(190,394)</b>	<b>-</b>	<b>816,236</b>	<b>529,005</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>679,843</b>	<b>(811,078)</b>	<b>107,039</b>	<b>-</b>	<b>(178,554)</b>	<b>102,764</b>	<b>(99,986)</b>
<b>FUND BALANCE BEGINNING OF YEAR (as Restated, See Note 12)</b>	<b>10,113,735</b>	<b>2,026,905</b>	<b>77,162</b>	<b>-</b>	<b>547,236</b>	<b>3,168,160</b>	<b>15,933,198</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 10,793,578</b>	<b>\$ 1,215,827</b>	<b>\$ 184,201</b>	<b>\$ -</b>	<b>\$ 368,682</b>	<b>\$ 3,270,924</b>	<b>\$ 15,833,212</b>

See accompanying notes to financial statements.

**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, 2023**

Net changes in fund balances - total governmental funds \$ (99,986)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$940,408 exceeded depreciation (\$789,079) 151,329

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Proceeds from bond issuance is an other financing source in governmental funds but increases the liability in the statement of net position. Discounts and deferred charges result in amortization of these costs for the statement of activities. 397,386

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the following net changes:

Interest Payable Activity	6,000
Vested Employee Benefits	(19,347)
OPEB Obligations	2,681,074
Net Pension Liabilities	(1,494,994)

Internal Service Fund Activity 4,581

Changes in net position of governmental activities \$ 1,626,043

**Statement of Net Position  
Proprietary Funds  
December 31, 2023**

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
<b>ASSETS:</b>				
Cash and Investments - Unrestricted	\$ 10,849,520	\$ 1,043,874	\$ 11,893,394	\$ 53,652
Taxes Receivable	1,358,800	-	1,358,800	-
Due from Governmental Units	-	159	159	23,933
Inventory	-	-	-	2,562
Prepaid Expense	500	-	500	185,698
Accrued Interest Receivable	244,824	-	244,824	-
<b>TOTAL ASSETS</b>	<b><u>\$ 12,453,644</u></b>	<b><u>\$ 1,044,033</u></b>	<b><u>\$ 13,497,677</u></b>	<b><u>\$ 265,845</u></b>
<b>LIABILITIES:</b>				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 207,727
Due to Governmental Units	271,011	4,165	275,176	-
Accounts Payable	-	-	-	838
<b>TOTAL LIABILITIES</b>	<b><u>271,011</u></b>	<b><u>4,165</u></b>	<b><u>275,176</u></b>	<b><u>208,565</u></b>
<b>NET POSITION:</b>				
Unrestricted	<u>12,182,633</u>	<u>1,039,868</u>	<u>13,222,501</u>	<u>57,280</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 12,182,633</u></b>	<b><u>\$ 1,039,868</u></b>	<b><u>\$ 13,222,501</u></b>	<b><u>\$ 57,280</u></b>

**Statement of Revenues, Expenses, and  
Changes in Net Position - Proprietary Funds  
For the Year Ended December 31, 2023**

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 222,795	\$ 526,224	\$ 749,019	\$ 3,291,810
Penalties and Interest Charges	357,974	6,938	364,912	-
Total Operating Revenues	580,769	533,162	1,113,931	3,291,810
<b>OPERATING EXPENSES:</b>				
Premium Payments	-	-	-	3,273,796
Other Supplies and Expenses	11,382	390,893	402,275	13,433
Total Operating Expenses	11,382	390,893	402,275	3,287,229
<b>OPERATING INCOME (LOSS)</b>	569,387	142,269	711,656	4,581
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest on Deposits	240,421	-	240,421	-
Total Non-Operating Revenues (Expenses)	240,421	-	240,421	-
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	809,808	142,269	952,077	4,581
Operating Transfers In	4,230,167	-	4,230,167	-
Operating Transfers Out	(4,724,172)	(35,000)	(4,759,172)	-
<b>CHANGES IN NET POSITION</b>	315,803	107,269	423,072	4,581
NET POSITION, JANUARY 1	11,866,830	932,599	12,799,429	52,699
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 12,182,633</u>	<u>\$ 1,039,868</u>	<u>\$ 13,222,501</u>	<u>\$ 57,280</u>

**Statement of Cash Flows  
Proprietary Fund Types  
For the Year Ended December 31, 2023**

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 530,307	\$ 532,498	\$ 1,062,805	\$ 3,284,382
Payments to Suppliers	(111,075)	(389,545)	(500,620)	(3,280,949)
Internal Activity - Receipts (Payments) with Other Funds	3,301,190	-	3,301,190	37,966
Net Cash Provided by Operating Activities	<u>3,720,422</u>	<u>142,953</u>	<u>3,863,375</u>	<u>41,399</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating Transfers In (Out) - net	(494,005)	(35,000)	(529,005)	-
Net Cash Used by Noncapital Financing Activities	<u>(494,005)</u>	<u>(35,000)</u>	<u>(529,005)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on Deposits	240,421	-	240,421	-
Net Cash Provided by Investing Activities	<u>240,421</u>	<u>-</u>	<u>240,421</u>	<u>-</u>
Net Increase in Cash	3,466,838	107,953	3,574,791	41,399
Balances - Beginning of the Year	7,382,682	935,921	8,318,603	12,253
Balances - End of the Year	<u>\$ 10,849,520</u>	<u>\$ 1,043,874</u>	<u>\$ 11,893,394</u>	<u>\$ 53,652</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 569,387	\$ 142,269	\$ 711,656	\$ 4,581
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Assets:				
Taxes Receivable	(23,393)	-	(23,393)	-
Accrued Interest Receivable	(27,069)	-	(27,069)	-
Inventory	-	-	-	1,835
Due from Other Funds	3,301,190	-	3,301,190	-
Due from Governmental Units	-	(664)	(664)	(7,428)
Prepaid Items	(300)	500	200	24,538
Increase (Decrease) in Liabilities:				
Accounts Payable	-	848	848	(20,093)
Due to Other Funds	-	-	-	37,966
Due to Governmental Units	(99,393)	-	(99,393)	-
Net Cash Provided by Operating Activities	<u>\$ 3,720,422</u>	<u>\$ 142,953</u>	<u>\$ 3,863,375</u>	<u>\$ 41,399</u>

**Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2023**

	<u>Custodial Funds</u>	<u>Other Employee Benefit Trust Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Equivalents - Restricted	\$ 2,197,111	\$ -	\$ 2,197,111
Total Cash and Equivalents	<u>2,197,111</u>	<u>-</u>	<u>2,197,111</u>
Investments, at fair value:			
Equity Securities	-	20,524,341	20,524,341
Total Investments	<u>-</u>	<u>20,524,341</u>	<u>20,524,341</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 2,197,111</u></u></b>	<b><u><u>\$ 20,524,341</u></u></b>	<b><u><u>\$ 22,721,452</u></u></b>
<b>LIABILITIES:</b>			
Undistributed Tax Collections	1,273,842	-	1,273,842
Other Liabilities	2,072	-	2,072
Bond & Restitutions	571,093	-	571,093
Due to Inmates	89,211	-	89,211
Due to Governmental Units	<u>260,893</u>	<u>-</u>	<u>260,893</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>2,197,111</u></u></b>	<b><u><u>-</u></u></b>	<b><u><u>2,197,111</u></u></b>
<b>NET POSITION:</b>			
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ -</u></u>	<u><u>\$ 20,524,341</u></u>	<u><u>\$ 20,524,341</u></u>



**Statement of Changes of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2023**

	Trust	
	Custodial	Other Employee
	Funds	Benefit
	Funds	Trust Funds
<b>ADDITIONS:</b>		
Contributions		
Members	\$ -	\$ 3,593,511
Interest	-	1,881,085
Taxes Collected for Other Governments	77,824,949	-
Fees and Fines Collected on behalf of Other Governments	2,049,239	-
Fees and Fines Collected on behalf of Other Agencies	508,280	-
Bonds, Restitutions, and Payables to Others	511,523	-
Collections from or On Behalf of Inmates	97,734	-
<b>TOTAL ADDITIONS</b>	<b>80,991,725</b>	<b>5,474,596</b>
<b>DEDUCTIONS:</b>		
Payment of Taxes to Other Governments	77,824,949	-
Payment of Trust Benefits and fees	-	1,134,016
Fees and Fines Remitted to Other Units of Government	2,049,239	-
Fees and Fines Remitted to Other Agencies	508,280	-
Payments on Behalf of Inmates	97,734	-
Bonds, Restitutions, and Payables to Others	511,523	-
<b>TOTAL DEDUCTIONS</b>	<b>80,991,725</b>	<b>1,134,016</b>
<b>CHANGE IN NET POSITION</b>	-	4,340,580
<b>NET POSITION BEGINNING OF YEAR</b>	-	16,183,761
<b>NET POSITION END OF YEAR</b>	<b>\$ -</b>	<b>\$ 20,524,341</b>

# **Component Units**

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# County of Chippewa, Michigan

## Statement of Net Position

### Component Units

December 31, 2023

	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/2023	Totals
<b>ASSETS:</b>				
Cash and Investments - Unrestricted	\$ 1,309,575	\$ 488,772	\$ 3,609,905	\$ 5,408,252
Cash and Investments - Restricted	-	602,060	-	602,060
Receivables:				
Accounts	-	1,087,886	193,923	1,281,809
Taxes	1,040,373	-	-	1,040,373
Lease	-	1,903,741	-	1,903,741
Due from Governmental Units	2,020,496	700,630	2,657,538	5,378,664
Inventory	1,206,299	69,805	-	1,276,104
Prepaid Items	80,752	-	44,858	125,610
Net OPEB Asset	-	239,415	-	239,415
Capital Assets (Nondepreciable)	63,872,886	3,196,267	11,343,770	78,412,923
Capital Assets (Net of Accumulated Depreciation)	44,288,742	25,582,577	14,186,860	84,058,179
<b>TOTAL ASSETS</b>	<b>113,819,123</b>	<b>33,871,153</b>	<b>32,036,854</b>	<b>179,727,130</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension Related Items	1,100,388	170,976	1,325,509	2,596,873
OPEB Related Items	203,933	89,694	-	293,627
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,304,321</b>	<b>260,670</b>	<b>1,325,509</b>	<b>2,890,500</b>
<b>LIABILITIES:</b>				
Accounts Payable	1,443,537	275,549	817,635	2,536,721
Accrued Liabilities	194,595	27,094	44,344	266,033
Unearned Revenue	414,556	42,588	-	457,144
Interest Payable	-	-	-	-
Due to State	-	-	-	-
Advances	742,006	-	-	742,006
Notes and Leases Payable - Due within one year	90,913	-	-	90,913
Notes and Leases Payable - Due in more than one year	42,317	-	-	42,317
Vested Employee Benefits - Due in more than one year	413,565	79,914	382,214	875,693
OPEB Obligation - Due in more than one year	8,151,893	-	-	8,151,893
Net Pension Liability - Due in more than one year	10,607,774	909,518	8,214,727	19,732,019
<b>TOTAL LIABILITIES</b>	<b>22,101,156</b>	<b>1,334,663</b>	<b>9,458,920</b>	<b>32,894,739</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension Related Items	-	3,590	379,556	383,146
OPEB Related Items	1,646,129	51,149	-	1,697,278
Lease Items	-	1,755,455	-	1,755,455
Taxes Levied for a Subsequent Period	1,040,373	-	-	1,040,373
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,686,502</b>	<b>1,810,194</b>	<b>379,556</b>	<b>4,876,252</b>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	108,028,398	28,778,844	25,530,630	162,337,872
Restricted	1,287,051	-	-	1,287,051
Restricted for County Roads	(18,979,663)	-	-	(18,979,663)
Unrestricted	-	2,208,122	(2,006,743)	201,379
<b>TOTAL NET POSITION</b>	<b>\$ 90,335,786</b>	<b>\$ 30,986,966</b>	<b>\$ 23,523,887</b>	<b>\$ 144,846,639</b>

See accompanying notes to financial statements.

# County of Chippewa, Michigan

## Statement of Activities Component Units For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/2023	
<b>Road Commission:</b>								
Public Works	\$ 14,708,737	\$ 4,125,762	\$ 9,406,164	\$ 5,086,311	\$ 3,909,500	\$ -	\$ -	\$ 3,909,500
<b>Economic Development Corporation:</b>								
Economic Development	6,167,199	3,329,343	50,000	2,853,377	-	65,521	-	65,521
<b>E.U.P. Transportation Authority:</b>								
Public Works	6,637,424	2,735,267	3,326,292	8,854,667	-	-	8,278,802	8,278,802
<b>Total Component Units</b>	<u>\$ 27,513,360</u>	<u>\$ 10,190,372</u>	<u>\$ 12,782,456</u>	<u>\$ 16,794,355</u>	<u>3,909,500</u>	<u>65,521</u>	<u>8,278,802</u>	<u>12,253,823</u>
<b>General Revenues:</b>								
Taxes - Real Property					943,794	-	-	943,794
Interest Income					-	93,069	43,330	136,399
Gain (Loss) on Disposal					69,820	-	108,893	178,713
<b>Total General Revenues</b>					<u>1,013,614</u>	<u>93,069</u>	<u>152,223</u>	<u>1,258,906</u>
Changes in Net Position					4,923,114	158,590	8,431,025	13,512,729
Net Position - Beginning (as Restated, See Note 12)					85,412,672	30,828,376	15,092,862	131,333,910
<b>Net Position - Ending</b>					<u>\$ 90,335,786</u>	<u>\$ 30,986,966</u>	<u>\$ 23,523,887</u>	<u>\$ 144,846,639</u>

## **Notes to Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the County of Chippewa, Michigan, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the significant accounting policies used by the County:

**A – Reporting Entity**

The County of Chippewa was incorporated under the laws of the State of Michigan in 1877 and operates under an elected Commission form of government. As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the County of Chippewa (primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationship with the County.

Component Units:

In conformity with U.S. generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

**Discretely Presented Component Units**

The component units’ columns in the financial statements include the financial data of the County’s three other component units. These units are reported in separate columns to emphasize that they are legally separate from the County.

Chippewa County Road Commission – The members of the governing board of the Road Commission are appointed by the County Commission. Although the County does not have the authority to approve or modify the Road Commission’s operational and capital budgets; travel, per diem rates, and bonded debt must be approved by the County Commission.

Chippewa County Economic Development Corporation – The members of the governing board are jointly appointed by the County and other governmental units. The Corporation’s capital budgets are subject to approval of the County Commission. The county generally is liable for disallowed grant expenditures as well.

Eastern Upper Peninsula Transportation Authority – The members of the governing board of the Transportation Authority are appointed as follows: three members by Chippewa County and two members by Luce County. The County exercises oversight responsibility and has accountability of fiscal matters. The Transportation Authority has a September 30, 2023, year end.

Condensed Financial Statements – The combining financial statements present condensed financial statements of each of the three discretely presented component units. Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Discretely Presented Component Units Administrative Offices:

Chippewa County Road Commission  
3949 S. Mackinac Trail  
Sault Ste. Marie, MI 49783

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Chippewa County Economic Development Corporation  
119 Cully Road, Bldg. 119  
Kincheloe, MI 49788

Eastern Upper Peninsula Transportation Authority  
4001 I-75 Business Spur  
Sault Ste. Marie, MI 49783

**Multi-County Agency**

Hiawatha Community Behavioral Health Authority -The County participates jointly in the operation of the Hiawatha Behavioral Health Authority with Mackinac and Schoolcraft Counties. The funding formula requires the County to provide approximately 60% of the budget appropriation requirement, which amounted to \$171,334 for the year ended December 31, 2023.

Department of Human Services – The Department of Human Services in 2004 became a Zone 1 Regional DHS which accounted for the activities of the following counties: Delta, Menominee, Dickinson, Iron, Schoolcraft, Gogebic, Ontonagon, Alger, Chippewa, Houghton, Keweenaw, Luce, Marquette and Baraga. Each County maintains its own three member DHS board, two appointed by the County and one appointed by the Michigan Governor, but the financial activity is reported in Delta County’s financial report because the treasury function of the Agency rests with the Delta County Treasurer.

**B – Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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 revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County first utilizes restricted resources to finance qualifying activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is 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 revenue 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C – Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is 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 collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Taxes Receivable

The County of Chippewa property tax is levied on each December 1st and July 1st on the taxable valuation of property (as defined by State statutes) located in the County of Chippewa as of the preceding December 31st.

Although the County of Chippewa 2022 ad valorem tax is levied and collectible on December 1, 2023, and 2023 ad valorem tax is levied and collectible on July 1, 2023, it is the County of Chippewa’s policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made “available” for the financing of operations. “Available” means collected within the current period or expected to be paid from the delinquent tax revolving funds within one year.

The December 1, 2022 taxable valuation of the County of Chippewa totaled \$1,258,607,256 on which ad valorem taxes levied consisted of .4275 mills for fire/ambulance services, .9821 mills for roads, .5000 mills for recycling, .7456 mills for senior program and .0994 mills for animal shelter. These amounts are recognized in the respective Special Revenue Funds, Debt Service Funds, and Component Units financial statements as revenue.

The July 1, 2023 taxable valuation of the County of Chippewa totaled \$1,326,557,410 on which ad valorem taxes levied consisted of 6.1500 mills for the General Fund. This amount is recognized in the General Fund as revenue.

All other revenue items are considered to be available only when cash is received by the government.

The County reports the following major governmental funds:

**General Fund**

The County collapses certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as other supplementary information to show the various components.

This is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Health Department Fund**

This fund accounts for health services and related grant funds.

**Senior Nutrition Fund**

This fund accounts for the nutritional and health needs of senior citizens.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Ambulance Fund**

This fund accounts for the activities of the County's ambulance milage and distributions.

**Chippewa County Recycling Fund**

This fund accounts for the millage collection and distribution of those funds.

The County reports the following major proprietary funds:

**Tax Collection Fund**

This fund accounts for property tax administration within the county.

Additionally, the County reports the following fund types:

**Internal Service Funds**

These funds account for central purchases and self insurance as provider to other departments of the government on a cost reimbursement basis.

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the County as an agent for individuals and employees, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

All other revenue items are considered to be available only when cash is received by the government.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

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 tax collection function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the proprietary funds relates to charges to customers for tax collections. Operating expenses for proprietary funds include the cost of sales and services, and administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**D - Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

Cash and Investments – Cash and investments are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income from all funds is generally allocated to each fund based on the average cash balance. Deposits are recorded at cost.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> and July 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items – Inventories are valued at the lower of cost or market using the average cost method for proprietary fund types. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories consist primarily of paper and office supplies. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both governmental-wide and fund financial statements.

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 governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Roads and Bridges	10 to 30 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has pension and OPEB and deferred charges on bond refunding items that qualify for reporting in this category.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has property taxes, pension and OPEB items that qualify for reporting in this category.

Vested Employee Benefits (Vacation and Sick Leave) – It is the County of Chippewa’s policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick pay is accrued when incurred in the government-wide financial statements for employees with three years or more of service with the County of Chippewa, to a maximum of 168 hours. All vacation pay is accrued when incurred in the government-wide financial statements to a maximum of 200 hours.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with Accounting Standards Codification Section 710, no liability is recorded for nonvesting accumulating rights to receive sick-pay benefits. However, a liability is recognized or that portion of accumulating sick-leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

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

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories and Prepaid items as being Nonspendable as these items are not expected to be converted to cash within the next year.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County. These amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The County has committed capital project monies.
- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Unearned Revenues – Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not.

Interfund Transfers – During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by County management.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, outflows, liabilities, and inflows and disclosure of contingent assets and liabilities at the date of the reporting period. Actual results could differ from those estimates.

Budgetary Information – Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

Budgets and Budgetary Control – The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The County Board of Commissioners reviews a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including formal public hearings conducted at the Courthouse to obtain taxpayer comment.
- c. Pursuant to statute, prior to December 31 of each year, the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.

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

- d. The general statute governing County budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Chippewa County Board of Commissioners, through policy action, specifically directs the Administrator not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.
- e. Supplemental appropriations are submitted to and reviewed and submitted to the Finance Committee for further consideration. If approved, they are transmitted to the County Board of Commissioners for their review and approval. If approved, they are implemented by the Administrator's office through a budget revision.
- f. The County of Chippewa adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary control exists at the most detailed level adopted by the Board of Commissioners, i.e., department for analytical purposes. A detailed line-item breakdown is prepared for each program. Accounting, i.e., classification control, resides at the line-item detail level.
- g. Budgets were adopted in substance on the modified accrual basis which is consistent with U.S. generally accepted accounting principles. Budgeted amounts reported in the financial statements are as amended by the County Board of Commissioners, which was materially the same as originally adopted.
- h. General Fund budgeted appropriations to other County departments/budgetary units unexpended at the end of the current fiscal operating year revert to the County General Fund and all budgets lapse at year end.

Michigan Public Act 621 of 1978 (the Budgeting Act) requires that budgets be adopted for General and Special Revenue Funds. U.S. generally accepted accounting principles require that the financial statements present budgetary comparisons for the Governmental Fund Types for which budgets were legally adopted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

**NOTE 3 - CASH AND INVESTMENTS**

At year end, the County's cash and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Cash and Investments					
-Unrestricted	\$ 15,748,680	\$ 11,893,394	\$ 27,642,074	\$ -	\$ 5,408,252
-Restricted	<u>102,200</u>	<u>-</u>	<u>102,200</u>	<u>22,721,452</u>	<u>602,060</u>
Total	<u>\$ 15,850,880</u>	<u>\$ 11,893,394</u>	<u>\$ 27,744,274</u>	<u>\$ 22,721,452</u>	<u>\$ 6,010,312</u>

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The breakdown between deposits is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 26,714,329	\$ -	\$ 6,008,812
Petty Cash and Cash on Hand	15,218	-	1,500
Investments	<u>1,014,727</u>	<u>22,721,452</u>	<u>-</u>
Total	<u>\$ 27,744,274</u>	<u>\$ 22,721,452</u>	<u>\$ 6,010,312</u>

**Investments:**

<u>Description</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			<u>S&amp;P Rating</u>
		<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	
Money Market	\$ 11,461	\$ 11,461	\$ -	\$ -	N/A
Treasury Bonds	1,003,266	1,003,265	-	-	AA to AAA
Equity Mutual Funds*	<u>22,721,452</u>	<u>22,721,452</u>	<u>-</u>	<u>-</u>	Unavailable
Total Investments	<u>\$ 23,736,179</u>	<u>\$ 23,736,179</u>	<u>\$ -</u>	<u>\$ -</u>	

**Investment and Deposit Risk –Primary Government**

*Interest rate risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The County’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The County’s investment policy does not have specific limits in excess of state law on investment credit risk.

*Custodial deposit credit risk.* Custodial deposit credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require, and the County does not have a policy for custodial deposit credit risk. As of yearend, \$7,534,499 of the County’s bank balance of \$31,390,779 was exposed to credit risk because it was uninsured and uncollateralized.

*Custodial investment credit risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the County does not have a policy for investment custodial risk.

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

*Fair value measurement.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or 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 above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County’s assessment of the significance of particular inputs to these fair value measurements required judgment and considers factors specific to each asset or liability.

\* The County has the following recurring fair value measurements as of December 31, 2023:

- Investments held in the MERS Investment Services Program, which are primarily mutual funds used to fund retiree defined benefit pensions, with a balance of \$22,721,452 are valued using level 2 inputs.

Statutory Authority:

An act (PA 152) to amend 1943 PA 20, entitled “An act relative to the investment of funds of public corporations of the state; and to validate certain investments,” by amending section 1 (MCL 129.91), as amended by 2009 PA 21.

Except as provided in section 5, the governing body by resolution may authorize its investment officer to invest the funds of that public corporation in one or more of the following:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2); certificates of deposit obtained through a financial institution as provided in subsection (5); or deposit accounts of a financial institution as provided in subsection (6).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers’ acceptances of United States banks.
- f. 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.
- g. Mutual funds registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
  - (i) The purchase of securities on a when-issued or delayed delivery basis.
  - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
  - (iii) The limited ability to borrow and pledge a like portion of the portfolio’s assets for temporary or emergency purposes.

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- i. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
- j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the General County year ended December 31, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Deductions</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 231,810	\$ -	\$ -	\$ 231,810
Construction in Progress	<u>-</u>	<u>407,500</u>	<u>-</u>	<u>407,500</u>
Subtotal	<u>231,810</u>	<u>407,500</u>	<u>-</u>	<u>639,310</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	209,400	-	-	209,400
Buildings and Improvements	19,688,285	13,780	-	19,702,065
Furniture and Equipment	5,284,098	231,755	-	5,515,853
Vehicles	<u>1,236,953</u>	<u>287,373</u>	<u>(109,104)</u>	<u>1,415,222</u>
Subtotal	<u>26,418,736</u>	<u>532,908</u>	<u>(109,104)</u>	<u>26,842,540</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(164,310)	(4,260)	-	(168,570)
Buildings and Improvements	(11,566,683)	(377,430)	-	(11,944,113)
Furniture and Equipment	(4,068,727)	(229,369)	-	(4,298,096)
Vehicles	<u>(852,090)</u>	<u>(178,020)</u>	<u>109,104</u>	<u>(921,006)</u>
Subtotal	<u>(16,651,810)</u>	<u>(789,079)</u>	<u>109,104</u>	<u>(17,331,785)</u>
Net Capital Assets Being Depreciated	<u>9,766,926</u>	<u>(256,171)</u>	<u>-</u>	<u>9,510,755</u>
Capital Assets - Net	<u>\$ 9,998,736</u>	<u>\$ 151,329</u>	<u>\$ -</u>	<u>\$ 10,150,065</u>

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

Health and Welfare	\$ 35,223
Unallocated	<u>753,856</u>
Total	<u>\$ 789,079</u>



**NOTE 4 - CAPITAL ASSETS (Continued)**

Capital asset activity of the Chippewa County Road Commission year ended December 31, 2023, was as follows:

	Beginning Balances	Additions	Adjustments/ Deductions	Ending Balances
<i>Capital Assets Not Being Depreciated</i>				
Land and Improvements	\$ 61,952,104	\$ 1,920,782	\$ -	\$ 63,872,886
<i>Capital Assets Being Depreciated</i>				
Buildings	6,302,188	243,216	-	6,545,404
Road Equipment	17,377,756	471,582	(257,478)	17,591,860
Shop Equipment	330,458	20,310	(514)	350,254
Office Equipment	78,077	2,572	(3,054)	77,595
Engineers' Equipment	167,423	-	-	167,423
Depletable Assets	1,309,638	241,839	-	1,551,477
Infrastructure – Roads	47,698,265	2,673,791	(1,653,998)	48,718,058
Infrastructure – Bridges	24,425,601	-	-	24,425,601
Subtotal	<u>97,689,406</u>	<u>3,653,310</u>	<u>(1,915,044)</u>	<u>99,427,672</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(3,335,921)	(181,194)	-	(3,517,115)
Road Equipment	(15,611,431)	(784,302)	257,478	(16,138,255)
Shop Equipment	(270,208)	(8,730)	514	(278,424)
Office Equipment	(78,077)	(198)	3,054	(75,221)
Engineers' Equipment	(81,633)	(25,713)	-	(107,346)
Depletable Assets	(461,195)	(7,460)	-	(468,655)
Infrastructure – Roads	(22,264,746)	(2,581,084)	1,653,998	(23,191,832)
Infrastructure – Bridges	(10,906,387)	(455,695)	-	(11,362,082)
Subtotal	<u>(53,009,598)</u>	<u>(4,044,376)</u>	<u>1,915,044</u>	<u>(55,138,930)</u>
Net Capital Assets Being Depreciated	<u>44,679,808</u>	<u>(391,066)</u>	<u>-</u>	<u>44,288,742</u>
Total Net Capital Assets	<u>\$ 106,631,912</u>	<u>\$ 1,529,716</u>	<u>\$ -</u>	<u>\$ 108,161,628</u>

Depletion/depreciation expense was charged to programs of the Chippewa County Road Commission as follows:

Total Depreciation Expense – Public Works	<u>\$ 4,044,376</u>
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**NOTE 4 - CAPITAL ASSETS (Continued)**

Capital asset activity of the Economic Development Corporation year ended December 31, 2023, was as follows:

	Beginning Balances	Additions	Adjustments/ Deductions	Ending Balances
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,194,958	\$ -	\$ -	\$ 2,194,958
Construction in Progress	<u>8,506,734</u>	<u>1,192,514</u>	<u>(8,697,939)</u>	<u>1,001,309</u>
Subtotal	<u>10,701,692</u>	<u>1,192,514</u>	<u>(8,697,939)</u>	<u>3,196,267</u>
<i>Capital assets being depreciated:</i>				
Vehicles	2,919,856	-	-	2,919,856
Improvements	28,118,512	2,773,053	-	30,891,565
Buildings	11,256,339	7,410,949	-	18,667,288
Equipment	<u>4,717,989</u>	<u>252,596</u>	<u>-</u>	<u>4,970,585</u>
Subtotal	<u>47,012,696</u>	<u>10,436,598</u>	<u>-</u>	<u>57,449,294</u>
<i>Less accumulated depreciation:</i>				
Vehicles	(2,216,945)	(191,203)	-	(2,408,148)
Improvements	(16,507,246)	(1,394,340)	-	(17,901,586)
Buildings	(7,245,867)	(526,206)	-	(7,772,073)
Equipment	<u>(3,531,241)</u>	<u>(253,669)</u>	<u>-</u>	<u>(3,784,910)</u>
Subtotal	<u>(29,501,299)</u>	<u>(2,365,418)</u>	<u>-</u>	<u>(31,866,717)</u>
Net Capital Assets Being Depreciated	<u>17,511,397</u>	<u>8,071,180</u>	<u>-</u>	<u>25,582,577</u>
Capital assets – Net of depreciation	<u>\$ 28,213,089</u>	<u>\$ 9,263,694</u>	<u>\$ (8,697,939)</u>	<u>\$ 28,778,844</u>

Depreciation expense was charged to business activities for economic development in the amount of \$2,365,418.

**NOTE 4 - CAPITAL ASSETS (Continued)**

Capital assets activity for the Eastern Upper Peninsula Transportation Authority year ended September 30, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Deductions/ Adjustments</u>	<u>Ending Balances</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 515,694	\$ -	\$ -	\$ 515,694
Construction in Progress	<u>8,403,786</u>	<u>8,899,933</u>	<u>(6,475,643)</u>	<u>10,828,076</u>
Subtotal	<u>8,919,480</u>	<u>8,899,933</u>	<u>(6,475,643)</u>	<u>11,343,770</u>
<i>Capital assets being depreciated:</i>				
EUPTA Assets	10,670	-	-	10,670
Busing Assets	945,819	226,816	(36,109)	1,136,526
Ferry Assets	<u>23,685,144</u>	<u>6,588,545</u>	<u>(28,200)</u>	<u>30,245,489</u>
Subtotal	<u>24,641,633</u>	<u>6,815,361</u>	<u>(64,309)</u>	<u>31,392,685</u>
<i>Less accumulated depreciation for:</i>				
EUPTA Assets	(8,602)	(940)	-	(9,542)
Busing Assets	(621,084)	(139,151)	36,109	(724,126)
Ferry Assets	<u>(15,230,466)</u>	<u>(1,269,891)</u>	<u>28,200</u>	<u>(16,472,157)</u>
Subtotal	<u>(15,860,152)</u>	<u>(1,409,982)</u>	<u>64,309</u>	<u>(17,205,825)</u>
Net Capital Assets Being Depreciated	<u>8,781,481</u>	<u>5,405,379</u>	<u>-</u>	<u>14,186,860</u>
Capital Assets - Net	<u>\$ 17,700,961</u>	<u>\$ 14,305,312</u>	<u>\$ (6,475,643)</u>	<u>\$ 25,530,630</u>

Depreciation expenses were charged to business-type activities for the Eastern Upper Peninsula Transportation Authority in the amount of \$1,409,982.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The County of Chippewa reports interfund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds, proprietary funds, and fiduciary funds. Interfund transactions resulting in interfund receivables and payables are as follows:

		DUE FROM OTHER FUNDS	
		General	
DUE TO OTHER FUNDS	Nonmajor Governmental	\$	79,037
	Internal Service		<u>207,727</u>
	Total	\$	<u>286,764</u>

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

		TRANSFERS (OUT)					
		General	Ambulance	Nonmajor Governmental	Tax Collection	Nonmajor Enterprise	Total
TRANSFERS IN	General	\$ 2,101,994	\$ -	\$ 6,751	\$ 494,005	\$ 35,000	\$ 2,637,750
	Nonmajor Governmental	632,593	190,394	-	-	-	822,987
	Tax Collections	-	-	-	<u>4,230,167</u>	-	<u>4,230,167</u>
	Total	<u>\$ 2,734,587</u>	<u>\$ 190,394</u>	<u>\$ 6,751</u>	<u>\$ 4,724,172</u>	<u>\$ 35,000</u>	<u>\$ 7,690,904</u>

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

**NOTE 6 - LONG-TERM DEBT**

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amount levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

	<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>							
2013 City of Sault Ste. Marie Refunding Bonds	2.00% to 4.50%	2029	\$ 3,785,000	\$ -	\$ 450,000	\$ 3,335,000	\$ 475,000

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 475,000	\$ 135,044
2025	500,000	120,200
2026	530,000	100,200
2027	570,000	77,675
2028	610,000	53,450
2029	<u>650,000</u>	<u>26,000</u>
Total	<u>\$ 3,335,000</u>	<u>\$ 512,569</u>

Interest expense of the primary government was unallocated in the amount of \$199,658.

**Vested Employee Benefits**

The County’s employment policies provide for vacation benefits to be earned in varying amounts depending on the employee’s years of service.

	<u>Beginning Balances</u>	<u>Net (Deductions)/ Additions</u>	<u>Ending Balances</u>
Vested Employee Benefits	\$ 429,899	\$ 19,347	\$ 449,246

**NOTE 6 - LONG-TERM DEBT (Continued)**

The annual vacation benefits earned by each employee during the current year are credited to the employee at year end. The accumulated sick leave earned by each employee during the current year is credited to each employee at year end that has three or more years of service. Non-union employees do not receive compensation for sick leave upon retirement or leaving employment.

A summary of vested employee benefits are as follows:

Vacation	\$ 239,986
Sick Leave	205,423
Other	<u>3,837</u>
<b>TOTALS</b>	<b><u>\$ 449,246</u></b>

The following is a summary of pertinent information concerning the County Road Commission’s long-term debt.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Installment payable secured by equipment, payable in monthly installments of \$3,598 including interest of 3.25%, due 2025.	103,534	-	40,409	63,126	41,746
Installment payable secured by equipment, payable in monthly installments of \$4,226 including interest of 3.25%, due 2025.	117,694	-	47,589	70,104	49,167
Note payable to bank, secured by equipment, payable in monthly installments of \$17,693 including interest of 2.30%, due 2025.	<u>112,593</u>	<u>-</u>	<u>112,593</u>	<u>-</u>	<u>-</u>
Subtotal	333,821	-	200,591	133,230	<u>\$ 90,913</u>
Compensated Absences - net increase	<u>299,776</u>	<u>113,789</u>	<u>-</u>	<u>413,565</u>	
<b>TOTAL LONG-TERM DEBT</b>	<b><u>\$ 633,597</u></b>	<b><u>\$ 113,789</u></b>	<b><u>\$ 200,591</u></b>	<b><u>\$ 546,795</u></b>	

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 90,913	\$ 2,971	\$ 93,884
2025	<u>42,317</u>	<u>368</u>	<u>42,685</u>
<b>Total</b>	<b><u>\$ 133,230</u></b>	<b><u>\$ 3,339</u></b>	<b><u>\$ 136,569</u></b>

**NOTE 7 - RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government was unable to obtain general liability insurance at a cost it considered to be economically justifiable. The County joined together with other governments and created a public entity risk pool currently operating as a common risk management and insurance program. The government pays an annual premium to the pool for its general insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$75,000 for each insured event.

The government continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The government is unable to provide an estimate of the amounts of additional assessments.

The County established the Self Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Health insurance is reinsured for claims exceeding \$50,000 in aggregate. All funds of the County participate in the program and make payments to the Fund based on estimates of the amounts needed to pay prior- and current-year claims.

**NOTE 8 - CONTINGENT LIABILITIES**

**Grants**

The County has received significant financial assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the applicable fund of the County. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2023

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS**

*Primary Government*

The County provides post-retirement hospitalization to employees of the government pursuant to the terms of union contracts. Additionally, some elected County officials who served more than 20 years and are retired receive post-retirement hospitalization, pursuant to Board of Commissioner’s resolution.

*Plan Description.* The County administers a single-employer healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees through the County’s group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the various agencies and employees. The Retiree Health Plan does not issue a publicly available financial report.

*Benefits Provided.* The County provides post-employment medical, prescription drug, dental and vision benefits for certain eligible retirees.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Eligibility and Benefits*

**Non-Union, AFSCME-Courthouse / AFSCME-Circuit / AFSCME-Probate, and Elected Officials:**

Hired Prior to 1984

- 20 years of service/55 years old 100% coverage – Lifetime benefit.
- 15 years of service/55 years old 75% coverage - Lifetime benefit.

**Non-Union and Elected Officials:**

Hired between 1/1/1984 – 12/31/2004

Hired on or after June 1, 2005

- 20 years of service/55 years old 100% coverage - Benefits paid for 15 years.
- 15 years of service/55 years old 75% coverage - Benefits paid for 10 years.
- 10 years of service/50 years old 50% coverage - Benefits paid for 5 years.

Hired on or after June 1, 2005

- No retiree health care provided.

**AFSCME / TPOAM-Courthouse, AFSCME / TPOAM-Circuit, AFSCME / TPOAM-Probate**

Hired between 1/1/1984 – 5/31/2005

- 20 years of service/55 years old 100% coverage - Benefits paid for 15 years.
- 15 years of service/55 years old 75% coverage - Benefits paid for 10 years.
- 10 years of service/50 years old 50% coverage - Benefits paid for 5 years.

Hired on or after June 1, 2005

- No retiree health care provided.

**Central Dispatch and Senior Dispatcher:**

Hired Prior to January 1, 2008

- 20 years of service/55 years old 100% coverage - Benefits paid for 15 years.
- 15 years of service/55 years old 75% coverage - Benefits paid for 10 years.
- 10 years of service/50 years old 50% coverage - Benefits paid for 5 years.

Hired on or after January 1, 2008

- No retiree health care provided. There is one exception for one employee.



**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Road Patrol and Corrections:**

Hired Prior to January 1, 2006

- 20 years of service/55 years old 100% coverage – Retiree’s Lifetime Benefit.
- 15 years of service/55 years old 75% coverage – Retiree’s Lifetime Benefit.
- 10 years of service/50 years old 50% coverage – Retiree’s Lifetime Benefit.

Hired on or after January 1, 2006

- No retiree health care provided.

*Funding Policy.* Contribution requirements are also negotiated between the County and employees at varying levels. The County contributed \$963,982 to the plan for the fiscal year ending December 31, 2023. Total member contributions were \$0.

***Employees Covered by Benefit Terms***

Actual valuation date of January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	59
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>32</u>
Total participants covered by OPEB Plan	<u><u>91</u></u>

The County’s OPEB Plan is closed to new entrants.

***Total OPEB Liability***

The County’s total OPEB liability of \$13,637,726 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

***Assets In Trust***

As of December 31, 2023, the OPEB trust has assets totaling \$14,956,171 for the County.

***Actuarial Assumptions and Other Inputs***

Census Collection Date	January 1, 2022
Discount Rate	5.00%
Year 1 Inflation Rate (Pre / Post 65)	7.25% / 5.50%
Year 2 Inflation Rate (Pre / Post 65)	7.00% / 5.25%
Ultimate Inflation Rate	4.50%
Year Ultimate Inflation Rate is Reached (Pre / Post 65)	2034 / 2027
Return on Plan Assets	5.00%
Actuarial Cost Method	Entry Age Normal (Percent of Salary)
Salary Increases	3.25%

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

The discount rate was based on the County’s expected rate of return on the assets held in the MERS trust as of December 31, 2023.

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan’s target asset allocation as of December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
MERS Large Cap Blend	100.00%	5.00%

**Significant Changes from the Previous Actuarial Valuation**

- Trend rates were adjusted to prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2023.
- The payroll growth rate was increased to 3.25%.
- The mortality table was updated to use improvement scale MP-2021.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Net OPEB Liability, January 1, 2023</b>	<u>\$ 13,437,074</u>	<u>\$ 13,126,439</u>	<u>\$ 310,635</u>
Service cost	93,050	-	93,050
Interest	666,284	-	666,284
Changes in assumptions	149,818	-	149,818
Contributions - Employer	-	963,982	(963,982)
Expected investments income	-	702,065	(702,065)
(Gain) Loss attributable to investment income	-	900,232	(900,232)
Benefit payments	(708,499)	(708,499)	-
Investment fees	-	(28,048)	28,048
<b>Net changes</b>	<u>200,653</u>	<u>1,829,732</u>	<u>(1,629,079)</u>
<b>Net OPEB Liability, December 31, 2023</b>	<u>\$ 13,637,727</u>	<u>\$ 14,956,171</u>	<u>\$ (1,318,444)</u>

covered payroll was \$1,738,066.

Actuarial determined contributions as percentage of covered payroll was .34%.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Sensitivity of the total OPEB liability to changes in the discount rate:***

The following presents the total OPEB Liability, calculated using the discount rate of 5.00%, as well as what the total OPEB Liability 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:

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$12,438,723</u>	<u>\$13,637,727</u>	<u>\$15,032,496</u>
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$12,186,085</u>	<u>\$13,637,727</u>	<u>\$15,334,079</u>

For the year ended December 31, 2023, the County recognized an OPEB expense as follows:

Service Cost	\$ 93,050
Interest	666,284
Recognition of economic/demographics gains or losses	(600,134)
Recognition of assumptions changes or inputs	110,481
Deferred (Inflows)/Outflows from investment activities	(390,721)
Expected investment income	(702,065)
Investment fees	<u>28,048</u>
Net OPEB Expense	<u>\$ (795,057)</u>

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

For the year ended December 31, 2023 the County recognized OPEB expense (credit) of (\$795,057).

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 198,044
Changes in assumptions	37,173	714
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>230,492</u>
Total	<u>\$ 37,173</u>	<u>\$ 429,250</u>

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

<u>Year Ended December 31:</u>	
2024	\$ (396,867)
2025	(55,585)
2026	240,420
2027	<u>(180,045)</u>
	<u>\$ (392,077)</u>

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Chippewa County Health Department*

*Plan Description.* The Health Department administers a single-employer healthcare plan (“the Retiree Health Plan”). The plan provides healthcare insurance for eligible retirees through the County’s group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Health Department and employees. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy.* Contribution requirements also are negotiated between the Health Department and employees. The Health Department contributes to the cost of current-year premiums for eligible retired plan members. For plan year ended December 31, 2022, the Health Department contributed \$548,910 to the plan. Total member contributions were \$0.

*Eligibility and Benefits.*

Hired Prior to 1984	
20 years of service/55 years old	100% coverage - lifetime benefit
15 years of service/55 years old	75% coverage - lifetime benefit
10 years of service/50 years old	50% coverage - lifetime benefit

*Eligibility and Benefits. (Continued)*

Hired between 1/1/85-4/30/2008	
20 years of service/55 years old	100% coverage - benefits paid for 15 years
15 years of service/55 years old	75% coverage - benefits paid for 10 years
10 years of service/50 years old	50% coverage - benefits paid for 5 years
Hired on or after 5/1/2008	
No retiree health care provided	

Employees Covered by Benefit Terms

As of Actuarial date 1/1/22, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>11</u>
Total participants covered by OPEB Plan	<u>41</u>

The Department’s OPEB Plan is closed to new entrants.

Total OPEB Liability and Net OPEB Liability

The Department’s total OPEB liability of \$5,556,605 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

As of December 31, 2022, there was \$2,397,213 in assets in the Department’s OPEB trust, in MERS TOTAL MARKET PORTFOLIO – Large Cap Blend.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Actuarial assumptions and other inputs.*

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount Rate	5.00%
Healthcare Cost Trend Rates	
- 2020 (Pre 65 / Post 65 / Rx)	7.25% / 5.50%
- 2021 Trend	7.00% / 5.25%
- Decrement	0.25%
-Ultimate Trend	4.50%
- Year Ultimate Trend is Reached	2033/2036
Return on Plan Assets	5.00%
Salary Increases	3.00%
Actuarial Cost Method	Entry Age Normal

Mortality assumption changed from Pub-2010 General Employees Headcount-Weighted Mortality, Fully Generational with Scale MP-2019 to Pub- 2010 General Employees Headcount-Weighted Mortality, Fully Generational with Scale MP-2020, and Pub-2010 General Retirees Headcount-Weighted Mortality, Fully Generational with Scale MP-2020.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan’s target asset allocation as of December 31, 2022.

**Significant Changes from the Previous Actuarial Valuation**

- Trend Rates were adjusted to rates prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2022.
- The mortality assumptions changed as noted above.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.00%. The projection of cash flows used to determine the discount rate assumed future County contributions. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balances at December 31, 2021</b>	\$ 7,524,810	\$ 2,500,699	\$ 5,024,111
Service cost	34,450	-	34,450
Interest	273,671	-	273,671
Effect of assumption changes or inputs	(4,745)	-	(4,745)
Effect of economic/ demographic gains or losses	(1,890,597)	-	(1,890,597)
Contributions - Employer	-	548,910	(548,910)
Net investment income	-	(265,341)	265,341
Benefit payments	(380,985)	(382,832)	1,847
Other Changes	-	-	-
Administrative expense	-	(4,223)	4,223
<b>Net changes</b>	<u>(1,968,206)</u>	<u>(103,486)</u>	<u>(1,864,720)</u>
<b>Balances as December 31, 2022</b>	<u>\$ 5,556,604</u>	<u>\$ 2,397,213</u>	<u>\$ 3,159,391</u>

Covered payroll was \$645,363.

Total OPEB Liability as a percentage of covered payroll was 861%.

The January 1, 2022 valuation was prepared using a discount rate of 5.00%. If the discount rate were 1% higher than what was used in this valuation, the net OPEB Liability would decrease. If the discount rate were 1% lower than what was used in this valuation, the Net OPEB Liability would increase.

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$5,056,469	\$5,556,604	\$6,140,862
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$4,999,469	\$5,556,604	\$6,207,400

For the year ended September 30, 2023, the Health Department recognized an OPEB expense as follows:

Service Cost	\$ 34,450
Interest on total OPEB liability	273,671
Projected earnings on plan investments	(122,448)
Investment fees	4,223
Deferred outflows/inflows	
Economic/demographic gains or losses	(717,821)
Investment gains or losses	(103,614)
Assumption changes or inputs	<u>108,138</u>
<b>Net OPEB Expense</b>	<u>\$ (523,401)</u>

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

At September 30, 2023, the Health Department reported deferred outflows / (inflows) of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Economic / Demographic Changes	\$ -	\$ 1,079,183
Assumption Changes or Inputs	-	2,708
Investment Gains & Loses	-	39,547
Contributions Subsequent to Measurement Date	<u>300,425</u>	<u>-</u>
Net Deferred Out/(In)flow of resources	<u>\$ 300,425</u>	<u>\$ 1,121,438</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense with the exception of contributions subsequent to measurement date as follows:

Year Ended September 30:

2024	\$ (917,065)
2025	(291,355)
2026	9,053
2027	<u>77,929</u>
	<u>\$ (1,121,438)</u>

***Economic Development Corporation of Chippewa County***

*Plan Description.* The Corporation administers a single-employer healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees through the County’s group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Corporation and employees. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy.* Contribution requirements also are negotiated between the Corporation and employees. The Corporation contributes to the cost of current-year premiums for eligible retired plan members. For fiscal year 2023, the Corporation contributed \$43,347 to the plan.

***Employees Covered by Benefit Terms***

As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1</u>
Total participants covered by OPEB Plan	<u><u>3</u></u>

The Corporation’s OPEB Plan is closed to new entrants.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Total OPEB Liability and Net OPEB Liability***

The Corporation’s total OPEB liability of \$496,071 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

***Actuarial Assumptions and Other Inputs.***

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount Rate	5.00%
Healthcare Cost Trend Rates:	
Inflation rate (Pre 65 medical / Post 65 medical)	7.25% / 5.50%
Decrement	0.25%
Salary Increases	3.00%
Mortality rates	Pub-2010 General Employees head count weighted – Scale MP-2019 (Base rate 2006).

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan’s target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
MERS total Market Portfolio – Large Cap Blend	100%	5.00%

***Discount Rate***

The discount rate used to measure the total OPEB liability was 5.00%. The projection of cash flows used to determine the discount rate assumed future Corporation contributions. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits.



NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balances at January 1, 2023</b>	\$ 480,965	\$ 660,109	\$ (179,144)
Service cost	3,340	-	3,340
Interest on total OPEB liability	24,080	-	24,080
Change in assumptions	6,893	-	6,893
Difference between expected and actual experience	-	-	-
Contributions - Employer	-	43,347	(43,347)
Net investment income	-	52,616	(52,616)
Benefit payments	(19,207)	(19,207)	-
Administrative expense	-	(1,379)	1,379
<b>Net changes</b>	<u>15,106</u>	<u>75,377</u>	<u>(60,271)</u>
<b>Balances as of December 31, 2023</b>	<u>\$ 496,071</u>	<u>\$ 735,486</u>	<u>\$ (239,415)</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.*

The January 1, 2023 valuation was prepared using a discount rate of 5.00%. If the discount rate were 1% higher than what was used in this valuation, the net OPEB Liability would decrease. If the discount rate were 1% lower than what was used in this valuation, the net OPEB Liability would increase.

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$452,457	\$496,071	\$546,806
<b><u>Trend</u></b>			
Total OPEB Liability	\$443,268	\$496,071	\$557,776

For the year ended December 31, 2023, the Corporation recognized an OPEB expense as follows:

Service Cost	\$ 3,340
Interest on total OPEB liability	24,080
Projected earnings on plan investments	(34,890)
Experience (gains) or losses	(110,496)
Changes in assumptions	3,664
Net investment income	20,617
Investment fees	<u>1,379</u>
Net OPEB Expense (Credit)	<u>\$ (92,306)</u>

At December 31, 2023, the Corporation reported deferred outflows / inflows of resources related to OPEB from the following sources:

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 36,464
Changes in assumptions	1,710	501
Net difference between projected and actual earnings on pension plan investments	<u>87,984</u>	<u>14,184</u>
Total	<u>\$ 89,694</u>	<u>\$ 51,149</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recorded in expense as follows:

<u>Year Ended December 31:</u>	
2024	\$ (6,836)
2025	26,495
2026	22,432
2027	<u>(3,546)</u>
	<u>\$ 38,545</u>

***Chippewa County Road Commission***

***Plan Description***

In addition to the pension benefits, the Chippewa County Road Commission agrees to provide 100% of BC/BS and prescription drug coverage benefits to eligible retirees and/or their spouses who retire after February 1, 1985 and who were hired prior to February 1, 2005 until retiree’s death. If a retiree dies, the current spouse shall be provided the same coverage until attainment of Medicare eligibility. Upon attainment of Medicare eligibility, the retiree’s spouse will be responsible for 100% of the cost of any medical coverage if they elect to stay in the group.

For eligible retirees who were hired after February 1, 2005, the Chippewa County Road Commission agrees to pay a fixed percent of the premium for BC/BS and prescription drug coverage benefits based on years of service, but only until attainment of Medicare eligibility, at which time, 100% of premium shall be paid for by the retiree and or spouse if they elect to remain in the group.

***Employees Covered by Benefit Terms***

As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>62</u>
Total participants covered by OPEB Plan	<u>130</u>

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Contributions***

The Plan was established and is funded under the authority of the Road Commission’s governing body and under agreements with the unions representing various classes of employees. The Plan’s funding policy is that the Road Commission will contribute \$750,000 per year while continuing to pay retiree benefits from general operating funds until 100% funded status is obtained. Currently, benefit payments are made from general operating funds. There are no long-term contract for contributions to the plan.

***Net OPEB Liability***

The Road Commission’s net OPEB liability was measured as of December 31, 2023

***Actuarial Assumptions***

The total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of December 31, 2023. The following actuarial assumptions, applies to all periods included in the measurement:

Inflation	Included in the investment return
Salary Increases	2.00%
Investment rate of return	6.46% (including inflation)
20-year Aa Municipal Bond Rate	4.00% (S&P Municipal Bond 20-year High Grade Rate Index)
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted.
Improvement Scale	MP-2021

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Large Cap US	25.00%	8.25%
Mid Cap US	3.00%	8.55%
Small Cap US	4.50%	7.80%
International Equities	25.00%	7.20%
Emerging Mkt Equity	7.50%	8.40%
Short Term Fixed Inc.	14.00%	3.50%
US Fixed Inc.	12.00%	3.80%
International Fixed Inc.	1.00%	3.60%
Inflations – Linked	1.00%	4.60%
High Yield	3.00%	5.40%
Precious Metals (Commodities)	4.00%	4.30%

The sum of each large allocation times its long-term expected rate of return, plus inflation, is 6.46%.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.46%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make annual contributions of 750,000 until the plan is fully funded. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”, not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023, the discount rate used to value OPEB liabilities was 6.70%.

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
<b>Balances at December 31, 2022</b>	\$ 13,179,655	\$ 3,506,327	\$ 9,673,328
Service cost	79,563	-	79,563
Interest on total OPEB liability	851,693	-	851,693
Experience (gains)/losses	(703,102)	-	(703,102)
Change in actuarial assumptions	465,184	-	465,184
Change in Plan Terms	-	-	-
Contributions to OPEB trust	-	600,000	(600,000)
Employer Contributions	-	1,094,763	(1,094,763)
Net investment income	-	555,288	(555,288)
Benefit payments including refunds of employee contributions	(1,094,763)	(1,094,763)	-
Administrative expense	-	(35,278)	35,278
<b>Net changes</b>	<b>(401,425)</b>	<b>1,120,010</b>	<b>(1,521,435)</b>
<b>Balances as December 31, 2023</b>	<b>\$ 12,778,230</b>	<b>\$ 4,626,337</b>	<b>\$ 8,151,893</b>

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

The following presents the Net OPEB Liability of the Road Commission, calculated using discount rate of 6.46%, as well as what the Road Commission’s Net OPEB liability would be using a discount rate that is 1% lower (5.46%) or 1% higher (7.46%) than the current rate.

	<b>1% Decrease 5.46%</b>	<b>Current Discount Rate 6.46%</b>	<b>1% Increase 7.46%</b>
Net OPEB Liability	\$9,349,821	\$8,151,893	\$7,124,369

The following presents the Net OPEB Liability of the Road Commission, calculated using the current healthcare cost trend rates as well as what the Road Commission’s Net OPEB liability would be using a trend rate that is 1% lower or 1% higher than the current trend rate.

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$7,072,617</u>	<u>\$8,151,893</u>	<u>\$9,401,526</u>

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

For the year ended December 31, 2023, the Road Commission recognized OPEB expense/(benefit) of \$2,212,235. The Road Commission reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference in experience	\$ -	\$ 1,543,801
Difference in assumptions	-	102,328
Excess (deficit) investment returns	<u>203,933</u>	<u>-</u>
Total	<u>\$ 203,933</u>	<u>\$ 1,646,129</u>

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

<u>Year Ended December 31:</u>	
2024	(1,176,316)
2025	(259,786)
2026	58,862
2027	<u>(64,956)</u>
	<u>\$ (1,442,196)</u>

***Payable to OPEB Plan***

At December 31, 2023, the Road Commission reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended December 31, 2023.

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS**

*Primary Government*

Description of Plan and Plan Assets

The County is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.25%, 1% hybrid, and 2.5% for deputies' times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2022.

General Information about the Pension Plan

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

<b>01 – Gnrl Other: Closed to new hires, linked to Division HF</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/20
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	3 years
<b>COLA for Current Retirees:</b>	2.50% (Non-Compound)
<b>Employee Contributions</b>	2%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)
<b>02 – County Corrections: Closed to new hires, linked to Division HB</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	50/25
	55/20
<b>Early Retirement (Reduced):</b>	55/15
<b>Final Average Compensation:</b>	3 years
<b>COLA for Future Retirees:</b>	2.50% (Non-Compound)
<b>COLA for Current Retirees:</b>	2.50% (Non-Compound)
<b>Employee Contributions</b>	3%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

**11 – Hlth Dept: Closed to new hires, linked to Division HD**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/20
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	3 years
<b>COLA for Current Retirees:</b>	2.50% (Non-Compound)
<b>Employee Contributions</b>	2%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

**15 – Health Dept Non-Un: Closed to new hires, linked to Division HE**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/20
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	2%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

**16 – County Non-Union: Closed to new hires, linked to Division HC**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/20
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	2%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

**20 – County Sheriff Road: Closed to new hires, linked to Division HA**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	50/25 55/20
<b>Early Retirement (Reduced):</b>	55/15
<b>Final Average Compensation:</b>	3 years
<b>COLA for Current Retirees:</b>	2.50% (Non-Compound)
<b>Employee Contributions</b>	3%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

**HA – Sheriff Rd after 5/1/10: Open Division, Linked to Division 20**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 5/1/2010)

**HB – Sheriff hired after 5/1/10: Open Division, Linked to Division 02**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 5/1/2010)



NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

<b>HC – General Non-Un hired after 5/1/10: Open Division, Linked to Division 16</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 5/1/2010)
<b>HD – Teamsters after 4/1/11: Open Division, Linked to Division 11</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)
<b>HE – Non-Union after 4/1/2011: Open Division, Linked to Division 15</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)
<b>HF – County AFSCME after 04/01/12: Open Division, Linked to Division 01</b>	
	<u><b>2022 Valuation</b></u>
<b>Benefit Multiplier:</b>	Hybrid Plan – 1.00% Multiplier
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	-
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	0%
<b>Act 88:</b>	Yes (Adopted 5/1/2010)

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

Employees Covered by Benefit Terms

At December 32, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	197
Inactive employees entitled to but not yet receiving benefits	81
Active employees	<u>146</u>
	424

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the County’s competitive bargaining unit and personnel policy, which do not require employees to contribute to the plan. The County is required to contribute at an actuarially determined rate.

The contribution rate as a percentage of payroll or estimated monthly contributions by division number at December 31, 2022 are as follows:

01	\$ 33,394	HA	\$ -
02	17,380	HB	2,430
11	18,592	HC	6,886
15	29,777	HD	-
16	34,386	HE	168
20	12,701	HF	3,495

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2023, with the exception of the Health Department which is measured at December 31, 2022, due to the funds September 30, 2023 year end. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

*Actuarial Assumptions.* The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.00% in the Long Term
Investment rate of return	7.00%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	2.70%
Global Fixed Income	20.0%	0.40%
Private Investments	20.0%	1.40%

*Discount Rate.* The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability:**

	<b>Increases (Decreases)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at December 31, 2022</b>	\$ 54,920,791	\$ 34,261,767	\$ 20,659,024
Service cost	585,912	-	585,912
Interest on total pension liability	3,879,390	-	3,879,390
Changes in benefits	-	-	-
Difference between expected and actual experience	(546,496)	-	(546,496)
Changes in assumptions	-	-	-
Employer contributions	-	2,594,043	(2,594,043)
Employee contributions	-	66,054	(66,054)
Net investment income	-	1,638,221	(1,638,221)
Benefit payments, including employee refunds	(3,412,858)	(3,412,858)	-
Administrative expense	-	(74,497)	74,497
Other changes	(32,140)	(184,464)	152,324
<b>Net changes</b>	<b>473,808</b>	<b>626,499</b>	<b>(152,691)</b>
<b>Balances at December 31, 2023</b>	<b>\$ 55,394,599</b>	<b>\$ 34,888,266</b>	<b>\$ 20,506,333</b>

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

*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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County’s net pension liability	\$28,837,952	\$20,506,333	15,200,032

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

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

For the year ended December 31, 2023, the County recognized pension expense of \$4,132,787. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 652,585
Changes in assumptions	666,331	-
Net difference between projected and actual earnings on pension plan investments	2,017,078	-
Contributions subsequent to the measurement date	533,521	-
<b>Total</b>	<b>\$ 3,216,930</b>	<b>\$ 652,585</b>

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

<u>Year Ended December 31:</u>	
2024	453,795
2025	414,601
2026	999,276
2027	163,152

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

*Chippewa County Road Commission*

*Plan Description*

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

**01 – Gnr1: Closed to new hires, linked to Division 10**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/25
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	5 years
<b>COLA for Future Retirees:</b>	N/A
<b>Employee Contributions:</b>	0%
<b>Act 88:</b>	Yes (Adopted 11/20/1970)

**10 – After 2/04: Open Division, linked to Division 01**

	<u>2022 Valuation</u>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/25
<b>Early Retirement (Reduced):</b>	50/25
	55/15
<b>Final Average Compensation:</b>	5 years
<b>COLA for Future Retirees:</b>	N/A
<b>Employee Contributions:</b>	2%
<b>Act 88:</b>	Yes (Adopted 11/20/1970)

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>62</u>
	155

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

Contributions

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

	<u>Employer Contributions*</u>	<u>Employee Contributions</u>
Division 01 - Gnrl; closed	\$ 84,171	0.00%
Division 10 - After 2/04; open	11.67%	2.00%

\*For open divisions, a percentage of pay contribution is shown. For closed divisions, a monthly dollar contribution is show.

Net Pension Liability

The Road Commission’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. The following actuarial assumptions were used and applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% plus merit and longevity; 3.00% in the long-term
Investment rate of return	7.00%, net of investment expenses and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the Pub 2010 General Employees and Healthy Retirees, head-count weighted, MP-2019 scale.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60%	2.70%
Global Fixed Income	20%	.40%
Private Investments	20%	1.40%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is not of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability:**

	<u>Increases (Decreases)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances at December 31, 2022</b>	\$ 24,100,917	\$ 11,079,002	\$ 13,021,915
Service cost	417,687	-	417,687
Interest on total pension liability	1,706,828	-	1,706,828
Changes in assumptions	-	-	-
Difference between expected and actual experience	226,109	-	226,109
Employer contributions	-	3,324,298	(3,324,298)
Employee contributions	-	71,450	(71,450)
Net investment income	-	1,349,189	(1,349,189)
Benefit payments, including employee refunds	(1,534,580)	(1,534,580)	-
Administrative expense	-	(27,618)	27,618
Other changes	(47,446)	-	(47,446)
<b>Net changes</b>	<u>768,598</u>	<u>3,182,739</u>	<u>(2,414,141)</u>
<b>Balances as of December 31, 2023</b>	<u>\$ 24,869,515</u>	<u>\$ 14,261,741</u>	<u>\$ 10,607,774</u>

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

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

The following presents the net pension liability of the Road Commission, calculated using the discount rate of 7.25%, as well as what the Road Commission’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Total Pension liability	\$13,419,591	\$10,607,774	\$8,231,337

**Note:** The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense.

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

For the year ended December 31, 2023, the Road Commission recognized pension expense of \$1,643,640. The Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference in experience	\$ 76,130	\$ -
Difference in assumptions	555,067	-
Excess (deficit) investment returns	<u>469,191</u>	<u>-</u>
Subtotal	<u>1,100,388</u>	<u>\$ -</u>

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

<u>Year Ended December 31:</u>	
2024	\$ 420,365
2025	449,912
2026	332,008
2027	(101,897)



**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

*Economic Development Corporation of Chippewa County*

Description of Plan and Plan Assets

The Corporation is in an agent multiple-employer defined benefit pension plan with the Municipal Employees’ Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.25%, and 1.50% for deputies’ times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2022.

General Information about the Pension Plan

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

<b>13 – Economic General: Closed to new hires</b>	
	<b>2022 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	55/20
<b>Early Retirement (Reduced):</b>	50/25 55/15
<b>Final Average Compensation:</b>	3 years
<b>COLA for Current Retirees:</b>	2.5% (Non-Compound)
<b>Employee Contributions</b>	2%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)
<b>17 – Economic General after 12/1/13: Open Division</b>	
	<b>2022 Valuation</b>
<b>Benefit Multiplier:</b>	1.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	50/25 55/15
<b>Final Average Compensation:</b>	3 years
<b>Employee Contributions</b>	3%
<b>Act 88:</b>	Yes (Adopted 3/15/1974)

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>11</u> 18

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Corporation’s competitive bargaining unit and personnel policy, which require employees to contribute to the plan. The Corporation is required to contribute at an actuarially determined rate.

The level dollar based on valuation payroll contribution rate at December 31, 2023 was \$7,349 per month.

Net Pension Liability

The Corporation’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.00 percent
Investment rate of return	7.00 percent, net of interest and administrative expense including inflation.

Mortality rates used were based on the Pub-2010 General Employees and Healthy Retirees Mortality Table, head-count weighted MP-2019 Scale.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of January 1, 2009, through December 31, 2013.

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

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	2.70%
Global Fixed Income	20.0%	.40%
Private Investments	20.0%	1.40%

*Discount Rate.* The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	<b>Increases (Decreases)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at December 31, 2022</b>	\$ 2,593,871	\$ 1,695,137	\$ 898,734
Service cost	64,808	-	64,808
Interest on total pension liability	186,671	-	186,671
Changes in benefits	-	-	-
Difference between expected and actual experience	79,998	-	79,998
Changes in assumptions	-	-	-
Employer contributions	-	99,312	(99,312)
Employee contributions	-	18,622	(18,622)
Net investment income	-	190,604	(190,604)
Benefit payments, including employee refunds	(102,993)	(102,993)	-
Administrative expense	-	(4,036)	4,036
Other changes	(16,191)	-	(16,191)
<b>Net changes</b>	<b>212,293</b>	<b>201,509</b>	<b>10,784</b>
<b>Balances at December 31, 2023</b>	<b>\$ 2,806,164</b>	<b>\$ 1,896,646</b>	<b>\$ 909,518</b>

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

The following presents the net pension liability of the Corporation, calculated using the discount rate of 7.25%, as well as what the Corporation's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>(6.25%)</b>	<b>(7.25%)</b>	<b>(8.25%)</b>
EDC net pension liability	\$621,730	\$909,518	\$1,253,621

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

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

For the year ended December 31, 2023, the Corporation recognized pension expense of \$200,786. The EDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 53,332	\$ 3,590
Changes in assumptions	32,733	-
Net difference between projected and actual earnings on pension plan investments	84,911	-
Total	<u>\$ 170,976</u>	<u>\$ 3,590</u>

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

<u>Year Ended December 31:</u>	
2024	\$ 70,063
2025	57,411
2026	53,376
2027	(13,464)

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

*Eastern Upper Peninsula Transportation Authority*

The Authority participates in a statewide government agent multiple-employer public employee pension plan which covers substantially all employees of the Authority.

Description of Plan and Plan Assets

The Authority is in the Municipal Employees’ Retirement System (MERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for units of local government in Michigan. The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. All full-time employees become a member of the System on the first day of employment and are completely vested after 10 years of service. Service retirement allowances are based upon percentages ranging from 1.5 to 2.25 percent of 3 to 5-year final average compensation depending on benefit program selected, social security coverage, etc. The most recent period of which actuarial data was available was for the fiscal year ended December 31, 2022.

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

<b>01 – General: Closed to new hires, linked to Division 11</b>	
	<b>2022 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	55/15
<b>Early Retirement (Reduced):</b>	50/25
<b>Final Average Compensation:</b>	3 years
<b>Cola for Future Retirees:</b>	2.5% (non-compound)
<b>Member Contributions:</b>	0%
<b>Act 88:</b>	Yes (Adopted 1/17/19)

<b>10 – Busing Union: Closed to new hires linked to Division 11</b>	
	<b>2022 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	6 Years
<b>Early Retirement (Unreduced):</b>	55/15
<b>Early Retirement (Reduced):</b>	50/25
<b>Final Average Compensation:</b>	3 years
<b>Cola for Future Retirees:</b>	2.5% (non-compound)
<b>Member Contributions:</b>	0%
<b>Act 88:</b>	Yes (Adopted 1/17/19)

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

**11 – Gnrl & Busing Union aft 6/1/16: Open Division, linked to Division 01, 10**

	<b>2022 Valuation</b>
<b>Benefit Multiplier:</b>	1.5% Multiplier (no max)
<b>Normal Retirement Age:</b>	60
<b>Vesting:</b>	10 Years
<b>Early Retirement (Unreduced):</b>	-
<b>Early Retirement (Reduced):</b>	50/25 55/15
<b>Final Average Compensation:</b>	5 years
<b>Member Contributions:</b>	0%
<b>Act 88:</b>	Yes (Adopted 1/17/19)

Employees Covered by Benefit Term

At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>21</u>
	54

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer monthly contributions as of September 30, 2023, for General (closed) is \$55,270, Bussing (closed) is \$6,029 and General & Busing (open) is \$4,567.

*Net Pension Asset.* The employer’s Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Asset was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.00% in the long-term, plus percentage based on age related scale.

Investment rate of return: 7.00%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on the Pub-2010 Annual Mortality Table.

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	2.70%
Global Fixed Income	20.0%	0.40%
Private Investments	20.0%	1.45%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary Net Position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	<b>Increases (Decreases)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
<b>Balances at December 31, 2021</b>	<b>\$ 14,083,813</b>	<b>\$ 6,632,906</b>	<b>\$ 7,450,907</b>
Service cost	148,489	-	148,489
Interest on total pension liability	997,465	-	997,465
Difference between expected and actual experience	(313,218)	-	(313,218)
Changes in assumptions	-	-	-
Employer contributions	-	763,373	(763,373)
Net investment income	-	(682,280)	682,280
Benefit payments, including employee refunds	(799,824)	(799,824)	-
Administrative expense	-	(12,176)	12,176
Other changes	1	-	1
<b>Net changes</b>	<b>32,913</b>	<b>(730,907)</b>	<b>763,820</b>
<b>Balances as of December 31, 2022</b>	<b>\$ 14,116,726</b>	<b>\$ 5,901,999</b>	<b>\$ 8,214,727</b>

**NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)**

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

The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net Pension Liability at 12/31/22	-	8,214,727	-
Change in Net Pension Liability	\$1,632,997	-	(\$1,372,007)
Calculated Net Pension Liability	\$9,847,724	\$8,214,727	\$6,842,720

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

For the year ended September 30, 2023, the employer recognized pension expense of \$1,043,326. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ -	\$ 379,556
Differences in assumptions	169,480	-
Excess (Deficit) Investment Returns	526,293	-
Contributions subsequent to the measurement date	629,736	-
Total	<u>\$ 1,325,509</u>	<u>\$ 379,556</u>

The amount reports as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2023.

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

<u>Year Ended September 30:</u>	
2024	\$ (67,235)
2025	(5,000)
2026	156,172
2027	232,280



**NOTE 11 - DEFERRED COMPENSATION PLAN**

Chippewa County offers all employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Chippewa County’s financial statements.

**NOTE 12 - RESTATEMENT**

	<u>Special Revenue Fund</u>	
	<u>Chippewa County Health Department</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>
Beginning net position, previously stated at October 1, 2022	\$ 1,878,712	\$ (8,005,262)
Adjustment to deferred revenue to actual	<u>148,193</u>	<u>148,193</u>
Beginning net position as restated at October 1, 2022	<u>\$ 2,026,905</u>	<u>\$ (7,857,069)</u>
		<u>Component Units</u>
		<u>EDC</u>
Beginning net position as previously stated at January 1, 2023		\$ 30,743,528
Adjustment to remove construction in progress for a project that has been permanently suspended		(48,982)
Adjustment to remove accounts receivable that had been paid in the previous year		(7,146)
Adjustment to adjust for changes in lease receivable		(254,708)
Adjustment to adjust for changes in deferred inflows - leases		<u>395,684</u>
Beginning net position as restated at January 1, 2023		<u>\$ 30,828,376</u>
		<u>EUPTA</u>
Beginning net position as previously stated at October 1, 2022		\$ 15,203,549
Adjustment for accounts receivable to actual		(109,854)
Adjustment of accounts payable to actual		<u>(833)</u>
Beginning net position as restated at October 1, 2022		<u>\$ 15,092,862</u>

## **Required Supplementary Information**

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**Required Supplementary Information**  
**Employee Retirement and Benefit Systems**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended December 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>									
Service cost	\$ 585,912	\$ 569,334	\$ 482,863	\$ 605,128	\$ 639,114	\$ 634,541	\$ 658,712	\$ 684,077	\$ 688,332
Interest	3,879,390	3,841,765	3,563,172	3,365,920	3,461,811	3,385,669	3,265,125	3,009,234	2,979,321
Difference between expected and actual experience	(546,496)	(864,764)	1,225,430	239,477	(154,500)	(333,125)	96,527	166,122	-
Change in assumptions	-	1,998,993	2,170,758	1,280,006	-	-	-	1,584,621	-
Benefit payments, including refund of member contributions	(3,412,858)	(3,346,814)	(3,100,956)	(2,987,121)	(2,767,443)	(2,556,950)	(2,287,670)	(2,184,386)	(2,035,612)
Net transfers	-	-	-	-	-	-	-	(27,518)	-
Other changes	(32,140)	123,498	138,353	136,328	(36,367)	(75,393)	(79,187)	26,654	(48,905)
<b>Net change in total pension liability</b>	473,808	2,322,012	4,479,620	2,639,738	1,142,615	1,054,742	1,653,507	3,258,804	1,583,136
<b>Total pension liability - beginning</b>	54,920,791	52,598,779	48,119,159	45,479,421	44,336,806	43,282,064	41,628,557	38,369,753	36,786,617
<b>Total pension liability - ending</b>	<u>\$ 55,394,599</u>	<u>\$ 54,920,791</u>	<u>\$ 52,598,779</u>	<u>\$ 48,119,159</u>	<u>\$ 45,479,421</u>	<u>\$ 44,336,806</u>	<u>\$ 43,282,064</u>	<u>\$ 41,628,557</u>	<u>\$ 38,369,753</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 2,594,043	\$ 2,551,437	\$ 2,213,940	\$ 1,525,024	\$ 1,775,846	\$ 1,608,967	\$ 1,477,710	\$ 1,149,992	\$ 1,169,588
Contributions - employee	66,054	257,746	85,467	92,163	101,006	101,742	111,720	158,580	127,301
Net investment income	1,638,221	(1,536,316)	4,419,677	3,875,792	2,310,083	335,193	3,383,628	1,825,377	264,835
Benefit payments, including refunds of member contributions	(3,412,858)	(3,346,814)	(3,100,956)	(2,987,121)	(2,767,443)	(2,556,950)	(2,287,670)	(2,184,386)	(2,035,612)
Net transfers	-	-	-	-	-	-	42,151	(27,518)	-
Other Changes	(184,464)	-	(48,455)	48,448	-	-	-	-	-
Administrative expense	(74,497)	(64,584)	(55,951)	(63,027)	(63,684)	(58,248)	(57,209)	(57,545)	(58,964)
<b>Net change in plan fiduciary net position</b>	626,499	(2,138,531)	3,513,722	2,491,279	1,355,808	(569,296)	2,670,330	864,500	(532,852)
<b>Plan fiduciary net position - beginning</b>	34,261,767	36,400,298	32,886,576	30,395,297	29,039,489	29,608,775	26,938,445	26,073,945	26,606,797
<b>Plan fiduciary net position - ending</b>	<u>\$ 34,888,266</u>	<u>\$ 34,261,767</u>	<u>\$ 36,400,298</u>	<u>\$ 32,886,576</u>	<u>\$ 30,395,297</u>	<u>\$ 29,039,479</u>	<u>\$ 29,608,775</u>	<u>\$ 26,938,445</u>	<u>\$ 26,073,945</u>
<b>County's net pension liability - ending</b>	<u>\$ 20,506,333</u>	<u>\$ 20,659,024</u>	<u>\$ 16,198,481</u>	<u>\$ 15,232,583</u>	<u>\$ 15,084,124</u>	<u>\$ 15,297,327</u>	<u>\$ 13,673,289</u>	<u>\$ 14,690,112</u>	<u>\$ 12,295,808</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	63%	62%	69%	68%	67%	65%	68%	65%	68%
<b>Covered - employee payroll</b>	\$ 7,742,846	\$ 7,361,463	\$ 7,781,699	\$ 7,413,309	\$ 7,579,553	\$ 7,360,404	\$ 7,575,339	\$ 7,319,582	\$ 7,240,587
<b>County's net pension liability as a percentage of covered-employee payroll</b>	265%	281%	208%	205%	199%	208%	180%	201%	170%

# County of Chippewa, Michigan

## Required Supplementary Information Employee Retirement and Benefit Systems Schedule of Contributions For the Year Ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,594,043	\$ 2,551,437	\$ 2,213,940	\$ 1,525,024	\$ 1,492,356	\$ 1,454,196	\$ 1,477,710	\$ 1,149,992	\$ 1,181,603
Contributions in relation to the actuarially determined contribution	<u>(2,594,043)</u>	<u>(2,551,437)</u>	<u>(2,213,940)</u>	<u>(1,525,024)</u>	<u>(1,775,846)</u>	<u>(1,608,967)</u>	<u>(1,477,710)</u>	<u>(1,149,992)</u>	<u>(1,169,588)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (283,490)</u>	<u>\$ (154,771)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,015</u>
Covered - employee payroll	\$ 7,742,846	\$ 7,361,463	\$ 7,781,699	\$ 7,413,309	\$ 7,579,553	\$ 7,360,404	\$ 7,575,339	\$ 7,319,582	\$ 4,907,159
Contributions as a percentage of covered-employee payroll	34%	35%	28%	21%	20%	20%	20%	16%	24%

### Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-years smoothed market
Inflation	2.50%
Salary increases	3.00%, average, including inflation
Investment rate of return	7.00%, net of investment expenses including inflation
Retirement age	In the 2016 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	Pub-2010 General Employees and Healthy Retirees, head-count weighted, MP-2019 scale.

**Required Supplementary Information**  
**Employee Retirement and Benefit Systems**  
**Schedule of Changes in the OPEB Liability and Related Ratios**  
**Year Ended December 31, 2023**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability - Beginning of Year</b>	\$ 20,961,884	\$ 22,560,053	\$ 21,690,199	\$ 19,924,142	\$ 18,327,589	\$ 17,987,754
Service cost	127,500	136,258	159,870	136,528	114,754	153,104
Interest	939,955	1,022,190	1,092,157	1,110,707	1,272,839	1,463,014
Assumption changes and differences between actual and expected experience	145,073	(249,034)	319,150	4,296,304	1,370,953	335,885
Effect of economic/demographic gains or losses	(1,890,597)	(1,398,313)	368,876	(2,769,944)	(73,939)	(505,929)
Benefit payments	(1,089,484)	(1,109,270)	(1,070,199)	(1,007,538)	(1,088,054)	(1,049,927)
<b>OPEB Liability - End of Year</b>	<u>\$ 19,194,331</u>	<u>\$ 20,961,884</u>	<u>\$ 22,560,053</u>	<u>\$ 21,690,199</u>	<u>\$ 19,924,142</u>	<u>\$ 18,383,901</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 1,512,892	\$ 1,488,603	\$ 1,694,250	\$ 1,804,222	\$ 1,855,878	\$ 1,684,225
Net investment income	1,281,805	(1,093,344)	2,261,452	1,701,352	1,710,877	1,081,405
Benefit payments	(1,036,180)	(977,263)	(943,959)	(1,023,959)	(1,049,412)	(1,017,435)
Administrative expense	(32,271)	(27,751)	(26,510)	(19,614)	(17,714)	(18,227)
Other Changes	-	-	-	-	94,555	-
<b>Net change in plan fiduciary net position</b>	1,726,246	(609,755)	2,985,233	2,462,001	2,594,184	1,729,968
<b>Plan fiduciary net position - Beginning of Year</b>	<u>\$ 15,627,138</u>	<u>\$ 16,236,893</u>	<u>\$ 13,251,660</u>	<u>\$ 10,789,659</u>	<u>\$ 8,195,475</u>	<u>\$ 6,869,164</u>
<b>Plan fiduciary net position - End of Year</b>	<u>\$ 17,353,384</u>	<u>\$ 15,627,138</u>	<u>\$ 16,236,893</u>	<u>\$ 13,251,660</u>	<u>\$ 10,789,659</u>	<u>\$ 8,599,132</u>
<b>Net OPEB liability - End of Year</b>	<u>\$ 1,840,947</u>	<u>\$ 5,334,746</u>	<u>\$ 6,323,160</u>	<u>\$ 8,438,539</u>	<u>\$ 9,134,483</u>	<u>\$ 9,784,769</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	90%	75%	72%	61%	54%	47%
<b>Covered Payroll</b>	\$ 2,383,429	\$ 2,396,099	\$ 2,949,439	\$ 2,797,300	\$ 2,891,706	\$ 3,646,510
<b>Net OPEB liability as a percentage of covered payroll</b>	77.24%	222.64%	214.39%	301.67%	315.89%	268.33%
<b>Schedule of Employer Contributions</b>						
Service cost	\$ 133,876	\$ 136,258	\$ 159,870	\$ 136,528	\$ 114,754	\$ 153,104
26 year amortization of NOL at 5.0%	124,044	358,445	492,903	1,411,937	1,630,679	1,671,807
Actuarially determined contribution	257,920	494,703	652,773	1,548,465	1,745,433	1,824,911
Actual Contribution	1,089,484	1,062,290	1,694,250	1,804,222	1,855,878	1,066,331
Contribution deficiency/(excess)	<u>\$ (831,564)</u>	<u>\$ (567,587)</u>	<u>\$ (1,041,477)</u>	<u>\$ (255,757)</u>	<u>\$ (110,445)</u>	<u>\$ 758,580</u>
<b>Covered Payroll</b>	\$ 2,383,429	\$ 2,396,099	\$ 2,949,439	\$ 2,797,300	\$ 2,891,706	\$ 3,646,510
<b>ADC as a percentage of payroll</b>	10.82%	20.65%	22.13%	55.36%	60.36%	50.05%

**Note:** The above schedule represents the Net OPEB Liability on the basic financial statements as of the respective year ends. These numbers include all of the primary government funds which includes the Health Department which has OPEB information that is presented as of one year behind the date of the statements.

**Key Assumptions:**

Census Collection Date	January 1, 2022
Discount rate	5.00%
Year 1 pre 65 / post 65 inflation rates / RX	7.25%/5.50%
Year 2 inflation rate	7.00%/5.25%
Ultimate inflation rate	4.50%
Year Ultimate inflation rate is reached	2034/2027
Actuarial Cost Method	Entry age normal (percent of salary)
Salary Increase	3.25%

Mortality rates were based Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2020.

*Significant Changes for the Previous Actuarial Valuation:*

- Trend rates were adjusted to rates prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal year 2023.
- The payroll growth rate was increased to 3.25%.
- The mortality table was updated to use improvements scale MP-2021.

## Required Supplementary Information Budgetary Comparison Schedule General Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 8,130,418	\$ 8,445,218	\$ 8,939,003	\$ 493,785
Licenses and Permits	38,000	38,000	31,937	(6,063)
Federal Sources	1,224,336	1,227,701	1,686,759	459,058
State Sources	1,809,383	1,809,383	1,892,436	83,053
Local Sources	50,000	50,000	50,000	-
Charges for Services	1,454,135	1,454,135	1,485,220	31,085
Interest and Rentals	100,000	100,000	762,789	662,789
Fines and Forfeitures	90,800	91,800	83,318	(8,482)
Other Revenue	305,950	2,305,950	2,368,261	62,311
<b>TOTAL REVENUES</b>	<b>13,203,022</b>	<b>15,522,187</b>	<b>17,299,723</b>	<b>1,777,536</b>
<b>EXPENDITURES:</b>				
<b>Judicial:</b>				
Juvenile Court	317,306	387,106	385,484	1,622
Circuit Court	466,356	568,621	561,978	6,643
District Court	617,600	657,200	639,290	17,910
Friend of the Court	546,175	615,275	606,442	8,833
Jury Board	12,835	12,835	12,316	519
Prosecuting Attorney	631,649	682,249	669,619	12,630
Probate Court	453,764	453,864	449,315	4,549
Crime Victim Advocate	127,595	169,745	159,360	10,385
<b>Total Judicial</b>	<b>3,173,280</b>	<b>3,546,895</b>	<b>3,483,804</b>	<b>63,091</b>
<b>General Government:</b>				
<b>Legislative</b>				
Board of Commissioners	71,592	71,592	74,467	(2,875)
<b>Chief Executive</b>				
Administrator	310,312	329,612	322,082	7,530
<b>Financial and Tax Administration</b>				
Cost Allocation Plan	5,000	5,000	5,000	-
County Clerk	347,747	357,547	316,135	41,412
Audit	25,900	26,900	26,449	451
Information Systems	522,443	532,793	472,511	60,282
Re monumentation	134,346	134,346	134,346	-
Treasurer	314,464	324,464	324,289	175
Equalization	310,154	329,854	320,330	9,524
Employee Benefits	626,000	656,000	653,348	2,652
Health Set Aside	650,000	2,650,000	2,494,005	155,995
Miscellaneous	13,500	78,480	64,041	14,439
<b>Other General Government</b>				
Elections	26,421	26,421	21,812	4,609
Buildings and Grounds	254,756	264,956	264,693	263
County Attorney	25,000	55,000	47,344	7,656
Insurance	335,000	335,000	324,526	10,474
GIS Mapping	28,000	28,000	28,000	-
Township PILT Appropriation	30,000	30,000	30,000	-
<b>Total General Government</b>	<b>4,030,635</b>	<b>6,235,965</b>	<b>5,923,378</b>	<b>312,587</b>
<b>Public Safety:</b>				
Sheriff	1,459,281	1,610,894	1,598,900	11,994
Bailiff	182,149	192,149	192,042	107
Marine	15,625	16,625	15,731	894
Marine No Wake	22,794	22,794	-	22,794
Correctional Facility	3,110,320	3,193,565	3,184,483	9,082
Trident Task Force	100,440	100,440	97,504	2,936
Snowmobile Patrol Grant	44,397	44,397	19,819	24,578
O.R.V. Grant	33,397	38,397	35,915	2,482
Animal Control	296,945	326,246	318,606	7,640
<b>Total Public Safety</b>	<b>5,265,348</b>	<b>5,545,507</b>	<b>5,463,000</b>	<b>82,507</b>

**Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works				
Soil Conservation District Appropriation	26,000	26,000	26,000	-
Rural Bus Appropriation	30,000	30,000	30,000	-
Drain Commission	1,071	1,071	1,050	21
Total Public Works	57,071	57,071	57,050	21
Health and Welfare:				
Health Department Appropriation	204,000	204,000	204,000	-
Substance Abuse Appropriation	72,251	90,251	88,339	1,912
Medical Examiner	80,000	150,000	130,433	19,567
Mental Health Appropriation	171,334	171,334	171,334	-
Veterans Affairs	81,785	81,785	76,260	5,525
Total Health and Welfare	609,370	697,370	670,366	27,004
Community and Economic Development				
Cooperative Extension	143,662	173,162	169,854	3,308
Register of Deeds	230,022	259,622	253,899	5,723
Surveyor	21,238	23,313	23,006	307
Plat Book	2,500	19,500	19,500	-
Regional Planning Commission Appropriation	25,975	25,975	25,975	-
Economic Development Appropriation	50,000	50,000	50,000	-
Total Community and Economic Development	473,397	551,572	542,234	9,338
Capital Outlay:				
General Government	-	5,200	5,146	54
Public Safety	216,537	423,205	378,065	45,140
Total Capital Outlay	216,537	428,405	383,211	45,194
TOTAL EXPENDITURES	13,897,230	17,134,377	16,523,043	536,867
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES BEFORE OTHER</b>				
<b>FINANCING SOURCES (USES)</b>	(694,208)	(1,612,190)	776,680	2,314,403
OTHER FINANCING SOURCES (USES):				
Transfers In	1,296,511	2,811,011	2,637,750	(173,261)
Transfers Out	(601,037)	(2,803,837)	(2,734,587)	69,250
TOTAL OTHER FINANCING SOURCES (USES)	695,474	7,174	(96,837)	(104,011)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,266	\$ (1,605,016)	679,843	\$ 2,210,392
FUND BALANCE BEGINNING OF YEAR			10,113,735	
FUND BALANCE END OF YEAR			\$ 10,793,578	

**Required Supplementary Information  
Budgetary Comparison Schedule  
Health Department  
For the Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal Sources	\$ 1,945,530	\$ 1,945,530	\$ 1,106,554	\$ (838,976)
State Sources	384,011	384,011	552,941	168,930
Local Sources	260,000	260,000	278,640	18,640
Charges for Services	3,919,700	3,919,700	3,474,280	(445,420)
Interest and Rentals	-	-	247	247
Other Revenue	725,357	725,357	496,571	(228,786)
<b>TOTAL REVENUES</b>	<u>7,234,598</u>	<u>7,234,598</u>	<u>5,909,233</u>	<u>(1,325,365)</u>
<b>EXPENDITURES:</b>				
Health and Welfare	<u>7,233,029</u>	<u>7,233,029</u>	<u>6,720,311</u>	<u>512,718</u>
<b>TOTAL EXPENDITURES</b>	<u>7,233,029</u>	<u>7,233,029</u>	<u>6,720,311</u>	<u>512,718</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,569</u>	<u>\$ 1,569</u>	(811,078)	<u>\$ (812,647)</u>
<b>FUND BALANCE, OCTOBER 1,</b> (as Restated See Note 12 )			<u>2,026,905</u>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<u>\$ 1,215,827</u>	



**Required Supplementary Information  
Budgetary Comparison Schedule  
Ambulance  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 538,054	\$ 544,000	\$ 542,987	\$ (1,013)
State Sources	1,000	1,000	996	(4)
TOTAL REVENUES	539,054	544,000	543,983	(1,017)
EXPENDITURES:				
Health and Welfare	349,753	353,619	353,589	30
TOTAL EXPENDITURES	349,753	353,619	353,589	30
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	189,301	190,381	190,394	(987)
OTHER FINANCING SOURCES (USES):				
Transfers Out	(189,301)	(191,383)	(190,394)	989
<b>NET CHANGE IN FUND BALANCES</b>	\$ -	\$ (1,002)	-	\$ 1,002
<b>FUND BALANCES BEGINNING OF YEAR</b>			-	
<b>FUND BALANCES END OF YEAR</b>			\$ -	

**Required Supplementary Information  
Budgetary Comparison Schedule  
Senior Nutrition Program  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 938,417	\$ 938,417	\$ 947,056	\$ 8,639
State Sources	1,600	1,600	3,983	2,383
<b>TOTAL REVENUES</b>	<u>940,017</u>	<u>940,017</u>	<u>951,039</u>	<u>11,022</u>
<b>EXPENDITURES:</b>				
Health and Welfare	900,000	900,000	844,000	56,000
<b>TOTAL EXPENDITURES</b>	<u>900,000</u>	<u>900,000</u>	<u>844,000</u>	<u>56,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 40,017</u>	<u>\$ 40,017</u>	107,039	<u>\$ 67,022</u>
<b>FUND BALANCES BEGINNING OF YEAR</b>			<u>77,162</u>	
<b>FUND BALANCES END OF YEAR</b>			<u>\$ 184,201</u>	

**Required Supplementary Information  
Budgetary Comparison Schedule  
Chippewa County Recycling  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 629,903	\$ 629,903	\$ 635,791	\$ 5,888
State Sources	1,500	1,500	2,655	1,155
<b>TOTAL REVENUES</b>	<u>631,403</u>	<u>631,403</u>	<u>638,446</u>	<u>7,043</u>
<b>EXPENDITURES:</b>				
Public Works	725,227	817,000	817,000	-
<b>TOTAL EXPENDITURES</b>	<u>725,227</u>	<u>817,000</u>	<u>817,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (93,824)</u>	<u>\$ (185,597)</u>	(178,554)	<u>\$ 7,043</u>
<b>FUND BALANCES BEGINNING OF YEAR</b>			<u>547,236</u>	
<b>FUND BALANCES END OF YEAR</b>			<u>\$ 368,682</u>	

## **Supplementary Information**

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**County of Chippewa, Michigan**

**Supplementary Information  
Combining Balance Sheet  
General Funds  
December 31, 2023**

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 9,459,718	\$ 31,053	\$ 3,973	\$ 2,071	\$ 1,785	\$ -	\$ -	\$ 9,498,600
Receivables:								
Accounts	10,882	-	-	-	-	-	474	11,356
Taxes	512,354	-	-	-	-	-	-	512,354
Interest	1,825	-	-	-	-	-	-	1,825
Due from Other Funds	286,764	-	-	-	-	-	-	286,764
Due from Governmental Units	662,594	-	-	-	-	-	-	662,594
Prepaid Items	144,398	-	-	-	-	-	-	144,398
<b>TOTAL ASSETS</b>	<b>\$ 11,078,535</b>	<b>\$ 31,053</b>	<b>\$ 3,973</b>	<b>\$ 2,071</b>	<b>\$ 1,785</b>	<b>\$ -</b>	<b>\$ 474</b>	<b>\$ 11,117,891</b>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	130,139	18,582	-	-	-	-	474	149,195
Due to Governmental Units	-	-	-	-	-	-	-	-
Unearned Revenue	1,805	-	-	-	-	-	-	1,805
Accrued Liabilities	171,242	-	-	2,071	-	-	-	173,313
<b>TOTAL LIABILITIES</b>	<b>303,186</b>	<b>18,582</b>	<b>-</b>	<b>2,071</b>	<b>-</b>	<b>-</b>	<b>474</b>	<b>324,313</b>
<b>FUND BALANCES:</b>								
Nonspendable	144,398	-	-	-	-	-	-	144,398
Assigned	-	12,471	3,973	-	1,785	-	-	18,229
Unassigned	10,630,951	-	-	-	-	-	-	10,630,951
<b>TOTAL FUND BALANCES</b>	<b>10,775,349</b>	<b>12,471</b>	<b>3,973</b>	<b>-</b>	<b>1,785</b>	<b>-</b>	<b>-</b>	<b>10,793,578</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,078,535</b>	<b>\$ 31,053</b>	<b>\$ 3,973</b>	<b>\$ 2,071</b>	<b>\$ 1,785</b>	<b>\$ -</b>	<b>\$ 474</b>	<b>\$ 11,117,891</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - General Funds**  
**For the Year Ended December 31, 2023**

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
<b>REVENUES:</b>								
Taxes	\$ 8,928,645	\$ 10,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,939,003
Licenses and Permits	31,937	-	-	-	-	-	-	31,937
Federal Sources	1,686,759	-	-	-	-	-	-	1,686,759
State Sources	1,892,436	-	-	-	-	-	-	1,892,436
Local Sources	50,000	-	-	-	-	-	-	50,000
Charges for Services	1,483,107	2,113	-	-	-	-	-	1,485,220
Interest and Rentals	762,789	-	-	-	-	-	-	762,789
Fines and Forfeitures	83,318	-	-	-	-	-	-	83,318
Other Revenue	2,367,261	-	1,000	-	-	-	-	2,368,261
<b>TOTAL REVENUES</b>	<b>17,286,252</b>	<b>12,471</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,299,723</b>
<b>EXPENDITURES:</b>								
Judicial	3,483,804	-	-	-	-	-	-	3,483,804
General Government	3,429,373	-	-	-	-	2,494,005	-	5,923,378
Public Safety	5,363,804	-	1,692	97,504	-	-	-	5,463,000
Public Works	57,050	-	-	-	-	-	-	57,050
Health and Welfare	670,366	-	-	-	-	-	-	670,366
Community and Economic Development	542,234	-	-	-	-	-	-	542,234
Capital Outlay	383,211	-	-	-	-	-	-	383,211
<b>TOTAL EXPENDITURES</b>	<b>13,929,842</b>	<b>-</b>	<b>1,692</b>	<b>97,504</b>	<b>-</b>	<b>2,494,005</b>	<b>-</b>	<b>16,523,043</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>3,356,410</b>	<b>12,471</b>	<b>(692)</b>	<b>(97,504)</b>	<b>-</b>	<b>(2,494,005)</b>	<b>-</b>	<b>776,680</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating Transfers In	46,241	-	-	97,504	-	2,494,005	-	2,637,750
Operating Transfers Out	(2,730,097)	(4,490)	-	-	-	-	-	(2,734,587)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,683,856)</b>	<b>(4,490)</b>	<b>-</b>	<b>97,504</b>	<b>-</b>	<b>2,494,005</b>	<b>-</b>	<b>(96,837)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>672,554</b>	<b>7,981</b>	<b>(692)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>679,843</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>10,102,795</b>	<b>4,490</b>	<b>4,665</b>	<b>-</b>	<b>1,785</b>	<b>-</b>	<b>-</b>	<b>10,113,735</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 10,775,349</b>	<b>\$ 12,471</b>	<b>\$ 3,973</b>	<b>\$ -</b>	<b>\$ 1,785</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,793,578</b>

**Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	Special Revenue Funds							
	Sheriff Park Patrol	Office of Emergency Services	Emergency Preparedness Grant	911 State Training	FOC Child Support	Community Service	Operation Stonegarden	Mental Health Court
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 6,670	\$ 200,087	\$ 78,444	\$ 21,375	\$ 237,598	\$ 14,942	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	14,455	-	-	-	-	-	-
Due from Governmental Units	449	-	-	-	-	-	18,858	25,275
Prepaid Items	-	11,277	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 7,119</u>	<u>\$ 225,819</u>	<u>\$ 78,444</u>	<u>\$ 21,375</u>	<u>\$ 237,598</u>	<u>\$ 14,942</u>	<u>\$ 18,858</u>	<u>\$ 25,275</u>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,892	\$ 12,497
Accounts Payable	-	7,870	-	-	-	118	13,966	2,875
Accrued Liabilities	-	1,604	-	-	-	567	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>9,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685</u>	<u>18,858</u>	<u>15,372</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>								
Nonspendable	-	11,277	-	-	-	-	-	-
Restricted	-	205,068	78,444	21,375	-	-	-	9,903
Committed	-	-	-	-	-	-	-	-
Assigned	7,119	-	-	-	237,598	14,257	-	-
<b>TOTAL FUND BALANCES</b>	<u>7,119</u>	<u>216,345</u>	<u>78,444</u>	<u>21,375</u>	<u>237,598</u>	<u>14,257</u>	<u>-</u>	<u>9,903</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 7,119</u>	<u>\$ 225,819</u>	<u>\$ 78,444</u>	<u>\$ 21,375</u>	<u>\$ 237,598</u>	<u>\$ 14,942</u>	<u>\$ 18,858</u>	<u>\$ 25,275</u>

	Special Revenue Funds							
	Correctional Facility Maintenance	Office of Community Correction	Elections Information	First Responder Grant	School Resource Officer	Construction Code	50th Circuit Court	Drug Court
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 179,371	\$ 553,506	\$ 900	\$ -	\$ 135,699	\$ 1,566	\$ 107,010	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	4,821
Due from Governmental Units	-	-	-	11,967	-	-	-	17,821
Prepaid Items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 179,371</b>	<b>\$ 553,506</b>	<b>\$ 900</b>	<b>\$ 11,967</b>	<b>\$ 135,699</b>	<b>\$ 1,566</b>	<b>\$ 107,010</b>	<b>\$ 22,642</b>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ -	\$ 11,967	\$ -	\$ -	\$ -	\$ 18,508
Accounts Payable	434	4,487	-	-	425	75	14	2,876
Accrued Liabilities	-	1,413	-	-	1,416	1,491	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>434</b>	<b>5,900</b>	<b>-</b>	<b>11,967</b>	<b>1,841</b>	<b>1,566</b>	<b>14</b>	<b>21,384</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	178,937	-	900	-	133,858	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	547,606	-	-	-	-	106,996	1,258
<b>TOTAL FUND BALANCES</b>	<b>178,937</b>	<b>547,606</b>	<b>900</b>	<b>-</b>	<b>133,858</b>	<b>-</b>	<b>106,996</b>	<b>1,258</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 179,371</b>	<b>\$ 553,506</b>	<b>\$ 900</b>	<b>\$ 11,967</b>	<b>\$ 135,699</b>	<b>\$ 1,566</b>	<b>\$ 107,010</b>	<b>\$ 22,642</b>



**Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	Special Revenue Funds							
	District Drug Court	Opioid Settlement	Register of Deeds Automation	Drug Forfeiture	CCSD Salvage Vehicle	MIDC Indigent Defense	Emergency Telephone System	Concealed Weapons
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 2,304	\$ 186,283	\$ 195,218	\$ 24,422	\$ 6,234	\$ 294,970	\$ -	\$ 123,994
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	836	-	-	-	44,255	183,854	-
Due from Governmental Units	-	-	-	-	-	-	49,272	-
Prepaid Items	-	-	502	-	-	-	9,964	-
<b>TOTAL ASSETS</b>	<b>\$ 2,304</b>	<b>\$ 187,119</b>	<b>\$ 195,720</b>	<b>\$ 24,422</b>	<b>\$ 6,234</b>	<b>\$ 339,225</b>	<b>\$ 243,090</b>	<b>\$ 123,994</b>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,182	\$ -
Accounts Payable	2,304	-	1,008	-	-	8,677	4,585	-
Accrued Liabilities	-	-	-	-	-	-	19,021	-
Unearned Revenues	-	-	-	-	-	330,548	-	-
<b>TOTAL LIABILITIES</b>	<b>2,304</b>	<b>-</b>	<b>1,008</b>	<b>-</b>	<b>-</b>	<b>339,225</b>	<b>27,788</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>								
Nonspendable	-	-	502	-	-	-	9,964	-
Restricted	-	187,119	194,210	-	-	-	205,338	123,994
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	24,422	6,234	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>187,119</b>	<b>194,712</b>	<b>24,422</b>	<b>6,234</b>	<b>-</b>	<b>215,302</b>	<b>123,994</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,304</b>	<b>\$ 187,119</b>	<b>\$ 195,720</b>	<b>\$ 24,422</b>	<b>\$ 6,234</b>	<b>\$ 339,225</b>	<b>\$ 243,090</b>	<b>\$ 123,994</b>

**Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	Special Revenue Funds							
	Local Corrections Officer's Training	Law Library	Secondary Road Patrol	Road Patrol Overtime	Sheriff Law Enforcement Training	Sheriff Search & Rescue	Sheriff Mental Health	Highway Safety
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 12,174	\$ 464	\$ -	\$ 13,517	\$ 7,412	\$ 350	\$ 2,373	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Governmental Units	-	-	29,569	6,756	-	-	-	2,025
Prepaid Items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 12,174</b>	<b>\$ 464</b>	<b>\$ 29,569</b>	<b>\$ 20,273</b>	<b>\$ 7,412</b>	<b>\$ 350</b>	<b>\$ 2,373</b>	<b>\$ 2,025</b>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ 26,585	\$ -	\$ -	\$ -	\$ -	\$ 406
Accounts Payable	-	464	-	47	-	-	-	-
Accrued Liabilities	-	-	2,984	247	-	-	-	1,619
Unearned Revenues	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>464</b>	<b>29,569</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,025</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	7,412	350	2,373	-
Committed	-	-	-	-	-	-	-	-
Assigned	12,174	-	-	19,979	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>12,174</b>	<b>-</b>	<b>-</b>	<b>19,979</b>	<b>7,412</b>	<b>350</b>	<b>2,373</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 12,174</b>	<b>\$ 464</b>	<b>\$ 29,569</b>	<b>\$ 20,273</b>	<b>\$ 7,412</b>	<b>\$ 350</b>	<b>\$ 2,373</b>	<b>\$ 2,025</b>

**Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	Special Revenue Funds							Debt Service Fund
	Animal Control Millage	Animal Shelter Donations	Chippewa County DHS Appropriation	Probate Child Care	Veteran's Trust	HUD Grant	Family Counseling	2013 Refunding Debt
<b>ASSETS:</b>								
Cash and Investments - Unrestricted	\$ 274,604	\$ 746,181	\$ 3,975	\$ 27,696	\$ 50,000	\$ 10,552	\$ 135	\$ -
Taxes Receivable	131,041	-	-	-	-	-	-	-
Accounts Receivable	-	375	-	-	-	-	-	-
Due from Governmental Units	-	-	-	7,509	-	-	-	-
Prepaid Items	-	-	940	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 405,645</b>	<b>\$ 746,556</b>	<b>\$ 4,915</b>	<b>\$ 35,205</b>	<b>\$ 50,000</b>	<b>\$ 10,552</b>	<b>\$ 135</b>	<b>\$ -</b>
<b>LIABILITIES:</b>								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	15,798	150,000	3,975	34,341	2,235	-	-	-
Accrued Liabilities	-	-	-	864	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>15,798</b>	<b>150,000</b>	<b>3,975</b>	<b>35,205</b>	<b>2,235</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Taxes Levied for a Subsequent Period	131,041	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>								
Nonspendable	-	-	940	-	-	-	-	-
Restricted	258,806	596,556	-	-	47,765	10,552	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	135	-
<b>TOTAL FUND BALANCES</b>	<b>258,806</b>	<b>596,556</b>	<b>940</b>	<b>-</b>	<b>47,765</b>	<b>10,552</b>	<b>135</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 405,645</b>	<b>\$ 746,556</b>	<b>\$ 4,915</b>	<b>\$ 35,205</b>	<b>\$ 50,000</b>	<b>\$ 10,552</b>	<b>\$ 135</b>	<b>\$ -</b>

	Capital Project Fund	
	Hakola-Ross Drainage	Totals
<b>ASSETS:</b>		
Cash and Investments - Unrestricted	\$ 7,503	\$ 3,527,529
Taxes Receivable	-	131,041
Accounts Receivable	-	248,596
Due from Governmental Units	-	169,501
Prepaid Items	-	22,683
TOTAL ASSETS	<u>\$ 7,503</u>	<u>\$ 4,099,350</u>
<b>LIABILITIES:</b>		
Due to Other Funds	\$ -	\$ 79,037
Accounts Payable	-	256,574
Accrued Liabilities	-	31,226
Unearned Revenues	-	330,548
TOTAL LIABILITIES	<u>-</u>	<u>697,385</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Taxes Levied for a Subsequent Period	-	131,041
<b>FUND BALANCES:</b>		
Nonspendable	-	22,683
Restricted	-	2,262,960
Committed	7,503	7,503
Assigned	-	977,778
TOTAL FUND BALANCES	<u>7,503</u>	<u>3,270,924</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,503</u>	<u>\$ 4,099,350</u>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds							
	Sheriff Park Patrol	Office of Emergency Services	Emergency Preparedness Grant	911 State Training	FOC Child Support	Community Service	Operation Stonegarden	Mental Health Court
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	30,527	24,423	-	-	-	194,834	-
State Sources	2,221	-	-	13,632	18,964	-	-	96,027
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	840	-	-	3,593
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	8,123	-	-	-	33,409	-	-
<b>TOTAL REVENUES</b>	<b>2,221</b>	<b>38,650</b>	<b>24,423</b>	<b>13,632</b>	<b>19,804</b>	<b>33,409</b>	<b>194,834</b>	<b>99,620</b>
<b>EXPENDITURES:</b>								
Judicial	-	-	-	-	424	-	-	96,338
General Government	-	-	-	-	-	-	-	-
Public Safety	3,202	177,245	715	22,244	-	-	66,521	-
Public Works	-	-	-	-	-	33,629	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	9,739	-	-	-	-	128,313	-
Debt Service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,202</b>	<b>186,984</b>	<b>715</b>	<b>22,244</b>	<b>424</b>	<b>33,629</b>	<b>194,834</b>	<b>96,338</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>(981)</b>	<b>(148,334)</b>	<b>23,708</b>	<b>(8,612)</b>	<b>19,380</b>	<b>(220)</b>	<b>-</b>	<b>3,282</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In	-	190,394	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>190,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(981)</b>	<b>42,060</b>	<b>23,708</b>	<b>(8,612)</b>	<b>19,380</b>	<b>(220)</b>	<b>-</b>	<b>3,282</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>8,100</b>	<b>174,285</b>	<b>54,736</b>	<b>29,987</b>	<b>218,218</b>	<b>14,477</b>	<b>-</b>	<b>6,621</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 7,119</b>	<b>\$ 216,345</b>	<b>\$ 78,444</b>	<b>\$ 21,375</b>	<b>\$ 237,598</b>	<b>\$ 14,257</b>	<b>\$ -</b>	<b>\$ 9,903</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds							
	Correctional Facility Maintenance	Office of Community Correction	Elections Information	First Responder Grant	School Resource Officer	Construction Code	50th Circuit Court	Drug Court
<b>REVENUES:</b>								
Taxes	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	23,220
State Sources	-	-	-	18,927	-	-	-	36,883
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	-	300,934	200	-	-	124,898	16,186	3,610
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	1,607	1,033	-	-	-	336	-	29,622
<b>TOTAL REVENUES</b>	<b>1,615</b>	<b>301,967</b>	<b>200</b>	<b>18,927</b>	<b>-</b>	<b>125,234</b>	<b>16,186</b>	<b>93,335</b>
<b>EXPENDITURES:</b>								
Judicial	-	-	-	-	-	-	4,891	94,669
General Government	-	-	-	-	-	-	-	-
Public Safety	30,230	174,393	-	18,927	103,730	118,483	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	35,315	-	-	91,830	-	-	-
Debt Service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>30,230</b>	<b>209,708</b>	<b>-</b>	<b>18,927</b>	<b>195,560</b>	<b>118,483</b>	<b>4,891</b>	<b>94,669</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>(28,615)</b>	<b>92,259</b>	<b>200</b>	<b>-</b>	<b>(195,560)</b>	<b>6,751</b>	<b>11,295</b>	<b>(1,334)</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In	-	-	-	-	200,000	-	-	874
Transfers Out	-	-	-	-	-	(6,751)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>(6,751)</b>	<b>-</b>	<b>874</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(28,615)</b>	<b>92,259</b>	<b>200</b>	<b>-</b>	<b>4,440</b>	<b>-</b>	<b>11,295</b>	<b>(460)</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>207,552</b>	<b>455,347</b>	<b>700</b>	<b>-</b>	<b>129,418</b>	<b>-</b>	<b>95,701</b>	<b>1,718</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 178,937</b>	<b>\$ 547,606</b>	<b>\$ 900</b>	<b>\$ -</b>	<b>\$ 133,858</b>	<b>\$ -</b>	<b>\$ 106,996</b>	<b>\$ 1,258</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds							
	District Drug Court	Opioid Settlement	Register of Deeds Automation	Drug Forfeiture	CCSD Salvage Vehicle	MIDC Indigent Defense	Emergency Telephone System	Concealed Weapons
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	-
State Sources	-	21,120	-	-	-	380,452	169,924	-
Local Sources	-	-	-	-	-	-	246,839	-
Charges for Services	-	-	49,255	-	600	-	793,140	20,900
Interest and Rentals	-	-	-	-	-	2,944	-	-
Other Revenue	-	-	-	33,831	-	221	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>21,120</b>	<b>49,255</b>	<b>33,831</b>	<b>600</b>	<b>383,617</b>	<b>1,209,903</b>	<b>20,900</b>
<b>EXPENDITURES:</b>								
Judicial	-	-	-	-	-	606,543	-	-
General Government	-	-	20,723	-	-	-	-	-
Public Safety	-	-	-	28,599	586	-	1,100,669	1,007
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	6,000	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>26,723</b>	<b>28,599</b>	<b>586</b>	<b>606,543</b>	<b>1,100,669</b>	<b>1,007</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>-</b>	<b>21,120</b>	<b>22,532</b>	<b>5,232</b>	<b>14</b>	<b>(222,926)</b>	<b>109,234</b>	<b>19,893</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In	-	-	-	-	-	222,926	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,926</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>21,120</b>	<b>22,532</b>	<b>5,232</b>	<b>14</b>	<b>-</b>	<b>109,234</b>	<b>19,893</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>-</b>	<b>165,999</b>	<b>172,180</b>	<b>19,190</b>	<b>6,220</b>	<b>-</b>	<b>106,068</b>	<b>104,101</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ -</b>	<b>\$ 187,119</b>	<b>\$ 194,712</b>	<b>\$ 24,422</b>	<b>\$ 6,234</b>	<b>\$ -</b>	<b>\$ 215,302</b>	<b>\$ 123,994</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds							
	Local				Sheriff			
	Corrections Officer's Training	Law Library	Secondary Road Patrol	Road Patrol Overtime	Law Enforcement Training	Sheriff Search & Rescue	Sheriff Mental Health	Highway Safety
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	32,985
State Sources	-	-	77,990	31,482	7,040	-	-	-
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	7,762	-	-	-	-	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	4,500	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>7,762</b>	<b>4,500</b>	<b>77,990</b>	<b>31,482</b>	<b>7,040</b>	<b>-</b>	<b>-</b>	<b>32,985</b>
<b>EXPENDITURES:</b>								
Judicial	-	5,437	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	6,889	-	156,192	29,158	2,824	-	-	32,985
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>6,889</b>	<b>5,437</b>	<b>156,192</b>	<b>29,158</b>	<b>2,824</b>	<b>-</b>	<b>-</b>	<b>32,985</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>873</b>	<b>(937)</b>	<b>(78,202)</b>	<b>2,324</b>	<b>4,216</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In	-	937	78,202	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>937</b>	<b>78,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>873</b>	<b>-</b>	<b>-</b>	<b>2,324</b>	<b>4,216</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>11,301</b>	<b>-</b>	<b>-</b>	<b>17,655</b>	<b>3,196</b>	<b>350</b>	<b>2,373</b>	<b>-</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 12,174</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,979</b>	<b>\$ 7,412</b>	<b>\$ 350</b>	<b>\$ 2,373</b>	<b>\$ -</b>



**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds							Debt Service Fund
	Animal Control Millage	Animal Shelter Donations	Chippewa County DHS Appropriation	Probate Child Care	Veteran's Trust	HUD Grant	Family Counseling	2013 Refunding Debt
<b>REVENUES:</b>								
Taxes	\$ 126,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	10,552	-	-
State Sources	531	-	-	114,735	22,556	-	-	-
Local Sources	-	-	-	7,500	-	-	-	603,044
Charges for Services	-	-	-	-	-	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	260	64,085	1,000	225	-	-	2,430	-
<b>TOTAL REVENUES</b>	<b>127,197</b>	<b>64,085</b>	<b>1,000</b>	<b>122,460</b>	<b>22,556</b>	<b>10,552</b>	<b>2,430</b>	<b>603,044</b>
<b>EXPENDITURES:</b>								
Judicial	-	-	-	266,065	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	118,746	872	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	21,425	-	24,791	-	2,445	-
Capital Outlay	-	286,000	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	603,044
<b>TOTAL EXPENDITURES</b>	<b>118,746</b>	<b>286,872</b>	<b>21,425</b>	<b>266,065</b>	<b>24,791</b>	<b>-</b>	<b>2,445</b>	<b>603,044</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES BEFORE OTHER</b>								
<b>FINANCING SOURCES (USES)</b>	<b>8,451</b>	<b>(222,787)</b>	<b>(20,425)</b>	<b>(143,605)</b>	<b>(2,235)</b>	<b>10,552</b>	<b>(15)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In	-	-	20,350	109,304	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>20,350</b>	<b>109,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>8,451</b>	<b>(222,787)</b>	<b>(75)</b>	<b>(34,301)</b>	<b>(2,235)</b>	<b>10,552</b>	<b>(15)</b>	<b>-</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>250,355</b>	<b>819,343</b>	<b>1,015</b>	<b>34,301</b>	<b>50,000</b>	<b>-</b>	<b>150</b>	<b>-</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 258,806</b>	<b>\$ 596,556</b>	<b>\$ 940</b>	<b>\$ -</b>	<b>\$ 47,765</b>	<b>\$ 10,552</b>	<b>\$ 135</b>	<b>\$ -</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Capital Project Fund	
	Hakola-Ross Drainage	Totals
<b>REVENUES:</b>		
Taxes	\$ -	\$ 126,414
Federal Sources	-	316,541
State Sources	-	1,012,484
Local Sources	-	857,383
Charges for Services	-	1,321,918
Interest and Rentals	-	2,944
Other Revenue	-	180,682
<b>TOTAL REVENUES</b>	<b>-</b>	<b>3,818,366</b>
<b>EXPENDITURES:</b>		
Judicial	-	1,074,367
General Government	-	20,723
Public Safety	-	2,194,217
Public Works	-	33,629
Health and Welfare	-	48,661
Capital Outlay	-	557,197
Debt Service	-	603,044
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>4,531,838</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>		
<b>EXPENDITURES BEFORE OTHER</b>		
<b>FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(713,472)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In	-	822,987
Transfers Out	-	(6,751)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>816,236</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>102,764</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>7,503</b>	<b>3,168,160</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 7,503</b>	<b>\$ 3,270,924</b>

**Supplementary Information**  
**Combining Statement of Net Position**  
**Major Tax Collection Enterprise Fund**  
**December 31, 2023**

	2020 Tax Revolving	2021 Tax Revolving	2022 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
<b>ASSETS:</b>						
Cash and Investments - Unrestricted	\$ 1,569,074	\$ 1,501,467	\$ 2,066,427	\$ 5,670,122	\$ 42,430	\$ 10,849,520
Taxes Receivable	6,616	235,564	1,116,620	-	-	1,358,800
Accrued Interest Receivable	12,375	105,810	111,876	14,763	-	244,824
Prepaid	500	-	-	-	-	500
<b>TOTAL ASSETS</b>	<b>\$ 1,588,565</b>	<b>\$ 1,842,841</b>	<b>\$ 3,294,923</b>	<b>\$ 5,684,885</b>	<b>\$ 42,430</b>	<b>\$ 12,453,644</b>
<b>LIABILITIES:</b>						
Due to Governmental Units	\$ 16,334	\$ 10,589	\$ 529	\$ 243,559	\$ -	\$ 271,011
<b>TOTAL LIABILITIES</b>	<b>16,334</b>	<b>10,589</b>	<b>529</b>	<b>243,559</b>	<b>-</b>	<b>271,011</b>
<b>NET POSITION:</b>						
Unrestricted	1,572,231	1,832,252	3,294,394	5,441,326	42,430	12,182,633
<b>TOTAL NET POSITION</b>	<b>1,572,231</b>	<b>1,832,252</b>	<b>3,294,394</b>	<b>5,441,326</b>	<b>42,430</b>	<b>12,182,633</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,588,565</b>	<b>\$ 1,842,841</b>	<b>\$ 3,294,923</b>	<b>\$ 5,684,885</b>	<b>\$ 42,430</b>	<b>\$ 12,453,644</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position - Major Tax Collection Enterprise Fund**  
**For the Year Ended December 31, 2023**

	2020 Tax Revolving	2021 Tax Revolving	2022 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 37,889	\$ 75,967	\$ 108,939	\$ -	\$ -	\$ 222,795
Penalties and Interest Charges	16,303	121,599	216,584	3,488	-	357,974
<b>TOTAL OPERATING REVENUES</b>	<b>54,192</b>	<b>197,566</b>	<b>325,523</b>	<b>3,488</b>	<b>-</b>	<b>580,769</b>
<b>OPERATING EXPENSES:</b>						
Other Supplies and Expenses	4,363	3,686	125	2,832	376	11,382
Total Operating Expenses	4,363	3,686	125	2,832	376	11,382
<b>OPERATING INCOME (LOSS)</b>	<b>49,829</b>	<b>193,880</b>	<b>325,398</b>	<b>656</b>	<b>(376)</b>	<b>569,387</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest on Deposits	39,495	41,351	23,494	136,081	-	240,421
Total Non-operating Revenues (Expenses)	39,495	41,351	23,494	136,081	-	240,421
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>89,324</b>	<b>235,231</b>	<b>348,892</b>	<b>136,737</b>	<b>(376)</b>	<b>809,808</b>
Transfers In	60,000	-	3,720,167	450,000	-	4,230,167
Transfers Out	(847,672)	(1,944,975)	(774,665)	(1,156,860)	-	(4,724,172)
<b>CHANGES IN NET POSITION</b>	<b>(698,348)</b>	<b>(1,709,744)</b>	<b>3,294,394</b>	<b>(570,123)</b>	<b>(376)</b>	<b>315,803</b>
NET POSITION BEGINNING OF YEAR	2,270,579	3,541,996	-	6,011,449	42,806	11,866,830
<b>NET POSITION END OF YEAR</b>	<b>\$ 1,572,231</b>	<b>\$ 1,832,252</b>	<b>\$ 3,294,394</b>	<b>\$ 5,441,326</b>	<b>\$ 42,430</b>	<b>\$ 12,182,633</b>

**Supplementary Information**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2023**

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
<b>ASSETS:</b>										
Cash and Investments - Unrestricted	\$ 5,700	\$ 137,272	\$ 142,471	\$ 156,071	\$ 138,937	\$ 161,419	\$ 269,961	\$ 3,317	\$ 28,726	\$ 1,043,874
Due from Governmental Units	-	-	-	-	-	-	-	-	159	159
<b>TOTAL ASSETS</b>	<u>\$ 5,700</u>	<u>\$ 137,272</u>	<u>\$ 142,471</u>	<u>\$ 156,071</u>	<u>\$ 138,937</u>	<u>\$ 161,419</u>	<u>\$ 269,961</u>	<u>\$ 3,317</u>	<u>\$ 28,885</u>	<u>\$ 1,044,033</u>
<b>LIABILITIES:</b>										
Due to Governmental Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,317	\$ 848	\$ 4,165
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317</u>	<u>848</u>	<u>4,165</u>
<b>NET POSITION:</b>										
Unrestricted	5,700	137,272	142,471	156,071	138,937	161,419	269,961	-	28,037	1,039,868
<b>TOTAL NET POSITION</b>	<u>\$ 5,700</u>	<u>\$ 137,272</u>	<u>\$ 142,471</u>	<u>\$ 156,071</u>	<u>\$ 138,937</u>	<u>\$ 161,419</u>	<u>\$ 269,961</u>	<u>\$ -</u>	<u>\$ 28,037</u>	<u>\$ 1,039,868</u>

**Supplementary Information**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position - Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
<b>OPERATING REVENUES:</b>										
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 269,961	\$ -	\$ 256,263	\$ 526,224
Penalties and Interest Charges	3,285	-	-	-	-	-	-	-	3,653	6,938
<b>TOTAL OPERATING REVENUES</b>	<b>3,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269,961</b>	<b>-</b>	<b>259,916</b>	<b>533,162</b>
<b>OPERATING EXPENSES:</b>										
Other Supplies and Expenses	290	-	500	-	30	152,226	-	-	237,847	390,893
<b>TOTAL OPERATING EXPENSES</b>	<b>290</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>30</b>	<b>152,226</b>	<b>-</b>	<b>-</b>	<b>237,847</b>	<b>390,893</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,995</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(30)</b>	<b>(152,226)</b>	<b>269,961</b>	<b>-</b>	<b>22,069</b>	<b>142,269</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>2,995</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(30)</b>	<b>(152,226)</b>	<b>269,961</b>	<b>-</b>	<b>22,069</b>	<b>142,269</b>
Transfers Out		-	-	-	-	-	-	-	(35,000)	(35,000)
<b>CHANGES IN NET POSITION</b>	<b>2,995</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(30)</b>	<b>(152,226)</b>	<b>269,961</b>	<b>-</b>	<b>(12,931)</b>	<b>107,269</b>
NET POSITION BEGINNING OF YEAR	2,705	137,272	142,971	156,071	138,967	313,645	-	-	40,968	932,599
<b>NET POSITION END OF YEAR</b>	<b>\$ 5,700</b>	<b>\$ 137,272</b>	<b>\$ 142,471</b>	<b>\$ 156,071</b>	<b>\$ 138,937</b>	<b>\$ 161,419</b>	<b>\$ 269,961</b>	<b>\$ -</b>	<b>\$ 28,037</b>	<b>\$ 1,039,868</b>

**Supplementary Information  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2023**

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Receipts from Customers	\$ 3,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,961	\$ (883)	\$ 260,135	\$ 532,498
Payments to Suppliers	(290)	-	-	-	(30)	(152,226)	-	-	(236,999)	(389,545)
Net Cash Provided (Used) by Operating Activities	2,995	-	-	-	(30)	(152,226)	269,961	(883)	23,136	142,953
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>										
Operating Transfers Out	-	-	-	-	-	-	-	-	(35,000)	(35,000)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-	-	-	-	-	(35,000)	(35,000)
Net Increase (Decrease) in Cash and Investments	2,995	-	-	-	(30)	(152,226)	269,961	(883)	(11,864)	107,953
Balances - Beginning of the Year	2,705	137,272	142,471	156,071	138,967	313,645	-	4,200	40,590	935,921
Balances - End of the Year	\$ 5,700	\$ 137,272	\$ 142,471	\$ 156,071	\$ 138,937	\$ 161,419	\$ 269,961	\$ 3,317	\$ 28,726	\$ 1,043,874
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>										
Operating Income (Loss)	\$ 2,995	\$ -	\$ (500)	\$ -	\$ (30)	\$ (152,226)	\$ 269,961	\$ -	\$ 22,069	\$ 142,269
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Change in Assets and Liabilities:										
(Increase)Decrease in Assets:										
Due from Governmental Units	-	-	-	-	-	-	-	(883)	219	(664)
Prepaid Items	-	-	500	-	-	-	-	-	-	500
Increase(Decrease) in Liabilities:										
Accounts Payable	-	-	-	-	-	-	-	-	848	848
Net Cash Provided (Used) by Operating Activities	\$ 2,995	\$ -	\$ -	\$ -	\$ (30)	\$ (152,226)	\$ 269,961	\$ (883)	\$ 23,136	\$ 142,953

**Supplementary Information  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2023**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
<b>ASSETS:</b>				
Cash and Investments - Unrestricted	\$ -	\$ 53,652	\$ -	\$ 53,652
Due from Governmental Units	23,933	-	-	23,933
Inventory	-	-	2,562	2,562
Prepaid Expense	185,698	-	-	185,698
<b>TOTAL ASSETS</b>	<b>\$ 209,631</b>	<b>\$ 53,652</b>	<b>\$ 2,562</b>	<b>\$ 265,845</b>
<b>LIABILITIES:</b>				
Due to Other Funds	\$ 205,165	\$ -	\$ 2,562	\$ 207,727
Accounts Payable	838	-	-	838
<b>TOTAL LIABILITIES</b>	<b>206,003</b>	<b>-</b>	<b>2,562</b>	<b>208,565</b>
<b>NET POSITION:</b>				
Unrestricted	3,628	53,652	-	57,280
<b>TOTAL NET POSITION</b>	<b>3,628</b>	<b>53,652</b>	<b>-</b>	<b>57,280</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 209,631</b>	<b>\$ 53,652</b>	<b>\$ 2,562</b>	<b>\$ 265,845</b>



**Supplementary Information  
Combining Statement of Revenues, Expenses, and  
Changes in Net Position - Internal Service Funds  
For the Year Ended December 31, 2023**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 3,186,707	\$ 93,217	\$ 11,886	\$ 3,291,810
Total Operating Revenues	<u>3,186,707</u>	<u>93,217</u>	<u>11,886</u>	<u>3,291,810</u>
<b>OPERATING EXPENSES:</b>				
Premium Payments	3,190,570	83,226	-	3,273,796
Supplies	-	-	13,433	13,433
Total Operating Expenses	<u>3,190,570</u>	<u>83,226</u>	<u>13,433</u>	<u>3,287,229</u>
<b>OPERATING INCOME (LOSS)</b>	(3,863)	9,991	(1,547)	4,581
NET POSITION BEGINNING OF YEAR	<u>7,491</u>	<u>43,661</u>	<u>1,547</u>	<u>52,699</u>
<b>NET POSITION END OF YEAR</b>	<u>\$ 3,628</u>	<u>\$ 53,652</u>	<u>\$ -</u>	<u>\$ 57,280</u>

**Supplementary Information**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 3,179,279	\$ 93,217	\$ 11,886	\$ 3,284,382
Payments to Suppliers	(3,217,533)	(51,818)	(11,598)	(3,280,949)
Internal Activity - Receipts(Payments) with Other Funds	38,254	-	(288)	37,966
Net Cash Provided by Operating Activities	-	41,399	-	41,399
Net Increase (Decrease) in Cash and Investments	-	41,399	-	41,399
Balances - Beginning of the Year	-	12,253	-	12,253
Balances - End of the Year	\$ -	\$ 53,652	\$ -	\$ 53,652
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (3,863)	\$ 9,991	\$ (1,547)	\$ 4,581
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Assets:				
Accounts Receivable	(7,428)	-	-	(7,428)
Inventory	-	-	1,835	1,835
Prepaid Items	(6,870)	31,408	-	24,538
Increase (Decrease) in Liabilities:				
Accounts Payable	(20,093)	-	-	(20,093)
Due to Other Funds	38,254	-	(288)	37,966
Net Cash Provided by Operating Activities	\$ -	\$ 41,399	\$ -	\$ 41,399

**County of Chippewa, Michigan**

**Supplementary Information  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2023**

	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	Total Custodial Funds
<b>ASSETS:</b>						
Cash and Equivalents - Restricted	\$ 1,956,566	\$ 62,931	\$ 35,390	\$ 53,013	\$ 89,211	\$ 2,197,111
<b>TOTAL ASSETS</b>	<u>1,956,566</u>	<u>62,931</u>	<u>35,390</u>	<u>53,013</u>	<u>89,211</u>	<u>2,197,111</u>
<b>LIABILITIES:</b>						
Undistributed Tax Collections	1,238,452	-	35,390	-	-	1,273,842
Other Liabilities	2,072	-	-	-	-	2,072
Bond & Restitutions	508,162	62,931	-	-	-	571,093
Due to Inmates	-	-	-	-	89,211	89,211
Due to Governmental Units	207,880	-	-	53,013	-	260,893
<b>TOTAL LIABILITIES</b>	<u>1,956,566</u>	<u>62,931</u>	<u>35,390</u>	<u>53,013</u>	<u>89,211</u>	<u>2,197,111</u>
<b>NET POSITION:</b>						
Restricted for:						
Individuals, Organizations, and Other Governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Supplementary Information**  
**Combining Statement of Changes of Custodial Funds**  
**Cash Position**  
**For the Year Ended December 31, 2023**

	Custodial Funds					Total
	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	
<b>ADDITIONS:</b>						
Contributions						
Taxes Collected for Other Governments	\$ 2,663,815	\$ -	\$ 75,161,134	\$ -	\$ -	\$ 77,824,949
Fees and Fines Collected on behalf of						
Other Governments	1,921,552	-	-	127,687	-	2,049,239
Fees and Fines Collected on behalf of Other Agencies	40,521	467,759	-	-	-	508,280
Bonds, Restitutions, and Payables to Others	511,523	-	-	-	-	511,523
Collections from or On Behalf of Inmates	-	-	-	-	97,734	97,734
<b>TOTAL ADDITIONS</b>	<b>5,137,411</b>	<b>467,759</b>	<b>75,161,134</b>	<b>127,687</b>	<b>97,734</b>	<b>80,991,725</b>
<b>DEDUCTIONS:</b>						
Payment of Taxes to Other Governments	2,663,815	-	75,161,134	-	-	77,824,949
Fees and Fines Remitted to Other Units of Government	1,921,552	-	-	127,687	-	2,049,239
Fees and Fines Remitted to Other Agencies	40,521	467,759	-	-	-	508,280
Payments on Behalf of Inmates	-	-	-	-	97,734	97,734
Bonds, Restitutions, and Payables to Others	511,523	-	-	-	-	511,523
<b>TOTAL DEDUCTIONS</b>	<b>5,137,411</b>	<b>467,759</b>	<b>75,161,134</b>	<b>127,687</b>	<b>97,734</b>	<b>80,991,725</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **Reports on Compliance**

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**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**KINROSS OFFICE**

KENNETH A. TALSMA, CPA, PRINCIPAL  
AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

MEMBER AICPA DIVISION FOR  
CPA FIRMS

MEMBER MACPA  
OFFICES IN MICHIGAN

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

Members of the Board  
County of Chippewa, Michigan  
Sault Ste. Marie, MI 49783

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Chippewa, Michigan as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County of Chippewa's basic financial statements and have issued our report thereon dated June 6, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

Members of the Board  
County of Chippewa, Michigan

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



**Anderson, Tackman & Company, PLC**  
**Certified Public Accountants**  
**Kincheloe, Michigan**

June 6, 2024



**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**KINROSS OFFICE**

KENNETH A. TALSMA, CPA, PRINCIPAL  
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MEMBER AICPA DIVISION FOR  
CPA FIRMS

MEMBER MACPA  
OFFICES IN MICHIGAN

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

Members of the Board  
County of Chippewa, Michigan  
Sault Ste. Marie, MI 49783

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the County of Chippewa, Michigan's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Chippewa, Michigan's major federal programs for the year ended December 31, 2023. The County of Chippewa, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Chippewa, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Chippewa, Michigan and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Chippewa, Michigan's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Chippewa, Michigan's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Chippewa, Michigan's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Chippewa, Michigan's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County of Chippewa, Michigan's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Chippewa, Michigan's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Chippewa, Michigan's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

To the Board of Commissioners  
County of Chippewa, Michigan

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



**Anderson, Tackman and Company, PLC**  
**Certified Public Accountants**  
**Kincheloe, Michigan**

June 6, 2024

# County of Chippewa, Michigan

## Supplementary Information Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	COVID-19 Related	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Agriculture</b>						
* Women, Infant and Children - Resident Services	N	10.557	MDHHS	E20230512	\$ -	\$ 209,984
* Women, Infant and Children - Breastfeeding	N	10.557	MDHHS	E20230728	-	26,434
Program Subtotal					-	236,418
<b>Forest Service Schools and Roads Cluster</b>						
Schools and Roads Grants to States - Title III	N	10.665	MDNR	NA	-	24,423
Schools and Roads Grants to States - Title I	N	10.665	MDNR	N/A	279,124	279,124
Program & Cluster Subtotal					279,124	303,547
<b>Total U.S. Department of Agriculture</b>					<b>279,124</b>	<b>539,965</b>
<b>U.S. Department of Commerce</b>						
Building Construction	N	11.300	Direct	06-01-06245	-	<b>192,228</b>
<b>U.S. Department of Housing &amp; Urban Development</b>						
Community Development Block Grant	N	14.228	MEDC	NA	-	<b>10,552</b>
<b>U.S. Department of Interior</b>						
Federal Forest PILT	N	15.226	Direct	NA	-	<b>348,255</b>
<b>U.S. Department of Justice</b>						
Coronavirus Emergency Supplemental Funding Program	Y	16.034	MSP	CESF-2022-0122	-	1,732
Edward Byrne Memorial Justice Assistance Grant	N	16.738	MCS	28933	-	23,220
<b>Total U.S. Department of Justice</b>					-	<b>24,952</b>
<b>U.S. Department of Transportation</b>						
<b>Highway Planning and Construction Cluster</b>						
Federal Transit Capital Grants						
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 209545/209546	-	138,515
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 211733NI	-	190,272
Capital Grant - Section 70	N	20.205	MDOT	2022-0049 214672NI	-	553,471
Subtotal Highway Planning and Construction Cluster					-	882,258
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 130398/130402	-	27,479
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 212054NI	-	171,501
Capital Grant - Section 5311	N	20.509	MDOT	2022-049 216549NI	-	4,351,298
Capital Grant - Section 5311	N	20.509	MDOT	2022-0049 206194NI/206196NI	-	42,000
Operating Assistance - Section 5311 CARES	Y	20.509	MDOT	2022-0049 217449NI P12	-	673,601
Operating Assistance - Section 5311 CARES	Y	20.509	MDOT	2022-0049 217423NI P11	-	204,882
Rural Transit Assistance Program (RTAP)	N	20.509	MDOT	N/A	-	4,382
Program Subtotal					-	5,475,143
Buses and Bus Facilities Formula,Competitive,and Low or Emmissions	N	20.526	MDOT	2017-0047 212968NI	-	53,808
Buses and Bus Facilities Formula,Competitive,and Low or Emmissions	N	20.526	MDOT	2022-0049 216707NI	-	1,033,652
Program Subtotal					-	1,087,460
Airport Improvement Programs						
Rehab Runway	N	20.106	MDOT	3-26-0139-5123	-	383,075
CA Seal Terminal Apron	Y	20.106	MDOT	3-26-0139-5224	-	6,798
Reconstruct Terminal Building ( See Note F)	N	20.106	MDOT	3-26-0139-046-2021	-	157,144
Access Radio Rehab	N	20.106	MDOT	3-26-0139-5324	-	4,000
Rehab Taxiway,Rehab Runway, Aircraft Rescue ( See Note F)	N	20.106	MDOT	3-26-0139-048-2022	-	7,276
Program Subtotal					-	558,293
<b>Highway Safety Cluster</b>						
Office of Highway Safety Planning	N	20.600	MSP	PT-23-23	-	32,985
<b>Total U.S. Department of Transportation</b>					-	<b>8,036,139</b>
<b>U.S. Department of Treasury</b>						
Local Assistance and Tribal Consistency	Y	21.032	Direct	NA	-	<b>916,386</b>
<b>U.S. Environmental Protection Agency</b>						
<b>Drinking Water State Revolving Fund Cluster</b>						
Type II Public Drinking Water-Operator Assistance	N	66.468	MEGLE	23*1539	-	938
Type II Public Drinking Water -Supply Supervision	N	66.468	MEGLE	23*1539	-	150
Program Subtotal					-	1,088
Great Lakes Beach Monitoring	N	66.472	MEGLE	2023-7207	-	7,993
<b>Total U.S. Environmental Protection Agency</b>					-	<b>9,081</b>

See accompanying notes to the schedule of expenditures of federal awards.

# County of Chippewa, Michigan

## Supplementary Information Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	COVID-19 Related	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>						
* Public Health Emergency Preparedness	N	93.069	MDHHS	E20230799	-	88,441
* Public Health Emergency Preparedness	N	93.069	MDHHS	E20220808	-	24,274
Program Subtotal					-	112,715
Family Planning	N	93.217	MDHHS	E20233492	-	66,126
Immunization - Vaccines (noncash)	N	93.268	MDHHS	NA	-	98,089
Immunization - COVID	Y	93.268	MDHHS	E20233749	-	45,647
CSHCS Vaccine Initiative	N	93.268	MDHHS	E20232049	-	522
Immunization - Fixed Fee	N	93.268	MDHHS	E20230616	-	3,050
Immunization - IAP	N	93.268	MDHHS	E20231022	-	20,519
Program Subtotal					-	167,827
ELC Contact Tracing Testing, Investigation, Testing Coordination, Monitoring and W	Y	93.323	MDHHS	E20232826	-	39,878
Reopening Schools HRA	Y	93.323	MDHHS	E20232616	-	90,185
Program Subtotal					-	130,063
COVID Workforce Development	Y	93.354	MDHHS	E20232825		44,115
CDC COVID Health Disparities	Y	93.391	MDHHS	6	-	116,186
Child Support Enforcement	N	93.563	MDHHS	CSCOM-17-17003	-	249,780
Child Support Enforcement - Federal Incentive	N	93.563	MDHHS	CSCOM-17-17003	-	47,485
Child Support Enforcement	N	93.563	MDHHS	CSCOM-24-17003	-	90,806
Child Support Enforcement - Federal Incentive	N	93.563	MDHHS	CSCOM-24-17003	-	14,465
Program Subtotal					-	402,536
IV-E Foster Care Program - FY 2022	N	93.658	MDHHS	E20234540	-	12,759
IV-E Foster Care Program - FY 2023	N	93.658	MDHHS	E20244694	-	5,091
Program Subtotal					-	17,850
<b>Medicaid Cluster</b>						
CSHCS Outreach & Advocacy	N	93.778	MDHHS	E20232472	-	14,462
CSHCS Medicaid Outreach	N	93.778	MDHHS	E20232473	-	175
CSHCS Medicaid Elevated Blood Lead Case Mgmt	N	93.778	MDHHS	E20232663	-	130
Medicaid Outreach	N	93.778	MDHHS	E20230186	-	9,382
CSHCS Care Coordination	N	93.778	MDHHS	E20232474	-	1,013
Subtotal Medicaid Cluster					-	25,162
Opioid Response	N	93.788	NCN	NA	-	60,000
Harm Reduction Supportive Services	N	93.788	MDHHS	E20230371	-	16,249
Program Subtotal					-	76,249
BCCCP Planning	N	93.898	MDHHS	E20230367	-	4,910
Substance Abuse Prevention COVID Supplemental	N	93.959	NCN	NA	-	53,838
LHD Sharing Support	N	93.991	MDHHS	E20235456	-	36,243
MCH-All Other	N	93.994	MDHHS	E20230676	-	22,435
Family Planning Services	N	93.994	MDHHS	E20233492	-	5,186
Program Subtotal					-	27,621
<b>Total U.S. Department of Health and Human Services</b>					-	<b>1,281,441</b>
<b>U.S. Department of Homeland Security</b>						
Emergency Management Performance Grant ARPA	Y	97.042	MSP	EMC-2023-EP-00001		5,980
Emergency Management Performance Grant	N	97.042	MSP	EMC-2023-EP-00001	-	14,083
Program Subtotal					-	20,063
Operation Stonegarden Grant-2020	N	97.067	97.042	EMW-2020-SS-00021	-	139,044
Operation Stonegarden Grant-2021	N	97.067	MSP	EMW-2021-SS-00011	-	942
Operation Stonegarden Grant-2022	N	97.067	MSP	EMW-2022-SS-00031	-	54,848
Program Subtotal					-	194,834
Homeland Security Grant - 2020	N	97.067	DC	N/A	-	6,201
Homeland Security Grant - 2021	N	97.067	DC	N/A	-	4,262
Program Subtotal					-	10,463
<b>Total U.S. Department of Homeland Security</b>					-	<b>225,360</b>
<b>Total Expenditures of Federal Awards</b>					<b>\$ 279,124</b>	<b>\$ 11,584,359</b>

See accompanying notes to the schedule of expenditures of federal awards.

**NOTE A - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Chippewa, Michigan under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Chippewa, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Chippewa, Michigan.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C - COGNIZANT AGENCY:**

The County has not been assigned a cognizant agency. Therefore, the County is under the general oversight of the U.S. Department of Treasury which provided the greatest amount of direct federal funding to the County during 2023.

**NOTE D - INDIRECT COST:**

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10% de minimus cost rate as permitted by CFR Section 200.414 of the Uniform Guidance.

**NOTE E - MDOT ADMINISTRATION:**

The Michigan Department of Transportation (MDOT) requires that road commissions report all Federal and State grants pertaining to their county. During the year ended December 31, 2023, the Federal aid received and expended by the Road Commission was \$1,139,314 for contracted projects. Contracted projects are defined as projects performed by private contractors paid for and administrated by MDOT (they are included in MDOT's single audit). The Federal aid received and expended by the Road Commission was \$0 for negotiated projects. Negotiated projects are projects where the road commission administers the grant and either performs the work or contracts it out. The Road Commission would be subject to single audit requirements if they expended \$750,000. The Road Commissions single audit is completed and reported as part of the audit of Chippewa County, Michigan.

During fiscal 2023, the Economic Development Corporation received significant funding in the form of federal and state awards. The U.S. Department of Transportation awarded grants in the amount of \$686,776 for airport improvements and operations. Some grants are administered by the Michigan Department of Transportation. A direct award was also received from the U.S. Department of Commerce in the amount of \$192,228. The grants are reported in the Single Audit Section of the County of Chippewa, Michigan compliance reports.

**NOTE G - RECONCILIATION TO THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE:**

The following is a reconciliation of the amounts reported on the basic financial statements to the Schedule of Expenditures of Federal Awards:

Total Federal Sources per Financial Statements	
Primary Government	\$ 3,109,854
Federal Grants of Component Units	8,195,382
Federal Grants in Trust & Agency	<u>279,123</u>
 Total Federal Revenue Recognized per Schedule of Expenditures of Federal Awards	 \$ <u>11,584,359</u>

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
· Material weaknesses identified?	No
· Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
· Material weaknesses identified?	No
· Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 (CFR) part 200, Uniform Guidance?	No

**Identification of Major Programs**

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.509	Capital Grants Section 5311
20.526	Busses and Bus Facilities Formula Program
21.032	Local Assistance and Tribal Consistency
Dollar threshold used to distinguish between types A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

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NONE.

**Section III – Federal Award Findings and Questioned Costs**

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NONE.



**Section III – Federal Award Findings and Questioned Costs**

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**NONE.**

## **Other Information**

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**CHIPPEWA COUNTY, MICHIGAN**

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**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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CPA FIRMS

MEMBER MACPA  
OFFICES IN MICHIGAN

**INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

Members of the Board  
County of Chippewa, Michigan  
Sault Ste. Marie, MI 49783

Our report on our audit of the basic financial statements of County of Chippewa, Michigan, as of and for the year ended December 31, 2023, appears on page 1. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The other information listed on the following pages regarding the municipal securities disclosure requirements of the Securities Exchange Commission (SEC) Rule 15c2-12 is presented for purposes of additional analysis and is not a required part of the basic financial statements, and accordingly, we express no opinion on it.

*Anderson Tackman & Co. PLC*

**Anderson, Tackman & Company, PLC**  
Certified Public Accountants  
Kincheloe, Michigan

June 6, 2024

**NOTE 1 - DEBT ISSUES APPLICABLE TO SEC RULE 15c2-12 DISCLOSURES REQUIREMENTS:**

Debt issues of \$1,000,000 or more sold on or after July 3, 1995 are applicable to SEC rule 15c2-12 disclosure requirements. As of December 31, 2023, the County has the following debt issues which apply to SEC Rule 15c2-12.

1. \$7,040,000 County of Sault Ste. Marie Water Supply and Sewage Disposal System Limited Tax General Obligation Bonds, Series 2013.

**NOTE 2 - TABLES:**

The following tables are included in the debt issues and are required to be updated annually to comply with the Municipal Securities disclosure requirements of the SEC Rule 15c2-12.

**A. Population:**

1970 U.S. Census.....	32,412	2000 U.S. Census .....	38,543
1980 U.S. Census.....	29,029	2010 U.S. Census .....	38,520
1990 U.S. Census.....	34,604	2020 U.S. Census .....	36,785

Source: U.S. Department of Commerce - Bureau of Census and County of Chippewa

**B. Taxable Value (Ad Valorem) by Use and Class:**

Use	2023		2022	
	Amount	Percent of Total	Amount	Percent of Total
Agricultural	\$ 37,871,028	2.85%	\$ 35,409,382	2.81%
Commercial (R&P)	174,339,948	13.14%	169,052,663	13.43%
Industrial (R&P)	28,781,900	2.17%	29,566,541	2.35%
Residential	1,032,538,334	77.84%	971,270,770	77.17%
Utility	53,026,200	4.00%	53,307,800	4.24%
Total	<u>\$ 1,326,557,410</u>	<u>100.00%</u>	<u>\$ 1,258,607,156</u>	<u>100.00%</u>

**NOTE 2 – TABLES: (Continued)**

**B. Taxable Value (Ad Valorem) by Use and Class: (Continued)**

Class	2023		2022	
	Amount	Percent of Total	Amount	Percent of Total
Real Property	\$ 1,250,681,410	94.28%	\$ 1,178,366,456	93.62%
Personal Property	75,876,000	5.72%	80,238,200	6.38%
Total	<u>\$ 1,326,557,410</u>	<u>100.00%</u>	<u>\$ 1,258,604,656</u>	<u>100.00%</u>

Source: County of Chippewa

**C. Taxable Value:**

Assessed Value as of December 31	Year of State Equalization and Tax Levy	County's Fiscal Year Ended or Ending December 31	Ad Valorem Taxable Value	Taxable Value of Property Granted Tax Abatement Under Acts 198 and 255	Total Taxable Value	Percent Increase/ (Decrease) Over Prior Year
2011	2012	2013	\$ 1,090,343,959	\$ 430,500	\$1,090,774,459	.24%
2012	2013	2014	1,086,611,568	1,249,100	1,087,860,668	(.27)%
2013	2014	2015	1,094,634,260	1,287,800	1,095,922,060	.74%
2014	2015	2016	1,102,156,530	1,116,800	1,103,273,360	.67%
2015	2016	2017	1,114,409,296	1,095,900	1,115,505,196	1.11%
2016	2017	2018	1,140,660,977	880,700	1,141,541,677	2.33%
2017	2018	2019	1,152,057,665	527,900	1,152,585,565	.96%
2018	2019	2020	1,179,042,140	363,606	1,179,405,746	2.32%
2019	2020	2021	1,204,975,422	375,604	1,205,351,026	2.20%
2020	2021	2022	1,258,607,156	394,384	1,259,001,540	4.45%
2021	2022	2023	1,326,557,410	394,384	1,326,951,794	5.40%

Per Capita Total taxable value for the fiscal year ending December 31, 2023, \$36,073.

Source: County of Chippewa

**NOTE 2 - TABLES: (Continued)**

**D. SEV by Use and Class:**

Use	Fiscal Year Ended or Ending December 31							
	2020	%	2021	%	2022	%	2023	%
Agriculture	\$ 47,680,200	3%	\$ 48,155,000	3%	\$ 132,193,894	8%	\$ 55,074,000	3%
Commercial	211,985,000	15%	222,243,450	15%	226,054,000	14%	228,777,100	14%
Industrial	29,660,400	2%	34,017,300	3%	34,543,200	2%	34,569,000	2%
Residential	1,083,043,940	76%	1,125,008,450	76%	1,193,362,086	73%	1,314,421,535	78%
Utility	51,448,600	4%	52,193,700	3%	53,305,300	3%	53,026,200	3%
<b>Total</b>	<b>\$ 1,423,818,140</b>	<b>100%</b>	<b>\$ 1,481,617,900</b>	<b>100%</b>	<b>\$ 1,639,458,480</b>	<b>100%</b>	<b>\$ 1,685,867,835</b>	<b>100%</b>
<b>Class</b>								
Real Property	\$ 1,346,020,340	95%	\$ 1,401,396,300	95%	\$ 1,559,524,280	95%	\$ 1,609,994,035	95%
Personal Property	77,797,800	5%	80,221,600	5%	79,934,200	5%	75,873,800	5%
<b>Total</b>	<b>\$ 1,423,818,140</b>	<b>100%</b>	<b>\$ 1,481,617,900</b>	<b>100%</b>	<b>\$ 1,639,458,480</b>	<b>100%</b>	<b>\$ 1,685,867,835</b>	<b>100%</b>

Source: County of Chippewa

**E. Maximum Tax Rates:**

Millage Classification	Millage Authorized	Millage Reduction Fraction (1)	Maximum Allowable Millage
Allocated (1)	6.1500	1.0000	6.1143
Senior Programs (2)	0.7500	1.0000	0.7456
Animal Shelter (2)	0.1000	1.0000	0.0994
Roads (3)	0.9879	1.0000	0.9821
Fire/Ambulance (3)	0.4275	1.0000	0.4275
Recycling (3)	0.5000	1.0000	0.5000

(1) Cumulative.

(2) Voted. Expiration Date of Millage Authorized 2024.

(3) Voted. Expiration Date of Millage Authorized 2026.

Source: County of Chippewa

**NOTE 2 - TABLES: (Continued)**

**F. Revenues from the State of Michigan**

<u>Fiscal Year Ended/Ending</u>	<u>Revenue Sharing Payments</u>
December 31, 2019	\$735,454
December 31, 2020	\$574,850
December 31, 2021	\$754,994
December 31, 2022	\$779,221
December 31, 2023	\$818,687

Source: County of Chippewa

**G. Property Tax Rates:**

Levy 1-Dec	Fiscal Years Ended or Ending 31-Dec	Allocated	Fire/ Ambulance	Road Improvements	Recycling	Jail	Senior Program	Animal Shelter	Total
			(1)	(1)	(1)	(1)	(1)	(1)	
2017	2018	6.1500	0.4275	0.9879	0.5000	0.7078	0.4994	0.1000	9.3726
2018	2019	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2019	2020	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2020	2021	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2021	2022	6.1500	0.4275	0.9879	0.5000	Expired	0.7500	0.1000	8.9154
2022	2023	6.1500	0.4275	0.9821	0.5000	Expired	0.7456	0.1000	8.9052
2023	2024	6.1500	0.4275	0.9821	0.5000	Expired	0.7456	0.0994	8.9046

(1) Voted.

Source: County of Chippewa

**H. Highest and Lowest Tax Rates:**

The highest and lowest tax rates for properties allowed special exemption status and all other taxable properties within the County for its fiscal year ending December 31, 2023:

Property Classification	Highest Tax Rate		Lowest Tax Rate	
	Municipality	Tax Rate	Municipality	Tax Rate
Special Exemption*	Sault Ste. Marie	44.7322 mills	Bay Mills	40,2419 mills
Other	Sault Ste. Marie	62.2955 mills	Bay Mills	22.2419 mills

(\*) Special Exemption means a dwelling or unit in a multiple-unit dwelling subject to ad valorem property taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit, includes all unoccupied property classified as agricultural adjacent and contiguous to the home of the owner that is not leased or rented by the owner to another person if the gross receipts of the agricultural or horticultural operations, if any, exceed the household income of the owner. If the gross receipts of the agricultural or horticultural operations do not exceed the household income of the owner, the property includes only 5 acres adjacent and contiguous to the home of the owner. Special exemption includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

Source: County of Chippewa



**NOTE 2 - TABLES: (Continued)**

**I. Property Tax Collections:**

July/Dec. 1 Levy	Fiscal Years Ended or Ending December 31	County Tax Levy (1)	Collections to March 1 Following Levy	Percent Collected to March 1 Following Levy
2016	2017	\$ 9,814,287	\$ 9,110,481	92.82%
2017	2018	9,958,351	9,295,768	93.34%
2018	2019	9,513,458	8,881,752	93.36%
2019	2020	9,606,555	9,137,606	95.12%
2020	2021	9,748,866	9,176,827	94.13%
2021	2022	10,346,489	9,723,079	93.97%
2022	2023	10,737,178	10,070,221	93.79%

(1) Reflects County levy only. All tax levies reflect adjustments for State Tax Tribunal consent judgments, Board of Review decisions, real estate taxes canceled through foreclosure sales and personal property taxes canceled by circuit court.

Source: County of Chippewa

**J. Top 10 Largest Taxpayers:**

Taxpayer	Principal Product or Service	December 31, 2023	
		Taxable Value (1)	Percent of of Total (2)
State of Michigan	Government	\$ 21,459,056	16.2%
Cloverland Electric Cooperative	Utility	24,777,942	18.7%
American Transmission	Utility	20,919,616	15.8%
Cloverland Electric Cooperative	Utility	12,452,430	9.4%
Cascade X LLC	Retail	6,338,265	4.8%
DTE Gas Company	Utility	9,180,124	6.9%
Continental Teves Inc	Auto Testing Service	4,399,200	3.3%
Pointe West I LP	Apartment Rental	4,396,117	3.9%
Precision Edge Surgical Products	Manufacturer	4,321,512	3.3%
Good Will Company, Inc	Retail	4,099,634	3.1%

(1) Includes Equivalent Taxable Value of properties granted tax abatement under Act 198.

(2) Based on \$1,326,557,410 which is the County's Total Taxable Value for the fiscal year ending December 31, 2023. Includes the Equivalent Taxable Value of property granted tax abatement under Act 198.

Source: County of Chippewa

**NOTE 2 - TABLES: (Continued)**

**K. Legal Debt Margin:**

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the County may legally incur:

Debt Limit (1)	\$ 168,586,784
Debt Outstanding (2)	<u>(3,335,000)</u>
Legal Debt Margin	<u>\$ 165,251,784</u>

- (1) 10% of \$1,685,867,835 which is the County's Total SEV for its fiscal year ending December 31, 2023. Includes the SEV of property granted tax abatement under Act 198.
- (2) Includes the Bonds described herein.

Source: County of Chippewa and Municipal Advisory Council of Michigan

**L. Debt Schedule:**

The following table reflects a summary of the County's direct and underlying debt as of December 31, 2023:

<u>County Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Water and Sewer Bonds: Dated December 13, 2013	<u>3,335,000</u>	<u>3,335,000</u>	<u>-</u>
Total	<u>\$ 3,335,000</u>	<u>\$ 3,335,000</u>	<u>\$ -</u>
Per Capita Net County Direct Debt			\$ 0
Percent of Net Direct Debt to Total SEV			0%

**NOTE 2 - TABLES: (Continued)**

**L. Debt Schedule: (Continued)**

<u>Underlying Debt of County (5)</u>	<u>Total</u>
City	\$ 8,190,000
Townships	734,434
School Districts	<u>30,427,363</u>
 Total Underlying Debt	 <u>\$ 39,351,797</u>
 Per Capita Underlying Debt (3)	 \$ 1069.78
Percent of Underlying Debt to Total SEV (4)	2.33%
 Total Direct and Underlying Debt	 <u>\$ 42,686,797</u>
Per Capita Net Direct and Underlying Debt (3)	\$ 1160.44
Percent of Net Direct and Underlying Debt to Total SEV (4)	2.53%

- (1) The Bonds described herein.
- (2) Secured by the City of Sault Ste. Marie’s full faith and credit and limited taxing power.
- (3) Based on the County’s 2020 census of 36,785
- (4) Based on \$1,685,867,835 which is the County’s Total SEV for its fiscal year ending December 31, 2023. Includes the SEV of property granted tax abatement under Act 198.
- (5) Underlying Debt is the debt of the municipal entities located in the County.

Source: County of Chippewa and the Municipal Advisory Council of Michigan.

**M. Debt History:**

There is no record of default on obligations of the County.

**N. Installment Purchase Obligations:**

See Notes to Financial Statements.

**NOTE 2 - TABLES: (Continued)**

**O. Short Term Borrowings:**

The County in the years 1983 through 2000, inclusive, issued Delinquent Tax Notes to fund, in part, its Delinquent Tax Payment Fund. The primary security for the Delinquent Tax Notes was the payment of the Delinquent Real Property Taxes. In addition, the County pledged its full faith and credit and limited taxing power to the payment of principal of and interest on the Delinquent Tax Notes. The County may or may not issue notes to fund the Delinquent Tax Payment Fund in future years. The amounts issued in 1995 through 2000, inclusive, are as follows:

<u>Year Issued</u>	<u>Notes Issued</u>	<u>Amount Outstanding</u>
1995	\$ 500,000	\$ -
1996	500,000	-
1997	500,000	-
1998	700,000	-
1999	1,250,000	-
2000	800,000	-

The County does not issue short-term obligations for cash flow purposes.

Source: County of Chippewa

**P. Future Financing:**

Not Anticipated.

**Q. Vacation and Sick Leave:**

Employees earn varying amounts of annual vacation and sick leave based on number of years of service up to a maximum and on the various labor union contract terms and administration policies of the different County operating units. Vacation is accumulated and taken annually. Sick leave can accumulate up to 168 hours. In addition, each year sheriff employees are given 96 days of sick time for jail employees and 64 days sick time for road patrol employees with 100 percent vesting after three years of service for the Sheriff's department only. At December 31, 2022, the accumulated unpaid compensated absences amounted to \$449,246.

**NOTE 2 - TABLES: (Continued)**

**R. Pension:**

All full-time employees of the County are participants in a defined benefit plan administered by the Michigan Municipal Employees Retirement System. The County's contribution to the plan, expressed as a percentage of active member payroll, covers current service costs, unrealized investment income on unfunded accrued liabilities (prior service costs) and the amortization of unfunded accrued liabilities over a 22-year period. Employees of the County contribute 2% of their gross wages. Actuarial assumption is subject to periodic change.

<u>December 31 Valuation Date</u>	<u>Net Position Available for Benefits</u>	<u>Actuarial Accrued Liability</u>	<u>Assets as a Percent of Actuarial Accrued Liability</u>
2013	\$ 30,490,775	\$ 39,646,045	77%
2014	31,376,994	41,555,130	76%
2015	31,967,265	45,128,410	71%
2016	32,491,180	46,797,040	69%
2017	32,623,560	46,270,543	71%
2018	32,186,798	47,466,307	68%
2019	32,768,660	50,559,247	65%
2020	33,957,295	55,245,199	61%
2021	38,920,343	57,978,045	67%
2022	39,753,023	58,777,374	68%

Source: County of Chippewa

**S. Other Post-Employment Benefits:**

Within this Annual Financial Report, available in the Notes to the Financial Statements, this information can be found at Note 9 – Other Post-Employment Benefits.

Source: Chippewa County

**T. Labor Contracts:**

The County has 158 full and part-time employees. Approximately 48% of the County's permanent employees are represented by labor organizations. The following table illustrates the various labor organizations which represent County employees, the number of members and the expiration date of the present contracts.

<u>Employee Group</u>	<u>Membership</u>	<u>Current Expiration Date</u>
Technical, Professional and Office workers		
Association of Michigan	29	December 31, 2026
Michigan Fraternal Order of Police Labor Council	18	December 31, 2025
Non-Union Employees	80	Not applicable
Police Officers Association of Michigan	14	December 31, 2025
Michigan Fraternal Order of Police Labor Council:		
Dispatchers	<u>10</u>	December 31, 2025
Total Permanent County Employees	<u>151</u>	

Source: County of Chippewa

**U. Profile of Major Employers:**

The following table reflects the diversity of the major employers in the County by the products manufactured or services performed and the approximate number of employees.

<u>Company</u>	<u>Principal Product or Service</u>	<u>Approximate Number of Employees</u>
Sault Ste. Marie Tribe of Chippewa Indians	Tribal Enterprises and Governmental Operations	1,000
My Michigan Medical Center	Hospital	900
Bay Mills Indian Community	Tribal Enterprises and Governmental Operations	645
Lake Superior State University	Education	597
Walmart Supercenter	Retail and Grocery	300
Sault Ste. Marie Area Public Schools	Education	252
C.L.M. Community Action	Child Daycare Services / Senior Services	221
Chippewa County	Government	212
EUP Intermediate School District	Education	200
Bay Mills Community College	Education	176
Cloverland Electric Cooperative	Utilities	120

Source: Eastern Upper Peninsula Regional Planning

**NOTE 2 - TABLES: (Continued)**

**V. Employment:**

Reflected below are the unemployment statistics for the County for the calendar years 2017 through 2022:

County of Chippewa	2018	2019	2020	2021	2022	2023
Employed	15,168	15,082	14,400	14,754	14,988	15,393
Unemployed	<u>1,088</u>	<u>1,030</u>	<u>1,505</u>	<u>1,032</u>	<u>1,018</u>	<u>967</u>
Labor Force	<u><u>16,256</u></u>	<u><u>16,112</u></u>	<u><u>15,905</u></u>	<u><u>15,786</u></u>	<u><u>16,006</u></u>	<u><u>16,360</u></u>
Unemployed as % Of Labor Force (1)	6.7%	6.4%	9.5%	6.5%	6.4%	5.9%

(1) Totals and percentages may differ due to rounding by the Michigan Unemployment Agency.

Source: Michigan Department of Technology, Management & Budget Labor Market Information



**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**KINROSS OFFICE**

KENNETH A. TALSMA, CPA, PRINCIPAL  
AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

MEMBER AICPA DIVISION FOR  
CPA FIRMS

MEMBER MACPA  
OFFICES IN MICHIGAN

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

Members of the Board  
County of Chippewa  
Sault Ste. Marie, MI 49783

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Chippewa, Michigan for the year ended December 31, 2023, and have issued our report thereon dated June 6, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter to you dated May 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County of Chippewa, Michigan are described in Note 1 to the financial statements. One new accounting pronouncement was adopted regarding GASB statement number 96, and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions that have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation expense is based on estimated lives. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the vested employee benefits is based on current hourly rates and policies regarding payment of sick and vacation banks.



- The allowance for doubtful accounts is based on management's estimates of accounts which will not be collected in subsequent periods, historical write-off experience, and payment analysis.
- Management's estimate of the Annual Required Contribution for OPEB Obligations and pension benefits were based on various assumptions regarding life expectancies, inflation, premium increases, and investment rates.

The financial statement disclosures are neutral, consistent and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### ***Disagreement with Management***

For purposes of this letter a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated June 6, 2024.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Upcoming Accounting Standards**

#### ***GASB Statement No. 100, Accounting Changes and Error Corrections***

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.

This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

This Statement improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending December 31, 2024.

#### ***GASB Statement No. 101, Compensated Absences***

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement updates the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. This statement is effective for the year ending December 31, 2024.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and our knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining fund financial statements and schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this other information, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restrictions on Use**

This information is intended solely for the use of the Board of Commissioners, federal awarding agencies, pass-through entities, and management and is not intended to be, and should not be, used by anyone other than these specified parties.



**Anderson, Tackman & Company, PLC  
Certified Public Accountants  
Kincheloe, Michigan**

June 6, 2024