

Isabella County,  
Michigan



Year Ended  
September 30,  
2023

Annual  
Comprehensive  
Financial Report

Prepared by: County Administrator/Controller's Office

Nicole F. Frost, Administrator/Controller

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# ISABELLA COUNTY, MICHIGAN

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## **INTRODUCTORY SECTION**

# **ISABELLA COUNTY, MICHIGAN**

## **ELECTED AND APPOINTED OFFICERS**

**For the Year Ended September 30, 2023**

### **BOARD OF COMMISSIONERS**

Tobin Hope	Chairperson - District 7
Jerry Jaloszynski	Vice-Chairperson - District 3
Terry Hutchinson	Commissioner - District 1
Chris Embrey	Commissioner - District 2
Frank Engler	Commissioner - District 4
James Moreno	Commissioner - District 5
Steve Swaney	Commissioner - District 6

### **TRIAL COURT JUDGES**

Hon. Eric R. Janes, Chief Judge  
Hon. Sara Spencer-Noggle  
Hon. Mark Duthie  
Hon. Stuart Black

### **OTHER ELECTED OFFICIALS**

Minde B. Lux	County Clerk
Robert Willoughby	Drain Commissioner
Karen R. Jackson	Register of Deeds
Steven W. Pickens	County Treasurer
David Barberi	Prosecuting Attorney
Michael Main	County Sheriff

### **County Administrator/Controller**

Nicole F. Frost

### **Interim Deputy County Administrator/Controller**

Melissa Franquist





# ISABELLA COUNTY

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**Nicole F. Frost**  
Administrator/Controller  
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Mount Pleasant, MI 48858  
Office: (989) 317-4058  
Fax: (989) 773-7431  
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www.isabellacounty.org

March 15, 2024

Honorable Tobin D. Hope, Chairperson  
Members of the Isabella County Board of Commissioners  
County of Isabella  
200 North Main Street  
Mount Pleasant, Michigan 48858

Members of the Board:

The Annual Comprehensive Financial Report of the County of Isabella, Mount Pleasant, Michigan, for the year ended September 30, 2023, is submitted herewith. The financial statements included in this report have been audited by Rehmann Robson. The Annual Comprehensive Financial Report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable statutes of the State of Michigan and generally accepted accounting principles in the United States of America (GAAP) along with the Governmental Accounting Standards Board's (GASB) statements and interpretations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in such a manner so as to fairly set forth financial position and results of operations of the County as measured by the financial activity of its funds; and that all disclosures necessary to enable the statement reader to gain the maximum understanding of the County's affairs have been included.

It is believed that the Annual Comprehensive Financial Report substantially conforms to the high standards of financial reporting promulgated by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. This report will be submitted to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **THE REPORTING ENTITY AND ITS SERVICES:**

This report includes all funds of the County and its component units as defined in Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In accordance with the criteria of this statement (as amended by GASB No.39 & GASB No. 61) the Isabella County Building Authority, Isabella County Department of Health and Human Services, Isabella County Commission on Aging, and Isabella County Parks and Recreation Commission are blended into the County's Annual Comprehensive Financial Report. The Department of Health and Human Services is under the oversight of the Isabella County Department of Health and Human Services Board. These organizations, except for the Building Authority, are not legally separate. In addition, the County maintains a significant degree of financial accountability over the operations of these units. The Isabella County Building Authority is a legally separate organization. However, its operations are blended into the County fund structure because its sole purpose is to finance and construct the County's public buildings. Fiscal year 2020 was the last year the Building Authority was actively operational. All County debt under the Building Authority was paid off during FY2020 and the Authority was no longer active at year end.

In accordance with the above criteria the Isabella County Medical Care Facility, the Isabella County Road Commission, the Isabella County Transportation Commission, the Isabella County Board of Public Works, and the Isabella County Drainage Districts have been discretely presented as component units in the financial statements.

## **PROFILE OF THE GOVERNMENT:**

The management of Isabella County is overseen by a district-elected Board of Commissioners. This Board consists of seven members. Commissioners are elected for two-year terms and have the responsibility of making appropriations to all County functions and establishing policy for all County operations except the Trial Court. The Board of Commissioners appoints an Administrator/Controller who has the overall responsibility to oversee the administrative duties of the County except for Elected Officials' offices. Management of the Trial Court is overseen by the Chief Trial Court Judge who is also responsible for administrative oversight of the Court.

The County provides many services to the County residents including Sheriff's Office Road Patrol services in the unincorporated jurisdictions of the County, the constitutional offices of the County Clerk, Treasurer, Register of Deeds, Sheriff, and Prosecutor and the statutory office of the Drain Commissioner. In addition, the County supports many other programs such as services to older citizens through the Commission on Aging, cultural and recreational services provided by the Parks and Recreation Department, MSU Extension, and others.

## **FACTORS AFFECTING FINANCIAL CONDITION:**

### **Local Economy:**

Isabella County, located near the geographical center of Michigan's Lower Peninsula, has a strong economy and enjoys a rich human and technical resource base. The presence of Saginaw Chippewa Indian Tribe's Soaring Eagle Casino and Resort and Central Michigan University help to assure economic viability by providing a secure foundation for the area's economy.

The Mt. Pleasant Area Convention and Visitor's Bureau (CVB) is continuing its efforts to promote tourism throughout the entire County. Two of the State's major thoroughfares, US-127 and M-20, meet in Mt. Pleasant accounting for millions of vehicle passengers annually.

### **Recreation:**

Isabella County is home to multiple, vibrant and diverse recreational opportunities. The County has over 1,000 acres of park lands which include over 175 campsites, fishing, swimming, boating, hiking, playgrounds, cross country skiing and more. The Isabella County Parks and Recreation Department also offers Art From Our Park, Civil War enactments, nature walks, cross country skiing and snowshoeing workshops, disc golf tournaments and many more activities. Isabella County is a partner in the Pere Marquette Rail Trail, a 100-acre 8.25 mile barrier free non-motorized pathway.

The Saginaw Chippewa Indian Tribe Casino and Resort offers gaming, a 500-room luxury hotel, fully equipped conference center and a multitude of restaurants. The Soaring Eagle Casino and Resort also offers live entertainment and performances.

Central Michigan University is home to many recreational and entertainment activities such as sporting events, an art gallery, cultural activities, musical concerts and more.

From water parks, to golf courses, City, Village, Township and County parks, the beautiful Chippewa River, the University, the Tribe, vibrant downtowns, great walkability, movie theaters, restaurants and shopping; Isabella County offers many options for recreation to residents and visitors alike.

### **Commercial:**

The retail trade business continues to be a major contributor to the growth of the County. Positioned strategically near the north and south US-127 interchanges into Mt. Pleasant, Home Depot, Target, Wal-Mart, Sam's Club, Kohl's, Menards, and Meijer department stores contribute significantly to the volume of retail trade conducted within the confines of the County, employ County residents, and draw people into our community.

### **Financial Management:**

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County continues to monitor and update on a periodic basis all of the financial policies that have a material impact on the process surrounding the financial statement preparation and the underlying data used to prepare such statements. We have recently updated our capital assets, fund balance, procurement, credit card, and Federal grant management policies, all of which have some component of impact on the financial activities of the County. We continually look for improvements in all the areas that could have an impact on current and future financial statements and strive to keep those areas as up-to-date as possible.

**Budgeting Control:**

Isabella County maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the General, Special Revenue, Debt Service, and the Capital Projects funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity within these Funds.

Generally, the budget and approved appropriations lapse at the end of the fiscal year, unless specifically re-appropriated by Board action. Encumbrance accounting is not employed by the County, because it is at present considered not necessary to assure affective budgetary control or to facilitate effective cash planning and control.

**Single Audit:**

As a recipient of federal and state awards, the County is responsible for ensuring that adequate internal control is in place to achieve compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the County if the County expends \$750,000 or more in Federal expenditures in a fiscal year. For the year ended September 30, 2023 the County expended over \$750,000 in two separate major programs: Sheriff's Office and Correctional Facility and the American Rescue Plan Act funds, therefore a Federal compliance (Single) Audit was conducted.

**Risk Management:**

The County utilizes a high deductible health insurance plan through Blue Cross and Blue Shield of Michigan, (BCBSM) combined with a health reimbursement account (HRA) administered by the County using an independent third-party administrator (TPA). The County expects this model to reduce risk exposure for medical claims and reduce its overall cost of providing health insurance coverage for employees. The program, including prescription drugs, dental and vision services, is accounted for in the Insurance Fund (an internal service fund), and is set up as a "pool" of participating employees. Insurance premiums for coverage, medical bills that are paid from the HRA, and administrative charges to the TPA are paid from the Fund.

Revenue for Fund operations originates from the Payroll function. Employee premium cost-shares, and the contribution required by the County to fund the balance of premiums and HRA costs, are deposited into the Fund through the Payroll function. The premiums are determined based on the rate established by BCBSM and the TPA's estimate of annual deductibles that will be paid from the HRA. These rates vary depending on the coverage selected by the individual employee. The County sets caps on the amount of premiums it will pay for non-union employees and negotiates caps with its labor unions. Any premiums above the caps are paid by the employees through payroll deductions. For additional information concerning risk management, refer to Note 17 of the Notes to the Financial Statements.

**Employee Pension Plan:**

Isabella County participates in the Michigan Municipal Employees' Retirement System (MERS); an agent multiple employer state-wide, public employee defined benefit pension plan. Under this plan, the County is required to contribute at an actuarially determined rate. Effective in 2002, all new employees are in a defined contribution plan through MERS. Under this plan, the County contributes 7% and the employee contributes either 2% or 3% of their gross salary, based on their associated bargaining unit. For additional information concerning the employee retirement system, refer to Notes 13 and 14 of the Notes to the Financial Statements.

**OTHER INFORMATION:**

**Independent Audit:**

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The public accounting firm of Rehmann Robson was selected by the Isabella County Board of Commissioners to perform the County's annual audit. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of Government Auditing Standards. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**Awards:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Isabella County, Michigan for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements.

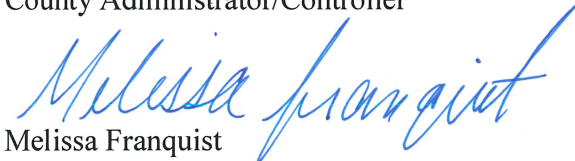
**Acknowledgements:**

I wish to thank the members of the Isabella County Board of Commissioners for your valuable input and support in planning and conducting the financial operations of the County in a thoughtful and deliberative manner. I also wish to thank the Elected Officials, appointed Department Heads, and staff whose commitment to excellence in public service is reflected in this report and in the operations of Isabella County.

Respectfully submitted,

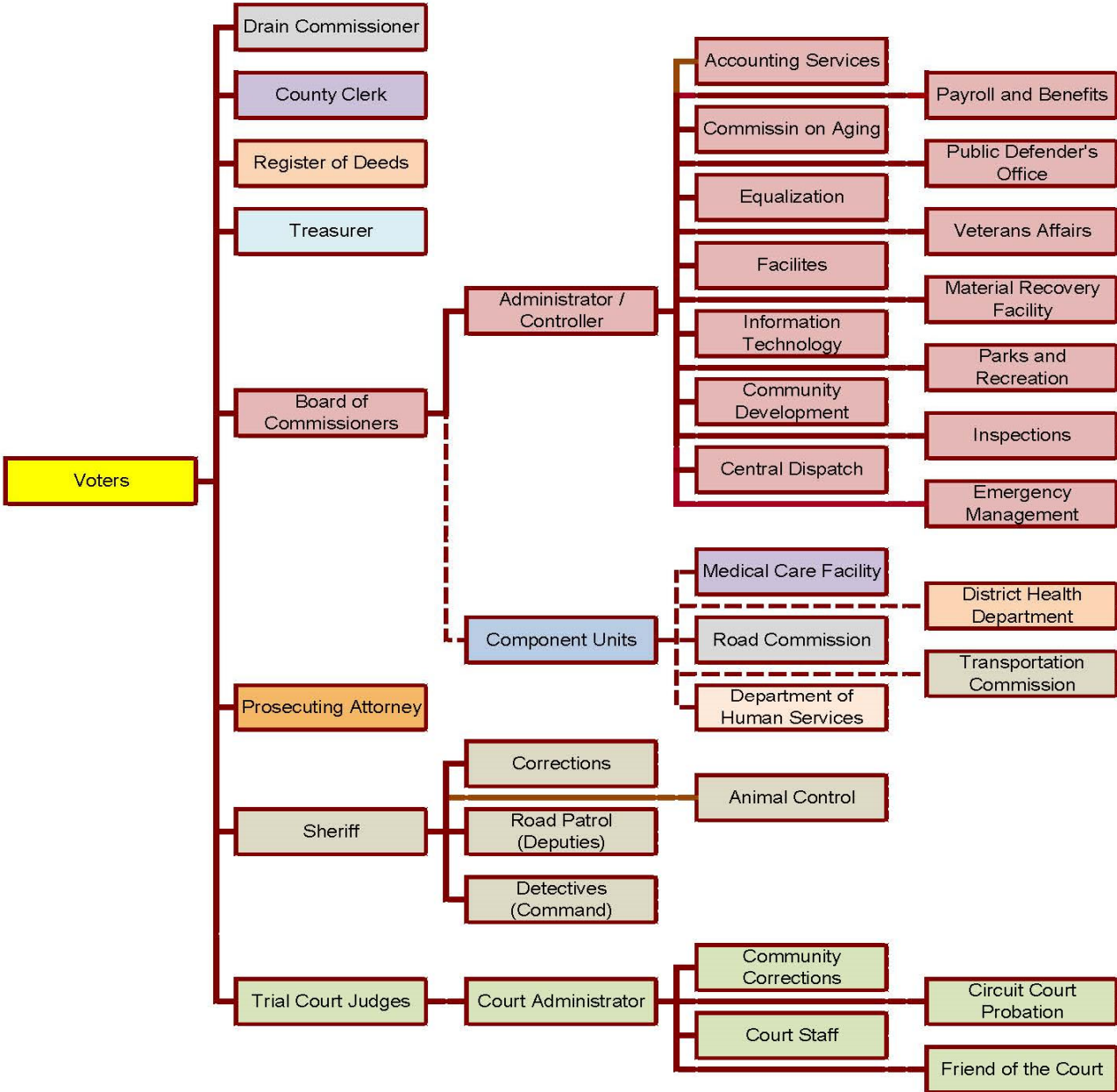


Nicole F. Frost  
County Administrator/Controller



Melissa Franquist  
Interim Deputy County Administrator/Controller

# ISABELLA COUNTY ORGANIZATIONAL FLOW CHART



**ISABELLA COUNTY, MICHIGAN**

**GFOA Certificate of Achievement**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Isabella County  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

March 15, 2024

Board of Commissioners  
Isabella County  
Mt. Pleasant, Michigan

**Report on the Audit of the Financial Statements**

***Opinions***

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 **Isabella County, Michigan** (the "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entities, which represent the indicated percentages of total aggregate discretely presented component units:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Isabella County Road Commission	62%	67%	43%
Isabella County Transportation Commission	5%	4%	19%
Isabella County Medical Care Facility	10%	9%	35%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors.



### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules 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 were derived from and relate 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 15, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Robson LLC". The signature is written in a cursive, flowing style.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

These financial statements are the responsibility of Isabella County's management. We offer readers this narrative overview and analysis for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

· Total net position	\$ 41,834,183
· Change in total net position	14,217,510
· Fund balances, governmental funds	28,768,937
· Change in fund balances, governmental funds	6,546,323
· Unassigned fund balance, general fund	6,224,877
· Change in fund balance, general fund	8,134,467
· Installment debt outstanding	15,976,575

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) or 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, judicial, public safety, public works, health and welfare, recreation and culture and community and economic development. The business-type activities of the County include delinquent tax collections, building inspections, recycling and concessions.

The government-wide financial statements include not only Isabella County (known as the *primary government*), but also legally separate *component units* for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.



## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

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

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

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

Information for each of the County's individual governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Commission on Aging special revenue fund, and Jail Construction capital projects fund which are considered to be the County's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparisons 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, material recovery facility, building inspections department, and delinquent tax operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self insurance activities. Because these services benefit governmental and business-type functions, they have been allocated between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the delinquent tax revolving, recycling, and PA 123 restricted tax funds, which are considered to be major enterprise funds of the County, as well as the aggregate of the nonmajor enterprise funds.

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

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

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the County's pension plan.

The *combining statements and schedules* referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the required supplementary information.

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Isabella County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,834,183 at the close of the most recent fiscal year. One of the largest portions of the County's net position (30 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 42,893,616	\$ 38,649,997	\$ 10,004,094	\$ 9,680,409	\$ 52,897,710	\$ 48,330,406
Capital assets, net	33,638,079	17,993,823	1,125,334	1,246,504	34,763,413	19,240,327
	<u>76,531,695</u>	<u>56,643,820</u>	<u>11,129,428</u>	<u>10,926,913</u>	<u>87,661,123</u>	<u>67,570,733</u>
<b>Deferred outflows of resources</b>	5,283,590	1,404,981	137,700	32,057	5,421,290	1,437,038
<b>Liabilities</b>						
Current and other liabilities	10,905,606	14,460,036	85,324	91,244	10,990,930	14,551,280
Long-term liabilities	39,420,642	22,969,303	614,294	417,756	40,034,936	23,387,059
	<u>50,326,248</u>	<u>37,429,339</u>	<u>699,618</u>	<u>509,000</u>	<u>51,025,866</u>	<u>37,938,339</u>
<b>Deferred inflows of resources</b>	222,364	3,381,635	-	71,124	222,364	3,452,759
<b>Net position</b>						
Net investment in capital assets	11,336,524	14,329,044	1,125,334	1,246,504	12,461,858	15,575,548
Restricted	10,464,672	8,221,822	-	-	10,464,672	8,221,822
Unrestricted (deficit)	9,465,477	(5,313,039)	9,442,176	9,132,342	18,907,653	3,819,303
<b>Total net position</b>	<u>\$ 31,266,673</u>	<u>\$ 17,237,827</u>	<u>\$ 10,567,510</u>	<u>\$ 10,378,846</u>	<u>\$ 41,834,183</u>	<u>\$ 27,616,673</u>

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

An additional portion of the County's net position (25 percent) represents the resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net position increased by \$14,217,510 during the current fiscal year. This was comprised of an increase in governmental activities of \$14,028,846 and an increase in business-type activities of \$188,664.

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the County's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Program revenues</b>						
Charges for services	\$ 6,565,358	\$ 4,792,905	\$ 1,913,018	\$ 2,505,299	\$ 8,478,376	\$ 7,298,204
Operating grants	6,387,796	5,738,647	394,446	459,879	6,782,242	6,198,526
<b>General revenues</b>						
Taxes	18,549,100	17,750,046	-	-	18,549,100	17,750,046
State shared revenues	1,420,694	1,336,889	-	-	1,420,694	1,336,889
Unrestricted grants and contributions	11,001,357	1,141,210	15,000	-	11,016,357	1,141,210
Unrestricted investment earnings	779,205	149,974	197,935	30,077	977,140	180,051
<b>Total revenues</b>	<b>44,703,510</b>	<b>30,909,671</b>	<b>2,520,399</b>	<b>2,995,255</b>	<b>47,223,909</b>	<b>33,904,926</b>
<b>Expenses</b>						
General government	4,789,520	5,723,726	-	-	4,789,520	5,723,726
Judicial	8,150,473	7,681,864	-	-	8,150,473	7,681,864
Public safety	10,043,753	10,238,276	-	-	10,043,753	10,238,276
Public works	774,704	771,477	-	-	774,704	771,477
Health and welfare	5,371,071	4,795,180	-	-	5,371,071	4,795,180
Recreation and culture	1,138,509	1,063,815	-	-	1,138,509	1,063,815
Community and economic development	256,424	476,778	-	-	256,424	476,778
Interest on long-term debt	60,747	69,300	-	-	60,747	69,300
Delinquent tax	-	-	306,114	321,109	306,114	321,109
Building inspections	-	-	499,012	394,725	499,012	394,725
Recycling	-	-	1,451,241	1,413,057	1,451,241	1,413,057
Concessions	-	-	164,831	123,439	164,831	123,439
<b>Total expenses</b>	<b>30,585,201</b>	<b>30,820,416</b>	<b>2,421,198</b>	<b>2,252,330</b>	<b>33,006,399</b>	<b>33,072,746</b>
Change in net position, before transfers	14,118,309	89,255	99,201	742,925	14,217,510	832,180
Transfers	(89,463)	(178,419)	89,463	178,419	-	-
<b>Change in net position</b>	<b>14,028,846</b>	<b>(89,164)</b>	<b>188,664</b>	<b>921,344</b>	<b>14,217,510</b>	<b>832,180</b>
Net position:						
Beginning of year	17,237,827	17,326,991	10,378,846	9,457,502	27,616,673	26,784,493
<b>End of year</b>	<b>\$ 31,266,673</b>	<b>\$ 17,237,827</b>	<b>\$ 10,567,510</b>	<b>\$ 10,378,846</b>	<b>\$ 41,834,183</b>	<b>\$ 27,616,673</b>

# ISABELLA COUNTY, MICHIGAN

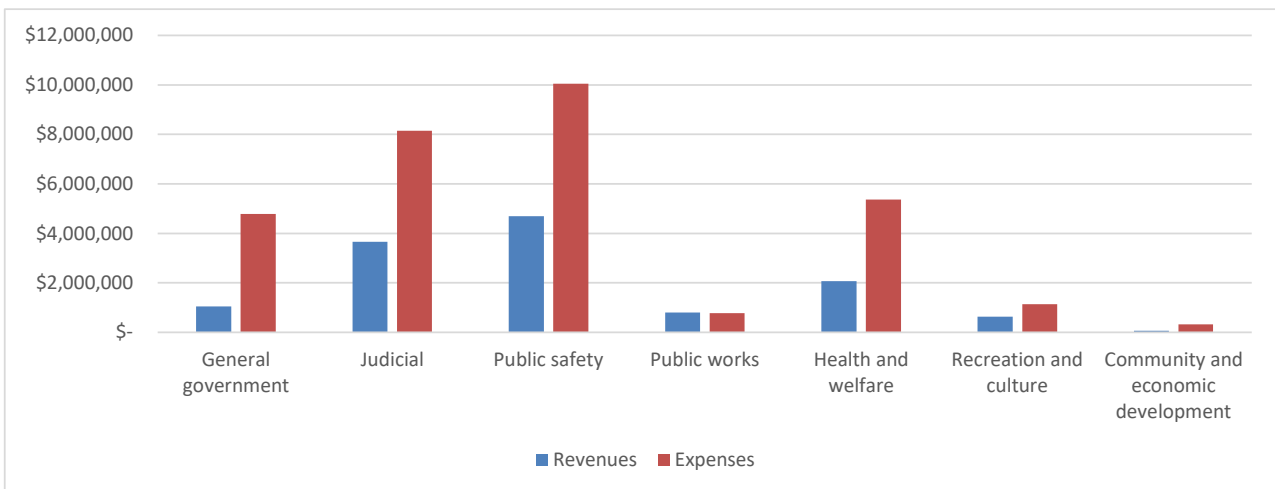
## Management's Discussion and Analysis

**Governmental activities.** The County had an increase in governmental activities net position totaling \$14,028,846 in fiscal year 2023. This change was the result of the following:

- Operating grants increased \$649,149 from the previous year due to an increase in Tribal 2% distribution funds of \$749,000 for one time projects such as the AED Heart Saver, Emergency Exercise Training and Law Enforcement Data Interoperability projects.
- Tax revenue increased \$799,054 from the previous year which is attributed to County taxable value increasing by 3.29% (not including the wind turbine project) to increase tax revenue in the General Fund by \$493,000, Commission on Aging by \$59,000 and Parks & Recreation by \$23,000.
- Unrestricted grants and contributions increased \$9,860,147 from the previous year which is attributed to the recognition of approximately \$9,000,000 of American Rescue Plan Act (ARPA) funds to help fund general government services.
- General government expenses decreased \$934,206 from the previous year which is due in major part to the change in how pension liability and capital outlay expenses are allocated in our financial statements due to the government wide allocation, resulting in a decrease in general government expenses.
- Judicial expenses increased \$468,609 from the previous year which is due in major part to the Trial Court and Prosecuting Attorney's increase in their portion of the County's annual pension expense for a total of \$106,000. Government wide financial statement expenses increased and adjustments to pension expense in the amount of \$133,000, also contribute to the increase in judicial expenses.
- Health and welfare expenses increased \$575,891 from the previous year. This is due to increase in Child Care Fund expenses for directly supervised youth of \$155,000, Commission on Aging's portion of the County's annual pension expense of \$36,000 and vehicle purchases of \$38,000. The County's substance use disorder expenses also increased by \$27,000 in the current fiscal year.

The following chart presents program revenues and expenses of the governmental activities for the fiscal year:

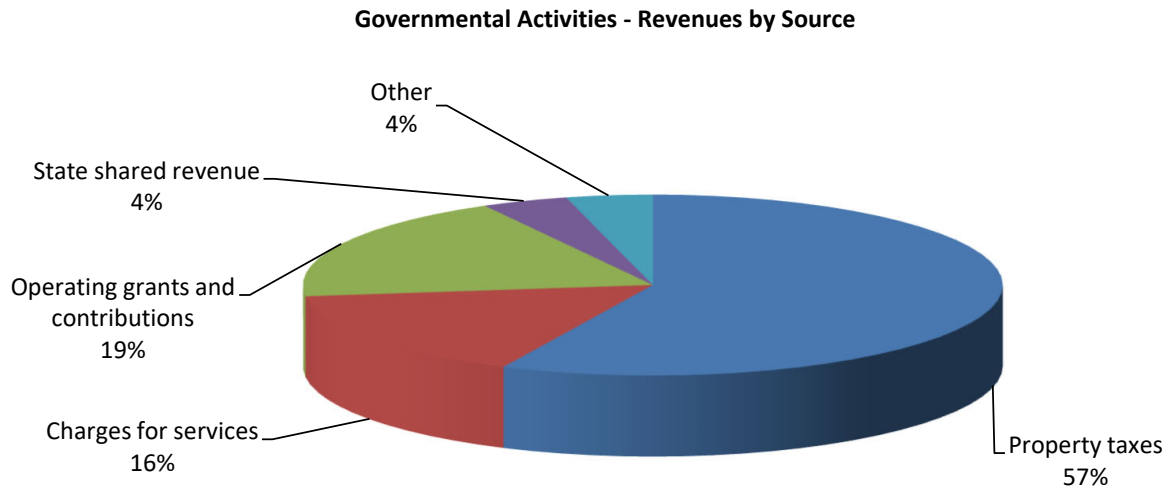
**Governmental Activities - Program Revenues and Expenses**



# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

The following chart presents revenues by source for the governmental activities for the fiscal year:



**Business-type Activities.** Business-type activities increased the County's net position by \$188,664. This change was the result of the following:

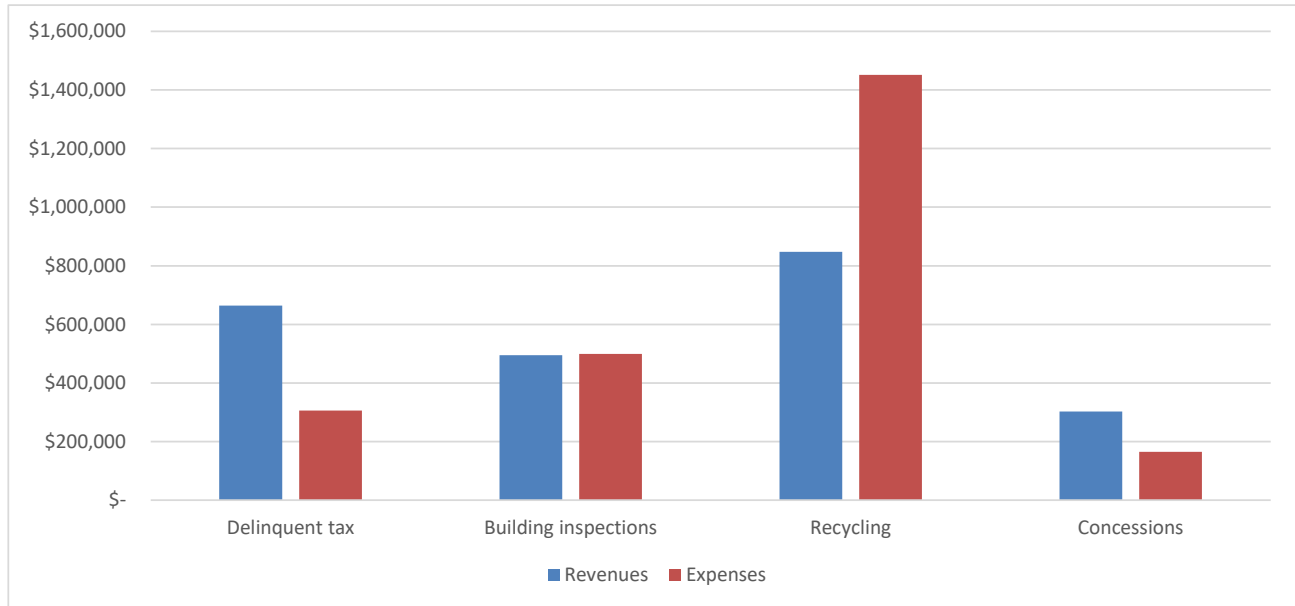
- The recycling activity decreased business-type activities net position by \$320,121 in 2023. Sales were down from 2022 by \$289,000 due to the decrease in commodity prices of products such as cardboard. The Recycling center also had higher maintenance expenses in 2023 for equipment and asphalt parking lot repairs of \$141,000.
- The delinquent tax revolving activity increased business-type activities net position by \$401,701 in 2023 as a result of interest, penalties and fees collected on delinquent properties in the amount of \$539,000.
- An increase in tax sales in the current year, which is dependent on the number of parcels available for purchase and the number actually sold, attributed to increasing business-type activities net position by \$109,796 in 2023.

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

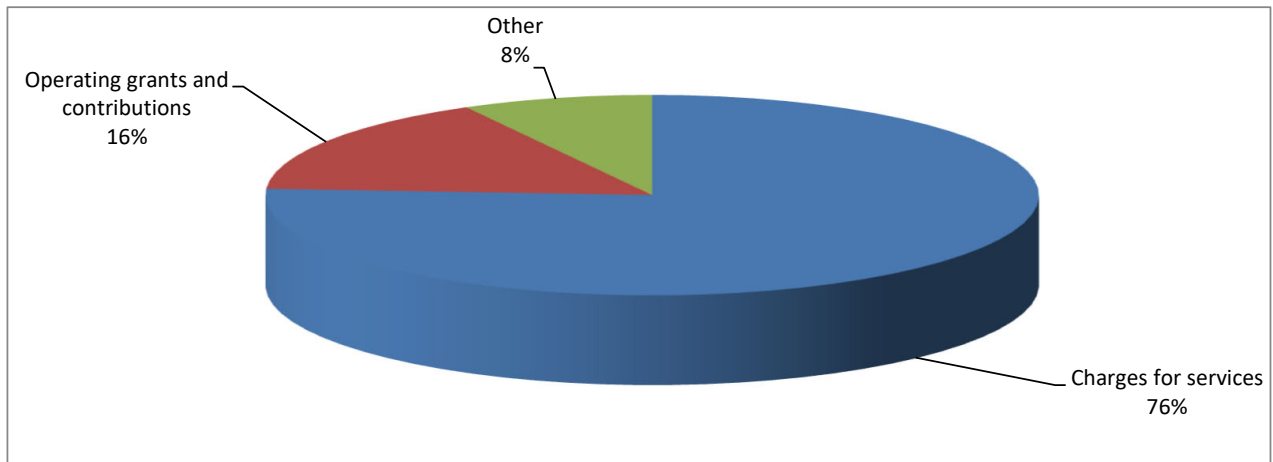
The following chart presents program revenues and expenses of the business-type activities for the fiscal year:

**Business-type Activities - Program Revenues and Expenses**



The following chart presents revenues by source for the business-type activities for the fiscal year:

**Business-type Activities - Revenues by Source**



# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

### Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,768,937, an increase of \$6,546,323 in comparison with the prior year. Approximately 70 percent (\$20,137,439) of total fund balance constitutes unassigned, assigned, or committed fund balance, which is available for spending at the government's discretion. The underlying distinction between committed and assigned is that committed fund balance has been designated for a specific purpose by a formal Board motion and can only be uncommitted by a formal Board motion. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending because it has already been spent for items such as inventory, prepaid items, or is restricted for specific purposes by external third parties.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the general fund totaled \$16,509,336 while total fund balance was \$20,487,183. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 25 percent of total general fund expenditures and transfers out.

The general fund had an increase of \$8,134,467 in the current fiscal year. This was mainly due to the utilization of American Rescue Plan Act (ARPA) funds to contribute to general government services in the amount of \$9,000,000 and increase in property tax revenue of \$571,000. The increase to general fund was also attributed to an increase of interest earned revenue of approximately \$541,000 for the current year. These additional revenues were offset by an increase in public safety expenditures of \$340,000 for pension and salary related expenses. General fund's required portion of the Sheriff's Office and Correctional Facility project costs in the amount of \$1,700,00 also attributed to the offset of increased revenues.

The Commission on Aging Fund increased fund balance by \$209,456 to \$3,084,911 as of the most recent fiscal year end. This increase is due in part to an increase in property tax revenue, as a result of taxable value increases from 2022 to 2023 of approximately \$87 million.

The Jail Construction Fund decreased fund balance by \$2,359,840 as of the most recent fiscal year end. This decrease is due to the beginning construction of the Sheriff's Office and Correctional Facility that is anticipated to be substantially complete by December 19, 2024. General fund's required portion of this project is 12% and therefore utilized fund balance in the amount of \$2,359,840 that the Board of Commissioners committed to the project.

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



# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

### General Fund Budgetary Highlights

General fund revenues and other financing sources were more than the budgetary estimates by \$1,110,937. This variance was mainly due to property taxes and interest and rents being over budget by \$613,520 and \$592,230, respectively. This was the result of the County taxable value increasing 3.29% and interest rates for the funds that the County Treasurer invests, were significantly higher in the current year by as much as 3%.

General fund expenditures and other financing uses were less than the budgetary estimates by \$2,024,054. This variance was in part due to some larger capital projects not being complete or not needing as much funds as initially anticipated in the current year such as the Board of Commissioners Chambers AV upgrades, Facilities capital outlay and the County's portion of the Sheriff's Office and Correctional Facility for a combined total of \$416,000. The County was planned to undergo a wage study in the current year in the amount of \$75,000 and that project was pushed to the next fiscal year. Multiple General Fund departments, mainly Trial Court, Corrections, Sheriff and Prosecuting Attorney, continue to have salary accounts and benefit accounts that accompany those salaries, less than budgetary estimates due to unspent wages of approximately \$960,000 due to staff turnover, and the length of time there are vacancies. With the Public Defender's Office continuing to be fully operational, there were approximately \$50,000 less expenditures in the Managed Assigned Counsel department, as the majority of those expenditures were now paid through the Indigent Defense fund. Overall, departments are very mindful of their budget when it comes to spending taxpayer dollars, which is a testament of the expenditures being less than budgetary estimates.

During the current year, the original expenditure budget was amended up by a net of \$501,524. This budget increase was mainly due to the increase for public safety in the amount of \$439,495 to account for the progress billings of the Motorola Radio Tower & Equipment project in the Sheriff's Office that will continue through the next fiscal year. The original revenue budget was amended up by \$8,901,641 mainly due to the increase in intergovernmental revenue of \$8,994,129 due to the recognition of approximately \$9,000,000 of American Rescue Plan Act funds for use on general government services. The transfer out budget was amended up by \$2,730,567 to account for the County's required portion of the Sheriff's Office and Correctional Facility Construction project.

### Capital Assets and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounted to \$34,763,413 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles.

The significant capital asset events during the current fiscal year included the following:

- . Phone system replacement for multiple County departments (Admin, Sheriff, Central Dispatch, Trial Court) in the amount of \$192,667
- . Central Dispatch CAD system replacement totaling \$391,120
- . Two police interceptors totaling \$106,554 for the Sheriff's Office
- . Meridian Park land acquisition in the amount of \$102,601 for Parks & Recreation department
- . Construction in progress for the new Sheriff's Office and Correctional Facility in the amount of \$14,617,707
- . Construction in progress for the Motorola Radio Tower & Equipment project in the amount of \$439,746 in the Sheriff's Office

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 2,612,247	\$ 2,542,689	\$ 107,757	\$ 107,757	\$ 2,720,004	\$ 2,650,446
Construction in progress	19,989,177	4,784,616	-	-	19,989,177	4,784,616
Buildings and improvements	8,702,474	8,988,150	438,743	464,564	9,141,217	9,452,714
Equipment	1,337,351	984,025	464,245	513,630	1,801,596	1,497,655
Vehicles	510,805	512,150	114,589	160,553	625,394	672,703
Other	157,786	182,193	-	-	157,786	182,193
Subscription asset	328,239	-	-	-	328,239	-
<b>Total capital assets, net</b>	<b>\$ 33,638,079</b>	<b>\$ 17,993,823</b>	<b>\$ 1,125,334</b>	<b>\$ 1,246,504</b>	<b>\$ 34,763,413</b>	<b>\$ 19,240,327</b>

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

**Debt Administration.** At the end of the current fiscal year, the County had total debt outstanding of \$17,582,472, which represents bonds payable, post-closure landfill costs, and compensated absences.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 15,976,575	\$ 6,000,000	\$ -	\$ -	\$ 15,976,575	\$ 6,000,000
Post-closure landfill costs	383,279	407,341	-	-	383,279	407,341
Compensated absences	1,171,564	1,193,467	51,054	67,222	1,222,618	1,260,689
<b>Total long-term debt</b>	<b>\$ 17,531,418</b>	<b>\$ 7,600,808</b>	<b>\$ 51,054</b>	<b>\$ 67,222</b>	<b>\$ 17,582,472</b>	<b>\$ 7,668,030</b>

The County's total governmental activity debt increased by \$9,930,610 during the current fiscal year due to issuance of bonds payable for the jail construction offset by the repayment of the bond anticipation note, and a decrease in compensated absences and post-closure landfill costs.

The County's bond ratings range from A to AAA. The AAA rating is given for bond issues that are backed with millage levies.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is significantly higher than the County's outstanding general obligation debt.

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

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

### Economic Condition and Outlook

The general fund had an increase in fund balance of \$8,134,467 in the current fiscal year. The Isabella County Board of Commissioners and County Administrator/Controller continue to provide strong financial management in a proactive manner by implementing the County's financial forecasting tool. Isabella County will continue to protect its resources and meet its financial obligations. This has been accomplished by concerted effort of the Board, elected and appointed officials and staff.

Looking towards the future, the County Administrator/Controller and professional financial staff will continue updating financial reporting, budgeting processes, and implementing new financial management and control procedures. Elected and appointed officials will be empowered to accept responsibility for their department revenues, expenditures, budgets and adjustments, and be partners in assuring the fiscal stability of the County.

The County administrative staff is dedicated to fostering good partnerships and collaborations with our municipal and private sector neighbors and partners. To this end, we participate in a number of economic development organizations and serve on the boards of the Mid-Michigan Development Corporation, the City of Mount Pleasant Central Business District, Industrial Park North and University Park Tax Increment Finance Authorities and the Mission-Pickard Downtown Development Authority.

Isabella County is home to Central Michigan University, the Saginaw-Chippewa Indian Tribe, major manufacturers and many vibrant and charming communities. The economy is steady, the workforce is well trained, business persons are investing in the community and public officials are dedicated to preserving the rich heritage and character of the County while positioning the area to be vibrant for generations to come. Isabella County is honored to be a partner in the future of this great community.

The following economic factors were considered in developing the 2023-2024 budget:

- Property tax revenue anticipated for the 2023-2024 fiscal year budget shows an increase of \$202,600.
- The budget maintains current service levels to County residents and provides for the utilization of general fund fund balance of over \$5,217,665.
- The County is strategically considering much needed facility improvements. The County has begun construction on a new \$47 million Sheriff's Office and Correctional Facility.
- The County Board implemented portions of the cost allocation plan in 2018-2019 fiscal year to capture indirect costs of non-general fund funds and plans on continuing to utilize the cost allocation plan methodology going forward.

### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all of 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 Isabella County Administration Office, 200 N. Main Street, Suite 205, Mt. Pleasant, Michigan 48858.



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## **BASIC FINANCIAL STATEMENTS**

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

September 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>Assets</b>				
Cash and cash equivalents	\$ 12,667,066	\$ 5,034,792	\$ 17,701,858	\$ 15,553,017
Investments	1,750,108	2,148,109	3,898,217	16,413,211
Restricted cash and investments	16,306,315	-	16,306,315	2,585,823
Cash at fiscal agent	-	-	-	137,659
Receivables	11,532,449	2,621,210	14,153,659	23,416,377
Internal balances	(196,424)	196,424	-	-
Other assets	484,102	3,559	487,661	1,499,307
Advance to component unit	350,000	-	350,000	-
Capital assets not being depreciated	22,113,520	107,757	22,221,277	30,995,697
Capital assets being depreciated, net	11,524,559	1,017,577	12,542,136	121,487,746
<b>Total assets</b>	<b>76,531,695</b>	<b>11,129,428</b>	<b>87,661,123</b>	<b>212,088,837</b>
<b>Deferred outflows of resources</b>				
Deferred charge on bond refunding	-	-	-	36,253
Deferred pension amounts	5,283,590	137,700	5,421,290	4,119,164
<b>Total deferred outflows of resources</b>	<b>5,283,590</b>	<b>137,700</b>	<b>5,421,290</b>	<b>4,155,417</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	7,370,749	85,324	7,456,073	3,827,871
Unearned revenue	3,534,857	-	3,534,857	491,428
Advance from primary government	-	-	-	350,000
Bonds, notes and other long-term liabilities:				
Due within one year	1,244,060	20,421	1,264,481	1,921,927
Due in more than one year	16,565,058	30,633	16,595,691	18,098,404
Net pension liability, due in more than one year	21,611,524	563,240	22,174,764	10,320,402
<b>Total liabilities</b>	<b>50,326,248</b>	<b>699,618</b>	<b>51,025,866</b>	<b>35,010,032</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	-	-	-	187,318
Deferred lease amounts	222,364	-	222,364	-
<b>Total deferred inflows of resources</b>	<b>222,364</b>	<b>-</b>	<b>222,364</b>	<b>187,318</b>
<b>Net position</b>				
Net investment in capital assets	11,336,524	1,125,334	12,461,858	134,352,079
Restricted:				
County roads	-	-	-	16,418,468
Drain capital projects	-	-	-	4,020,726
Debt service	-	-	-	13,655,309
Commission on aging activities	3,084,911	-	3,084,911	-
Parks and recreation	1,770,815	-	1,770,815	-
E-911	940,489	-	940,489	-
Child care	607,931	-	607,931	-
Tribal contribution	696,841	-	696,841	-
Opioid remediation	1,893,886	-	1,893,886	-
CDBG housing assistance	1,084,869	-	1,084,869	-
Other	384,930	-	384,930	286,433
Unrestricted	9,465,477	9,442,176	18,907,653	12,313,889
<b>Total net position</b>	<b>\$ 31,266,673</b>	<b>\$ 10,567,510</b>	<b>\$ 41,834,183</b>	<b>\$ 181,046,904</b>

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

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

For the Year Ended September 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 4,789,520	\$ 701,272	\$ 348,884	\$ -	\$ (3,739,364)
Judicial	8,150,473	737,102	2,918,657	-	(4,494,714)
Public safety	10,043,753	4,190,149	499,049	-	(5,354,555)
Public works	774,704	-	795,916	-	21,212
Health and welfare	5,371,071	240,262	1,825,290	-	(3,305,519)
Recreation and culture	1,138,509	630,071	-	-	(508,438)
Community and economic development	256,424	66,502	-	-	(189,922)
Interest on long-term debt	60,747	-	-	-	(60,747)
<b>Total governmental activities</b>	<b>30,585,201</b>	<b>6,565,358</b>	<b>6,387,796</b>	<b>-</b>	<b>(17,632,047)</b>
Business-type activities:					
Delinquent tax	306,114	663,567	-	-	357,453
Building inspections	499,012	494,492	-	-	(4,520)
Recycling	1,451,241	452,886	394,446	-	(603,909)
Concessions	164,831	302,073	-	-	137,242
<b>Total business-type activities</b>	<b>2,421,198</b>	<b>1,913,018</b>	<b>394,446</b>	<b>-</b>	<b>(113,734)</b>
<b>Total primary government</b>	<b>\$ 33,006,399</b>	<b>\$ 8,478,376</b>	<b>\$ 6,782,242</b>	<b>\$ -</b>	<b>\$ (17,745,781)</b>
<b>Component units</b>					
Road commission	\$ 13,406,488	\$ 4,156,310	\$ 10,350,494	\$ 4,380,463	\$ 5,480,779
Transportation commission	6,987,188	362,799	4,927,759	1,022,837	(673,793)
Medical care facility	17,258,055	12,746,663	-	5,800	(4,505,592)
Drainage districts	1,828,923	83,173	-	851,311	(894,439)
Board of public works	95,806	132,184	41,548	-	77,926
<b>Total component units</b>	<b>\$ 39,576,460</b>	<b>\$ 17,481,129</b>	<b>\$ 15,319,801</b>	<b>\$ 6,260,411</b>	<b>\$ (515,119)</b>

continued...

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

For the Year Ended September 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>Changes in net position</b>				
Net (expense) revenues	\$ (17,632,047)	\$ (113,734)	\$ (17,745,781)	\$ (515,119)
General revenues:				
Property taxes	18,549,100	-	18,549,100	4,288,409
State shared revenues	1,420,694	-	1,420,694	-
Grants and contributions not restricted to specific programs	11,001,357	15,000	11,016,357	577,722
Unrestricted investment earnings	779,205	197,935	977,140	994,975
Transfers - internal activities	(89,463)	89,463	-	-
Total general revenues and transfers	31,660,893	302,398	31,963,291	5,880,139
<b>Change in net position</b>	14,028,846	188,664	14,217,510	5,365,020
Net position, beginning of year	17,237,827	10,378,846	27,616,673	175,681,884
<b>Net position, end of year</b>	<u>\$ 31,266,673</u>	<u>\$ 10,567,510</u>	<u>\$ 41,834,183</u>	<u>\$ 181,046,904</u>

concluded

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



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# ISABELLA COUNTY, MICHIGAN

## Balance Sheet

Governmental Funds  
September 30, 2023

	General	Commission on Aging Special Revenue Fund	Jail Construction Capital Projects Fund	Nonmajor Governmental Funds	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 6,363,147	\$ 1,808,986	\$ -	\$ 4,296,510	\$ 12,468,643
Investments	-	1,078,152	-	671,956	1,750,108
Restricted cash and investments	12,591,209	-	3,715,106	-	16,306,315
Receivables:					
Accounts	134,254	16,445	-	2,615,131	2,765,830
Taxes	1,581,991	-	-	-	1,581,991
Loans	-	-	-	902,673	902,673
Leases	224,523	-	-	-	224,523
Due from other governments	445,587	101,759	5,306,575	178,381	6,032,302
Due from component unit	20,190	-	-	-	20,190
Due from other funds	3,646,978	137,500	-	50,000	3,834,478
Inventories	14,971	11,456	-	-	26,427
Prepays	162,648	3,265	-	14,535	180,448
Advance to component unit	350,000	-	-	-	350,000
<b>Total assets</b>	<b>\$ 25,535,498</b>	<b>\$ 3,157,563</b>	<b>\$ 9,021,681</b>	<b>\$ 8,729,186</b>	<b>\$ 46,443,928</b>
<b>Liabilities</b>					
Accounts payable	\$ 158,251	\$ 47,765	\$ 6,047,281	\$ 340,482	\$ 6,593,779
Accrued payroll	400,249	24,887	-	63,470	488,606
Due to other funds	120,500	-	2,974,400	415,500	3,510,400
Due to other governments	6	-	-	85,403	85,409
Unearned revenue	3,268,162	-	-	266,695	3,534,857
<b>Total liabilities</b>	<b>3,947,168</b>	<b>72,652</b>	<b>9,021,681</b>	<b>1,171,550</b>	<b>14,213,051</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - taxes	878,783	-	-	-	878,783
Unavailable revenue - loans	-	-	-	902,673	902,673
Unavailable revenue - long-term opioid receivables	-	-	-	1,458,120	1,458,120
Deferred lease amounts	222,364	-	-	-	222,364
<b>Total deferred inflows of resources</b>	<b>1,101,147</b>	<b>-</b>	<b>-</b>	<b>2,360,793</b>	<b>3,461,940</b>
<b>Fund balances</b>					
Nonspendable	527,619	14,721	-	14,535	556,875
Restricted	-	3,070,190	-	5,004,433	8,074,623
Committed	3,450,228	-	-	177,875	3,628,103
Assigned	10,284,459	-	-	-	10,284,459
Unassigned	6,224,877	-	-	-	6,224,877
<b>Total fund balances</b>	<b>20,487,183</b>	<b>3,084,911</b>	<b>-</b>	<b>5,196,843</b>	<b>28,768,937</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 25,535,498</b>	<b>\$ 3,157,563</b>	<b>\$ 9,021,681</b>	<b>\$ 8,729,186</b>	<b>\$ 46,443,928</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
September 30, 2023

**Fund balances - total governmental funds** \$ 28,768,937

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated/amortized	22,113,520
Capital assets being depreciated/amortized, net	11,524,559

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred loans receivable	902,673
Deferred taxes receivable	878,783
Deferred long-term receivables	1,458,120

Certain pension-related amounts, such as the net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(21,611,524)
Deferred outflows related to the net pension liability	5,283,590

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in the internal service fund	82
Net position of the internal service fund allocated to business-type activities	(170,502)

Long-term debt and other noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds, notes and other long-term liabilities	(16,254,275)
Accrued interest on bonds payable	(72,447)
Post-closure landfill liabilities	(383,279)
Compensated absences	(1,171,564)

**Net position of governmental activities** \$ 31,266,673

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

## ISABELLA COUNTY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2023

	General	Commission on Aging Special Revenue Fund	Jail Construction Capital Projects Fund	Nonmajor Governmental Funds	Totals
<b>Revenues</b>					
Property taxes	\$ 15,654,810	\$ 2,025,360	\$ -	\$ 807,528	\$ 18,487,698
Licenses and permits	141,487	-	-	619,952	761,439
Intergovernmental	13,592,538	1,077,539	-	3,543,081	18,213,158
Charges for services	1,968,708	-	-	1,879,485	3,848,193
Fines and forfeitures	94,079	-	-	6,500	100,579
Interest and rents	858,082	82,601	1,604	21,411	963,698
Contributions	-	178,416	-	-	178,416
Other revenues	131,625	202	-	504,152	635,979
<b>Total revenues</b>	<b>32,441,329</b>	<b>3,364,118</b>	<b>1,604</b>	<b>7,382,109</b>	<b>43,189,160</b>
<b>Expenditures</b>					
Current:					
General government	5,129,201	-	-	91,200	5,220,401
Judicial	5,889,728	-	-	2,150,505	8,040,233
Public safety	8,409,864	-	-	2,495,488	10,905,352
Public works	421,553	-	-	-	421,553
Health and welfare	1,177,072	2,821,132	-	1,342,867	5,341,071
Recreation and culture	-	-	-	1,350,501	1,350,501
Community and economic development	252,576	-	-	58	252,634
Capital outlay	-	-	14,617,707	-	14,617,707
Debt service:					
Principal	8,400	-	6,000,000	55,257	6,063,657
Interest	-	-	91,740	57,600	149,340
<b>Total expenditures</b>	<b>21,288,394</b>	<b>2,821,132</b>	<b>20,709,447</b>	<b>7,543,476</b>	<b>52,362,449</b>
Revenues over (under) expenditures	11,152,935	542,986	(20,707,843)	(161,367)	(9,173,289)
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	15,976,575	-	15,976,575
Transfers in	951,939	-	2,371,428	1,031,479	4,354,846
Transfers out	(3,970,407)	(333,530)	-	(307,872)	(4,611,809)
<b>Total other financing sources (uses)</b>	<b>(3,018,468)</b>	<b>(333,530)</b>	<b>18,348,003</b>	<b>723,607</b>	<b>15,719,612</b>
<b>Net change in fund balances</b>	<b>8,134,467</b>	<b>209,456</b>	<b>(2,359,840)</b>	<b>562,240</b>	<b>6,546,323</b>
Fund balances, beginning of year	12,352,716	2,875,455	2,359,840	4,634,603	22,222,614
<b>Fund balances, end of year</b>	<b>\$ 20,487,183</b>	<b>\$ 3,084,911</b>	<b>\$ -</b>	<b>\$ 5,196,843</b>	<b>\$ 28,768,937</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2023

**Net change in fund balances - total governmental funds** \$ 6,546,323

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

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

Capital assets purchased/constructed	16,166,080
Depreciation/amortization expense	(840,002)
Loss on sale of capital assets	(23,179)

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

Change in deferred loans receivable	(5,469)
Change in deferred taxes receivables	61,402
Change in deferred long-term receivables	1,458,120

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

Change in net position from governmental activities in the internal service fund	(241,124)
Change in the internal service fund net position allocated to business-type activities	22,888

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

Change in landfill post-closure liability	24,062
Issuance of bonds	(15,976,575)
Principal payments on bonds, notes and other long-term liabilities	6,063,657

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

Change in accrued interest payable on long-term liabilities	(3,147)
Change in net pension liability and related deferred amounts	753,907
Change in the accrual for compensated absences	21,903

**Change in net position of governmental activities** \$ 14,028,846

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

## ISABELLA COUNTY, MICHIGAN

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

Budget and Actual - General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 15,041,290	\$ 15,041,290	\$ 15,654,810	\$ 613,520
Licenses and permits	193,700	193,700	141,487	(52,213)
Intergovernmental	4,526,104	13,520,233	13,592,538	72,305
Charges for services	2,044,900	2,044,900	1,968,708	(76,192)
Fines and forfeitures	82,000	82,000	94,079	12,079
Interest and rents	265,852	265,852	858,082	592,230
Other revenues	266,800	174,312	131,625	(42,687)
<b>Total revenues</b>	<b>22,420,646</b>	<b>31,322,287</b>	<b>32,441,329</b>	<b>1,119,042</b>
<b>Expenditures</b>				
Current:				
General government:				
Board of Commissioners	565,392	446,041	206,531	(239,510)
Administration	1,090,285	1,143,735	1,102,824	(40,911)
Elections	89,250	89,250	41,562	(47,688)
Clerk	677,910	681,662	615,592	(66,070)
Equalization	370,359	375,309	369,375	(5,934)
Register of deeds	459,667	459,667	427,954	(31,713)
Managed assigned counsel	185,000	185,000	145,740	(39,260)
Re monumentation	51,000	51,000	21,990	(29,010)
Treasurer	273,839	274,314	268,811	(5,503)
MSU cooperative extension	183,299	183,699	182,348	(1,351)
Information systems	300,443	364,690	364,500	(190)
Building and grounds	1,212,079	1,246,539	987,035	(259,504)
Drain commissioner	398,955	406,635	394,939	(11,696)
<b>Total general government</b>	<b>5,857,478</b>	<b>5,907,541</b>	<b>5,129,201</b>	<b>(778,340)</b>
Judicial:				
Trial court	4,566,259	4,568,909	4,203,440	(365,469)
Prosecuting attorney	1,608,958	1,595,088	1,462,969	(132,119)
Adult drug court	138,900	138,900	124,590	(14,310)
Juvenile drug court	113,184	113,184	93,988	(19,196)
Jury board	5,500	5,500	4,741	(759)
<b>Total judicial</b>	<b>6,432,801</b>	<b>6,421,581</b>	<b>5,889,728</b>	<b>(531,853)</b>
Public safety:				
Sheriff	3,676,474	4,118,576	3,912,712	(205,864)
Road patrol	146,640	146,640	139,638	(7,002)
Marine safety	5,100	9,855	9,853	(2)
Corrections	3,867,697	3,842,735	3,693,345	(149,390)
Emergency management	283,885	298,585	253,714	(44,871)
Michigan justice training act	3,000	3,000	800	(2,200)
Mid-Michigan community college contract	60,865	60,865	55,023	(5,842)
Animal control	351,402	354,302	344,779	(9,523)
<b>Total public safety</b>	<b>8,395,063</b>	<b>8,834,558</b>	<b>8,409,864</b>	<b>(424,694)</b>

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## ISABELLA COUNTY, MICHIGAN

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

Budget and Actual - General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Public works:				
Board of public works	\$ 900	\$ 900	\$ 600	\$ (300)
Drain at large	369,772	397,072	396,892	(180)
Well monitoring - landfill	59,247	35,247	24,061	(11,186)
<b>Total public works</b>	<u>429,919</u>	<u>433,219</u>	<u>421,553</u>	<u>(11,666)</u>
Health and welfare:				
Substance abuse counseling	134,443	153,794	153,794	-
Medical examiner	190,600	190,600	175,700	(14,900)
Public health	470,820	470,820	466,234	(4,586)
Mental health services	216,300	216,300	216,300	-
Child protection services	5,000	5,000	5,000	-
Veteran's affairs	191,065	191,375	157,331	(34,044)
Disabilities advisory commission	6,150	6,150	2,713	(3,437)
<b>Total health and welfare</b>	<u>1,214,378</u>	<u>1,234,039</u>	<u>1,177,072</u>	<u>(56,967)</u>
Community and economic development	<u>311,281</u>	<u>311,506</u>	<u>252,576</u>	<u>(58,930)</u>
Debt service:				
Principal	<u>29,638</u>	<u>29,638</u>	<u>8,400</u>	<u>(21,238)</u>
<b>Total expenditures</b>	<u>22,670,558</u>	<u>23,172,082</u>	<u>21,288,394</u>	<u>(1,883,688)</u>
Revenues over (under) expenditures	<u>(249,912)</u>	<u>8,150,205</u>	<u>11,152,935</u>	<u>3,002,730</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,156,772	960,044	951,939	(8,105)
Transfers out	<u>(1,380,206)</u>	<u>(4,110,773)</u>	<u>(3,970,407)</u>	<u>(140,366)</u>
<b>Total other financing sources (uses)</b>	<u>(223,434)</u>	<u>(3,150,729)</u>	<u>(3,018,468)</u>	<u>132,261</u>
<b>Net change in fund balance</b>	<u>(473,346)</u>	<u>4,999,476</u>	<u>8,134,467</u>	<u>3,134,991</u>
Fund balance, beginning of year	<u>12,352,716</u>	<u>12,352,716</u>	<u>12,352,716</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 11,879,370</u>	<u>\$ 17,352,192</u>	<u>\$ 20,487,183</u>	<u>\$ 3,134,991</u>

concluded

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

## ISABELLA COUNTY, MICHIGAN

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

Budget and Actual - Commission on Aging Special Revenue Fund  
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 2,007,037	\$ 2,007,037	\$ 2,025,360	\$ 18,323
Intergovernmental	940,783	940,783	1,077,539	136,756
Interest and rents	-	-	82,601	82,601
Contributions	181,167	181,167	178,416	(2,751)
Other revenues	750	750	202	(548)
<b>Total revenues</b>	<b>3,129,737</b>	<b>3,129,737</b>	<b>3,364,118</b>	<b>234,381</b>
<b>Expenditures</b>				
Current:				
Health and welfare	2,916,006	3,479,706	2,821,132	(658,574)
Revenues over (under) expenditures	213,731	(349,969)	542,986	892,955
<b>Other financing uses</b>				
Transfers out	(333,530)	(333,530)	(333,530)	-
<b>Net change in fund balance</b>	<b>(119,799)</b>	<b>(683,499)</b>	<b>209,456</b>	<b>892,955</b>
Fund balance, beginning of year	2,875,455	2,875,455	2,875,455	-
<b>Fund balance, end of year</b>	<b>\$ 2,755,656</b>	<b>\$ 2,191,956</b>	<b>\$ 3,084,911</b>	<b>\$ 892,955</b>

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



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**ISABELLA COUNTY, MICHIGAN**

**Statement of Net Position**

Proprietary Funds  
September 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,470,364	\$ 562,105	\$ 2,724,348	\$ 277,975	\$ 5,034,792	\$ 198,423
Investments	832,691	-	310,915	1,004,503	2,148,109	-
Receivables:						
Accounts	-	42,009	38,346	415	80,770	4,940
Delinquent taxes	2,397,495	-	-	-	2,397,495	-
Due from other governments	138,213	4,732	-	-	142,945	-
Due from other funds	-	150,000	-	-	150,000	-
Inventories	-	-	-	3,559	3,559	-
Prepays	-	-	-	-	-	277,227
<b>Total current assets</b>	<b>4,838,763</b>	<b>758,846</b>	<b>3,073,609</b>	<b>1,286,452</b>	<b>9,957,670</b>	<b>480,590</b>
Noncurrent assets:						
Capital assets not being depreciated	-	107,757	-	-	107,757	-
Capital assets being depreciated, net	-	903,108	-	114,469	1,017,577	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>1,010,865</b>	<b>-</b>	<b>114,469</b>	<b>1,125,334</b>	<b>-</b>
<b>Total assets</b>	<b>4,838,763</b>	<b>1,769,711</b>	<b>3,073,609</b>	<b>1,400,921</b>	<b>11,083,004</b>	<b>480,590</b>
<b>Deferred outflows of resources</b>						
Deferred pension amounts	20,059	5,421	21,685	90,535	137,700	-
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	37	20,827	27,744	6,771	55,379	130,508
Accrued wages	1,878	7,652	1,042	6,230	16,802	-
Due to other governments	-	13,143	-	-	13,143	-
Due to other funds	-	124,078	-	-	124,078	350,000
Current portion of long-term debt	1,323	11,167	2,473	5,458	20,421	-
<b>Total current liabilities</b>	<b>3,238</b>	<b>176,867</b>	<b>31,259</b>	<b>18,459</b>	<b>229,823</b>	<b>480,508</b>
Noncurrent liabilities:						
Long-term debt, net of current portion	1,984	16,754	3,708	8,187	30,633	-
Net pension liability	82,047	22,175	88,699	370,319	563,240	-
<b>Total noncurrent liabilities</b>	<b>84,031</b>	<b>38,929</b>	<b>92,407</b>	<b>378,506</b>	<b>593,873</b>	<b>-</b>
<b>Total liabilities</b>	<b>87,269</b>	<b>215,796</b>	<b>123,666</b>	<b>396,965</b>	<b>823,696</b>	<b>480,508</b>
<b>Net position</b>						
Investment in capital assets	-	1,010,865	-	114,469	1,125,334	-
Unrestricted (deficit)	4,771,553	548,471	2,971,628	980,022	9,271,674	82
<b>Total net position</b>	<b>\$ 4,771,553</b>	<b>\$ 1,559,336</b>	<b>\$ 2,971,628</b>	<b>\$ 1,094,491</b>	<b>\$ 10,397,008</b>	<b>\$ 82</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Position of Enterprise Funds  
to Net Position of Business-type Activities  
September 30, 2023

**Net position - total enterprise funds** \$ 10,397,008

Amounts reported for *business-type activities* in the statement of net position are different because:

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position, which a portion is allocated to the business-type activities.

170,502

**Net position of business-type activities** \$ 10,567,510

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

**ISABELLA COUNTY, MICHIGAN**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Proprietary Funds  
 For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Operating revenues</b>						
Charges for services	\$ 148,922	\$ 132,778	\$ 187,184	\$ 511,833	\$ 980,717	\$ 4,166,684
Sales	-	320,108	-	287,429	607,537	-
Interest and penalties on delinquent taxes	324,764	-	-	-	324,764	-
<b>Total operating revenues</b>	<b>473,686</b>	<b>452,886</b>	<b>187,184</b>	<b>799,262</b>	<b>1,913,018</b>	<b>4,166,684</b>
<b>Operating expenses</b>						
Personnel services	136,958	552,154	81,673	428,675	1,199,460	-
Supplies	2,992	24,070	14,824	13,589	55,475	-
Contractual services	4,797	274,984	55,786	21,619	357,186	-
Other services and charges	998	439,712	4,941	23,621	469,272	-
Cost of goods sold	-	-	-	152,459	152,459	-
Health insurance benefits and premiums	-	-	-	-	-	4,575,605
Depreciation	-	147,571	-	16,887	164,458	-
<b>Total operating expenses</b>	<b>145,745</b>	<b>1,438,491</b>	<b>157,224</b>	<b>656,850</b>	<b>2,398,310</b>	<b>4,575,605</b>
Operating income (loss)	327,941	(985,605)	29,960	142,412	(485,292)	(408,921)
<b>Nonoperating revenues (expenses)</b>						
Intergovernmental	2,000	439,693	1,000	4,000	446,693	-
Interest revenue	71,760	953	78,836	46,386	197,935	297
Loss on the sale of capital assets	-	(37,247)	-	-	(37,247)	-
<b>Total nonoperating revenues (expenses)</b>	<b>73,760</b>	<b>403,399</b>	<b>79,836</b>	<b>50,386</b>	<b>607,381</b>	<b>297</b>
Income (loss) before transfers	401,701	(582,206)	109,796	192,798	122,089	(408,624)
Transfers in	-	400,000	-	-	400,000	167,500
Transfers out	-	(137,915)	-	(172,622)	(310,537)	-
<b>Change in net position</b>	<b>401,701</b>	<b>(320,121)</b>	<b>109,796</b>	<b>20,176</b>	<b>211,552</b>	<b>(241,124)</b>
Net position, beginning of year	4,369,852	1,879,457	2,861,832	1,074,315	10,185,456	241,206
<b>Net position, end of year</b>	<b>\$ 4,771,553</b>	<b>\$ 1,559,336</b>	<b>\$ 2,971,628</b>	<b>\$ 1,094,491</b>	<b>\$ 10,397,008</b>	<b>\$ 82</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Net Position Enterprise Funds  
to Change in Net Position of Business-type Activities  
For the Year Ended September 30, 2023

**Change in net position - total enterprise funds** \$ 211,552

Amounts reported for *business-type activities* in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The  
Change in net position from internal service funds accounted for in governmental activities allocated to business-type  
activities

(22,888)

**Change in net position of business-type activities** \$ 188,664

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

**ISABELLA COUNTY, MICHIGAN**

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Cash flows from operating activities</b>						
Cash received from customers	\$ 248,431	\$ 511,593	\$ 154,478	\$ 803,031	\$ 1,717,533	\$ -
Cash received from interfund services	-	-	-	-	-	4,163,025
Cash payments for goods and services	(12,148)	(868,863)	(48,605)	(212,519)	(1,142,135)	(4,171,631)
Cash payments to employees	(121,565)	(554,694)	(76,087)	(425,466)	(1,177,812)	-
<b>Net cash provided by (used in) operating activities</b>	<u>114,718</u>	<u>(911,964)</u>	<u>29,786</u>	<u>165,046</u>	<u>(602,414)</u>	<u>(8,606)</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers in	-	400,000	-	-	400,000	167,500
Transfers out	-	(137,915)	-	(172,622)	(310,537)	-
Intergovernmental receipts	2,000	434,961	1,000	4,000	441,961	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>2,000</u>	<u>697,046</u>	<u>1,000</u>	<u>(168,622)</u>	<u>531,424</u>	<u>167,500</u>
<b>Cash flows from capital and related financing activities</b>						
Acquisition/construction of capital assets	-	(80,535)	-	-	(80,535)	-
<b>Cash flows from investing activities</b>						
Interest and dividends received	71,760	953	78,836	46,386	197,935	297
Sales of investments	475,393	-	420,537	-	895,930	-
Purchases of investments	-	-	-	(3,824)	(3,824)	-
<b>Net cash provided by (used in) investing activities</b>	<u>547,153</u>	<u>953</u>	<u>499,373</u>	<u>42,562</u>	<u>1,090,041</u>	<u>297</u>
<b>Net change in cash and cash equivalents</b>	<u>663,871</u>	<u>(294,500)</u>	<u>530,159</u>	<u>38,986</u>	<u>938,516</u>	<u>159,191</u>
<b>Cash and cash equivalents:</b>						
Beginning of year	<u>806,493</u>	<u>856,605</u>	<u>2,194,189</u>	<u>238,989</u>	<u>4,096,276</u>	<u>39,232</u>
<b>End of year</b>	<u>\$ 1,470,364</u>	<u>\$ 562,105</u>	<u>\$ 2,724,348</u>	<u>\$ 277,975</u>	<u>\$ 5,034,792</u>	<u>\$ 198,423</u>

continued...

**ISABELLA COUNTY, MICHIGAN**

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ 327,941	\$ (985,605)	\$ 29,960	\$ 142,412	\$ (485,292)	\$ (408,921)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	147,571	-	16,887	164,458	-
Change in operating assets and liabilities that provided (used) cash:						
Accounts receivable	-	58,707	(32,706)	3,769	29,770	(3,659)
Delinquent taxes receivable	(180,197)	-	-	-	(180,197)	-
Due from other governmental units	(45,058)	-	-	-	(45,058)	-
Inventories	-	-	-	154	154	-
Prepays	-	-	-	-	-	45,959
Deferred outflows of resources related to pension	(16,321)	(4,127)	(16,654)	(68,541)	(105,643)	-
Due from other funds	-	-	-	-	-	-
Accounts payable	(3,361)	(24,177)	26,946	(1,026)	(1,618)	78,015
Accrued wages	112	223	21	1,262	1,618	-
Due to other governmental units	-	(5,920)	-	-	(5,920)	-
Due to other funds	-	(100,000)	-	(100)	(100,100)	280,000
Compensated absences	(1,284)	(3,794)	(300)	(10,790)	(16,168)	-
Net pension liability	41,178	8,028	33,682	129,818	212,706	-
Deferred inflows of resources related to pension	(8,292)	(2,870)	(11,163)	(48,799)	(71,124)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 114,718</u>	<u>\$ (911,964)</u>	<u>\$ 29,786</u>	<u>\$ 165,046</u>	<u>\$ (602,414)</u>	<u>\$ (8,606)</u>

concluded

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

# ISABELLA COUNTY, MICHIGAN

## Statement of Fiduciary Net Position

Custodial Funds

September 30, 2023

### Assets

Cash and cash equivalents	\$ 9,743,085
Accounts receivable	34,286

### Total assets

9,777,371

### Liabilities

Due to other governmental units:	
Federal/State	4,355,459
Local	5,228,629
Due to individuals and agencies	155,975

### Total liabilities

9,740,063

### Net position restricted for

Individuals, organizations and other governments	<u>\$ 37,308</u>
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The accompanying notes are an integral part of these basic financial statements.



## ISABELLA COUNTY, MICHIGAN

### Statement of Change in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2023

#### Additions

Real estate transfer tax collected for other governments	\$ 1,926,743
Fees and fines collected on behalf of other governments	1,642,526
Collections from or on behalf of inmates	553,918
Collections on behalf of the Central Michigan District Health Department	14,413,800
Other taxes collected for other governments	<u>21,611,044</u>

#### Total additions

40,148,031

#### Deductions

Payments of real estate transfer tax to other governments	1,926,743
Fees and fines remitted to other governments	1,642,526
Payments to or on behalf of inmates	528,328
Payments to the Central Michigan District Health Department	14,413,800
Payments of other taxes to other governments	<u>21,611,044</u>

#### Total deductions

40,122,441

#### Change in net position

25,590

Net position, beginning of year

11,718

#### Net position, end of year

\$ 37,308

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

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## **COMPONENT UNITS**

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2023

	Road Commission	Transportation Commission	Medical Care Facility
<b>Assets</b>			
Cash and cash equivalents	\$ 4,442,446	\$ 5,649,743	\$ 673,673
Investments	14,805,821	-	-
Cash at fiscal agent	-	-	-
Receivables	2,538,420	827,502	7,058,573
Other assets	657,566	425,193	155,555
Restricted cash and investments	-	-	2,585,823
Capital assets not being depreciated	30,601,954	54,004	117,144
Capital assets being depreciated, net	79,144,812	2,287,374	9,817,280
<b>Total assets</b>	<u>132,191,019</u>	<u>9,243,816</u>	<u>20,408,048</u>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	-	-	-
Deferred pension amounts	2,083,430	617,317	1,418,417
<b>Total deferred outflows of resources</b>	<u>2,083,430</u>	<u>617,317</u>	<u>1,418,417</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,116,554	959,591	1,546,778
Advance from primary government	-	-	-
Unearned revenue	60,061	294,458	-
Long-term debt:			
Due within one year	519,450	118,567	-
Due in more than one year	4,831,426	-	-
Net pension liability, due in more than one year	6,557,724	411,478	3,351,200
<b>Total liabilities</b>	<u>13,085,215</u>	<u>1,784,094</u>	<u>4,897,978</u>
<b>Deferred inflows of resources</b>			
Deferred pension amounts	-	187,318	-
<b>Net position</b>			
Net investment in capital assets	104,770,766	2,341,378	9,934,424
Restricted:			
County roads	16,418,468	-	-
Debt service	-	-	-
Capital projects	-	-	-
Nonexpendable permanent endowments	-	-	55,226
Capital acquisitions	-	-	231,207
Unrestricted (deficit)	-	5,548,343	6,707,630
<b>Total net position</b>	<u>\$ 121,189,234</u>	<u>\$ 7,889,721</u>	<u>\$ 16,928,487</u>

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



<b>Drainage District</b>	<b>Board of Public Works</b>	<b>Totals</b>
\$ 4,721,606	\$ 65,549	\$ 15,553,017
1,607,390	-	16,413,211
-	137,659	137,659
11,911,921	1,079,961	23,416,377
260,993	-	1,499,307
-	-	2,585,823
206,595	16,000	30,995,697
30,145,748	92,532	121,487,746
<u>48,854,253</u>	<u>1,391,701</u>	<u>212,088,837</u>
-	36,253	36,253
-	-	4,119,164
<u>-</u>	<u>36,253</u>	<u>4,155,417</u>
162,189	42,759	3,827,871
350,000	-	350,000
-	136,909	491,428
1,168,910	115,000	1,921,927
12,311,978	955,000	18,098,404
-	-	10,320,402
<u>13,993,077</u>	<u>1,249,668</u>	<u>35,010,032</u>
<u>-</u>	<u>-</u>	<u>187,318</u>
17,196,979	108,532	134,352,079
-	-	16,418,468
13,655,309	-	13,655,309
4,020,726	-	4,020,726
-	-	55,226
-	-	231,207
(11,838)	69,754	12,313,889
<u>\$ 34,861,176</u>	<u>\$ 178,286</u>	<u>\$ 181,046,904</u>

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units  
For the Year Ended September 30, 2023

	Road Commission	Transportation Commission	Medical Care Facility
<b>Expenses</b>			
Road Commission	\$ 13,406,488	\$ -	\$ -
Transportation Commission	-	6,987,188	
Medical Care Facility	-	-	17,258,055
Drainage Districts	-	-	-
Board of Public Works	-	-	-
<b>Total expenses</b>	<u>13,406,488</u>	<u>6,987,188</u>	<u>17,258,055</u>
<b>Program revenues</b>			
Charges for services	4,156,310	362,799	12,746,663
Operating grants and contributions	10,350,494	4,927,759	-
Capital grants and contributions	4,380,463	1,022,837	5,800
<b>Total program revenues</b>	<u>18,887,267</u>	<u>6,313,395</u>	<u>12,752,463</u>
Net program revenue (expense)	<u>5,480,779</u>	<u>(673,793)</u>	<u>(4,505,592)</u>
<b>General revenues</b>			
Property taxes	-	1,980,744	2,307,665
Unrestricted grant revenue	-	-	542,043
Unrestricted investment earnings	614,113	141,413	57,550
<b>Total general revenues</b>	<u>631,049</u>	<u>2,124,254</u>	<u>2,907,258</u>
<b>Change in net position</b>	<u>6,111,828</u>	<u>1,450,461</u>	<u>(1,598,334)</u>
Net position (deficit), beginning of year	<u>115,077,406</u>	<u>6,439,260</u>	<u>18,526,821</u>
<b>Net position, end of year</b>	<u>\$ 121,189,234</u>	<u>\$ 7,889,721</u>	<u>\$ 16,928,487</u>

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



<b>Drainage District</b>	<b>Board of Public Works</b>	<b>Totals</b>
\$ -	\$ -	\$ 13,406,488
-	-	6,987,188
-	-	17,258,055
1,828,923	-	1,828,923
<u>-</u>	<u>95,806</u>	<u>95,806</u>
<u>1,828,923</u>	<u>95,806</u>	<u>39,576,460</u>
83,173	132,184	17,481,129
-	41,548	15,319,801
<u>851,311</u>	<u>-</u>	<u>6,260,411</u>
<u>934,484</u>	<u>173,732</u>	<u>39,061,341</u>
<u>(894,439)</u>	<u>77,926</u>	<u>(515,119)</u>
-	-	4,288,409
-	35,679	577,722
<u>181,827</u>	<u>72</u>	<u>994,975</u>
<u>181,827</u>	<u>35,751</u>	<u>5,880,139</u>
(712,612)	113,677	5,365,020
<u>35,573,788</u>	<u>64,609</u>	<u>175,681,884</u>
<u>\$ 34,861,176</u>	<u>\$ 178,286</u>	<u>\$ 181,046,904</u>

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## **NOTES TO FINANCIAL STATEMENTS**

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Isabella County, Michigan (the “County”) was organized in 1859 and covers an area of 572 square miles divided into 16 townships, three villages, and two cities. The County seat is located in the City of Mt. Pleasant. The County operates under an elected Board of Commissioners and provides services to nearly 70,000 residents in many areas including law enforcement, administration, justice, community enrichment and development, and human services.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County’s more significant accounting policies are described below.

#### **Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. The financial data of the component units are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

#### *Blended Component Unit*

A blended component unit is a legally separate entity from the County but is so intertwined with the County that it is, in substance, the same as the County. It is reported as part of the County and its financial data is combined with data of the appropriate funds. The County has one blended component unit, the Building Authority. This component unit provides services primarily to benefit the County. The blended unit is described as follows:

The **Building Authority** (the “Authority”) was established by the County under Act 31, Michigan Public Acts of 1948 and is governed by a five-member Board appointed by the County Board of Commissioners. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of capital assets for the County. The bonds are secured by lease agreements with the County and will be retired through lease payments from the County. The financial activity, assets, liabilities, deferred inflows of resources and equity of the Authority are reported in the Building Authority Debt Service Fund.

#### *Discretely Presented Component Units*

Discretely presented component units are entities that are legally separate from the County but for which the County is financially accountable, or their relationship with the County is such that exclusion would cause the County’s financial statements to be misleading or incomplete. The discretely presented component units are as follows:

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

The **Isabella County Road Commission** (the "Road Commission") is responsible for the maintenance and construction of the County road system. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local government units within the County. The Road Commission is governed by a five member Board of County Road Commissioners elected by Isabella County voters. Isabella County is secondarily obligated to provide repayment of a loan through the State of Michigan. All long-term debt issuances excluding capital lease purchase agreements require County authorization. A copy of the Road Commission's audited financial statements can be obtained at its administrative offices.

The **Isabella County Transportation Commission** (the "Commission") provides mass transit services to the citizens of Isabella County. The Commission was created by an inter-local agreement between the County and the City of Mt. Pleasant. The Commission is administered by a board with a voting majority appointed by the County Board of Commissioners. The Transportation Commission Board may not issue debt and the tax levy is subject to County Board of Commissioners' approval. The Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and included as part of the County's total tax levy as well as reported in the Isabella County Transportation Commission Fund. The Isabella County Treasurer, by statute, is responsible for the treasury function for the Commission. A copy of the Commission's audited financial statements can be obtained at its administrative offices.

The **Isabella County Medical Care Facility** (the "Facility") is governed by the Isabella County Department of Human Services Board. This board consists of three members, two of whom are appointed by the County Board of Commissioners and one appointed by the Michigan governor. The County Human Services Board approves the Facility's budget and submits a copy to the County Board of Commissioners. A copy of the Medical Care Facility's audited financial statements can be obtained at its administrative offices.

The **Isabella County Drainage Districts** is administered by the Drain Commissioner who has the sole responsibility to administer the drainage districts established by the Drain Code of 1956. The Isabella County Drain Commissioner is responsible for planning, developing, and maintaining surface water drainage systems within the County. The statutory Inter-County Drainage Board consists of the State Director of Agriculture and the drain commissioners of each county involved in the projects. Each of the drainage districts is a separate legal entity. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage districts upon authorization of the County Board of Commissioners. The drainage districts are financially accountable to the County because the County has pledged its full faith and credit for the payment of the outstanding bond issues authorized by the Drain Commissioner and because annual operating budgets must be approved by the County Board of Commissioners. The combining financial statements for the drainage districts are presented as part of other supplementary information and a separate report is not issued.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The **Isabella County Board of Public Works** has the responsibility of administering various public works construction projects and the associated debt service funds and was established pursuant to the provisions of Act 185, Public Acts of 1957, as amended. The Board is also responsible for the administration of the operations of the Lake Isabella water supply system. The Board of Public Works is administered by a seven member Board comprised of the Drain commissioner and six members with a voting majority appointed by the County Board of Commissioners. All general obligation bond issuances require County authorization and are backed by the full faith and credit of the County. The combining financial statements for the Board of Public Works are presented as part of other supplementary information and a separate report is not issued.

The **Isabella County Economic Development Corporation** (the "EDC") was established to provide community and economic development services. The County's board of commissioners is responsible for appointing the members of the EDC board. The EDC has been inactive for many years and did not have any activity or balances as of September 30, 2023.

### *Jointly Governed Organizations*

The **Central Michigan Mental Health Facilities Board** (the "Facilities Board") provides mental health facilities to Isabella, Clare, Mecosta, and Osceola counties. The Facilities Board is organized as a nonprofit under Section 501(c)(3) of the Internal Revenue Code. Each of the four counties through their respective Boards of Commissioners appoints two members to the Facilities Board. The Facilities Board, Isabella County, and the Isabella County Building Authority entered into a three-party agreement whereby, the County, through the Building Authority, sold general obligation bonds to construct a mental health building in Mt. Pleasant.

The Building Authority holds title to the building but has an agreement with County to allow the County to enter into a financed purchase agreement for the building with the Facilities Board, with the annual rent equal to the debt service requirements of the bond issue. The Facilities Board entered into a separate, but related, rental agreement with the Central Michigan Mental Health Services Board to provide office space. This rental agreement provides substantially all the funding necessary to meet the Facilities Board's obligation to the County. The title of the building is to revert to the Facilities Board upon redemption of the bond issue.

Similar arrangements have been made to construct mental health facilities in Mecosta and Osceola counties between the Facilities Board, the counties, and their building authorities.

The **Central Michigan Community Mental Health Services Board** ("Services Board") reorganized as a Community Mental Health Authority under Public Act 258 of 1974, as amended. The Board has representatives and provides services to residents of Clare, Isabella, Osceola, and Mecosta counties. All participating counties provide annual appropriations; however, none of the participating counties are financially responsible for the Services Board.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The **Central Michigan District Health Department** ("Health Department") is a multi-county agency established to provide public health services. The Health Department serves the counties of Arenac, Clare, Gladwin, Isabella, Osceola, and Roscommon. Isabella County and the other participating counties provide annual appropriations to subsidize the operations of the District Health Department. The District Health Department is primarily responsible for the debt service relating to the Building Authority bond issue sold to finance the construction of the District Health Department building. Financial accountability to the County is demonstrated by these annual operating appropriations and the rental of space to house its operations. In addition, the treasury function for the District Health Department rests with the Isabella County Treasurer. A copy of the District Health Department's audited financial statements can be obtained at its administrative offices.

The Facilities Board, Services Board, and Health Department are legally separate from the County and have not met the financial accountability criteria of GAAP. For this reason, they are not considered component units of the County.

### ***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*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

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

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

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Custodial funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, custodial funds use the economic resources measurement focus and use the accrual basis of accounting to recognize receivables and payables.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year-end, except reimbursement-based grants that use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

The *Commission on Aging Fund* accounts for the operations of the Commission on Aging and is funded primarily through grant revenue and taxes.

The *Jail Construction Fund* accounts for costs associated with the construction of the new Isabella County Sheriff's Office and Correctional Facility.

The County reports the following major enterprise funds:

The *Delinquent Tax Revolving Fund* accounts for the activities of the County's purchase and collection of delinquent property taxes.

The *Recycling Fund* accounts for the activities of the County's recycling program.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The *PA 123 Restricted Tax Fund* accounts for the activities related to the sale of real property to satisfy delinquent taxes receivables under Public Act 123.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that comprise, or are expected to comprise a substantial portion of the fund's total reported inflows.

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

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

*Internal service funds* account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. This includes administering a high deductible health insurance plan and health reimbursement account for active and eligible retired employees and their families.

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

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

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

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity**

#### ***Deposits and Investments***

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the County's investments. Cash equivalents consist of temporary investments in various instruments with a maturity from date of purchase of 90 days or less.

The County's pooled cash and investments are utilized by the general fund and most of the special revenue funds, capital project funds, debt service fund, enterprise funds, internal service funds, custodial funds, and component units. Each fund's portion of these pooled accounts is included in the cash and cash equivalents caption in the applicable balance sheet/statement of net position. Certain funds of the County utilize separate savings and interest bearing checking accounts. In addition, certificates of deposit are separately held by several of the County's funds.

Investments consist of a Michigan Cooperative Liquid Assets Securities System (MIClass) investment and certificates of deposits with original maturities of greater than 90 days.

State statutes authorize the County to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

### ***Restricted Assets***

Certain resources have been classified as restricted on the statement of net position because their use is limited. The restricted cash and investments on the governmental activities statement of net position consists of unspent ARPA funds and bond proceeds restricted for jail construction.

The Medical Care Facility has recorded restricted assets for various trust activities.

### ***Receivables***

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

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

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy on March 1 (excluding personal property taxes) are purchased by the delinquent tax revolving fund through the settlement process.

Property taxes receivable in the delinquent tax revolving fund represent unpaid balances from the previous years' levies for the County itself as well as other local taxing authorities in the County's geographical region. The County is responsible for pursuing and administering collection of these balances and coordinating the forfeiture and foreclosure activities for the related parcels. This process takes place over a 3-year period. Interest at 1% per month (increased to 1.5% after 12 months, retroactive to the date of delinquency) and administrative fees at 4% are accrued in accordance with State statute. No amounts have been included in an allowance for uncollectible balances, as the structure of the Delinquent Tax Revolving fund has been designed to make the fund whole either through the eventual auction of the foreclosed parcels or through chargebacks to the local taxing authorities initially levying the taxes.

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Loans receivable consists of Community Development Block Grant funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on the related property.

#### ***Inventories and Prepaids***

Inventories consist of food and office supplies, are reported at cost using the first-in/first-out method and are recorded as expenditures when consumed (consumption method). Nonspendable fund balances have been recorded in the applicable governmental funds to indicate that inventories are not currently available, spendable components of fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the purchases method, in both the government-wide and fund financial statements. Nonspendable fund balances have been recorded in the applicable governmental funds to indicate the prepaids are not a currently available or spendable component of fund balance.

#### ***Installment Sales Agreement Receivable***

#### ***Component Units***

In accordance with the terms of an agreement between the Isabella County Board of Public Works and Union Township, the County authorized the construction of a wastewater treatment plant and the financing of the same by the Board of Public Works through the issuance of \$7,605,000 in bonds. Of the original issue, \$6,050,000 of the debt was defeased with the issuance of 2009 refunding bonds.

In accordance with the terms of a second agreement between the Isabella County Board of Public Works and Union Township, the County authorized the construction of a Water and Sewer System improvement project and the financing of the same by the Board of Public Works through the issuance of \$2,105,000 in bonds.

These agreements provide for the Board of Public Works to enter into installment sales agreements with the local units with annual local contributions from the Township equal to the annual debt service requirements over the life of the bond issues. The local unit is responsible for the operation, maintenance, and management of the system over the life of the installment sales agreement. Upon final payment of the bond issue, ownership of the assets will revert to the local unit.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

On this basis, the aggregate future payments necessary for the retirement of outstanding bond principal have been recorded as an installment sales agreement receivable. Unavailable revenue is shown on the balance sheet of debt service funds in the Board of Public Works component unit in the same amount as the installment sales agreement that is not recognized as revenue until installment sales agreement payments are received. There is no provision for any contingent rental contained in the installment sales agreement. The future minimum installment sales agreement payments to be received are equal to the outstanding principal and interest of each bond issue.

### **Capital Assets**

#### **Primary Government and Component Units (except for the Isabella County Road Commission)**

Capital assets include land, buildings and improvements, equipment, vehicles, drain infrastructure, and other assets and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more (\$25,000 for drain infrastructure) and an estimated useful life of more than one year. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	20-50
Land improvements	10-20
Equipment	4-20
Drain infrastructure	5-100
Vehicles	5-20
Other	5-15

#### **Isabella County Road Commission Component Unit**

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, bridges, and similar items), are reported in the government-wide financial statements (statement of net position and statement of activities). Capital assets are defined by the Road Commission as assets with an initial individual cost of more than \$1,000 and an estimated 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 acquisition cost at the date donated.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Depreciation is recorded over the estimated useful lives (ranging from four to fifty years) of the assets, using the sum-of-years digits method for road equipment and straight-line method for all other capital assets and infrastructure as follows:

	Years
Land improvements	10-20
Buildings	30-50
Road equipment	5-8
Shop equipment	10
Office equipment	4-10
Engineers' equipment	4-10
Yard and storage	4-10
Infrastructure - bridges	12-50
Infrastructure - roads	8-30

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

### ***Deferred Outflows of Resources***

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

### ***Compensated Absences***

County employees are permitted to accumulate earned but unused vacation and sick time benefits, subject to certain limitations, according to personnel contracts. All vested benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

### ***Unearned Revenue***

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

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

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

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County may also report deferred inflows related to its pension plan in the statements of net position. Finally, the statement of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

### *Leases*

*Lessor.* The County is a lessor for a noncancellable lease of two buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

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

#### ***Subscription-Based Information Technology Arrangements (SBITA)***

The County has noncancellable subscription-based information technology arrangements. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The County has prepaid for two of the arrangements as of the year ended September 30, 2023.

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

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

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

#### ***Fund Balances***

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

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

### *Interfund Transactions*

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 transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the County. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

### *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 Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Use of Estimates*

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

## 2. BUDGETARY INFORMATION

Budgets are adopted by the County Board of Commissioners for the general and special revenue funds, except for those that are adopted and administered by separate boards. The general fund and all special revenue funds have legally adopted budgets. The budget document presents information by fund, function, department, and line items. The County Board of Commissioners monitors and amends the budgets, as necessary. Budgetary control is exercised at the activity level for the general fund and at the fund level for special revenue funds. Management is authorized to amend the budget up to certain amounts within departments at a line item level without board approval. The County employs the following procedures in establishing budgets:

- The County departments meet with and submit their budgetary estimates to the Administrator/Controller who will: review the estimates, assemble, and prepare a recommended budget. The operating budgets include proposed expenditures and resources to finance them.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

- The Administrator/Controller will then convey the recommended budgets to the Board at a public meeting. A public hearing will be held along with other opportunities for feedback, input and consideration before final adoption.
- The County does not employ encumbrance accounting as an extension of formula budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end, unless specifically re-appropriated by Board action.
- Applicable budgeted amounts are reported as originally adopted or as amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations that were adopted.
- All County budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended September 30, 2023, the County incurred expenditures within the amounts appropriated.

### 3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances for the primary government and component units cash and investments as of September 30, 2023:

	Primary Government	Component Units	Totals
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 17,701,858	\$ 15,553,017	\$ 33,254,875
Investments	3,898,217	16,413,211	20,311,428
Restricted cash and investments	16,306,315	2,585,823	18,892,138
<b>Statement of fiduciary net position</b>			
Custodial funds:			
Cash and cash equivalents	9,743,085	-	9,743,085
<b>Total</b>	<u>\$ 47,649,475</u>	<u>\$ 34,552,051</u>	<u>\$ 82,201,526</u>
<b>Deposits and investments</b>			
Bank deposits:			
Checking / savings accounts			\$ 49,927,740
Certificates of deposit, due within one year			11,955,417
Investments			20,311,428
Cash on hand			<u>6,941</u>
<b>Total</b>			<u>\$ 82,201,526</u>



## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$37,720,521 of the County's bank balance, excluding Road Commission, Transportation Authority, and the Medical Care Facility, of \$39,970,521 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Custodial Credit Risk – Investments.* As of September 30, 2023, the County's investments, including the Road Commission, consisted of Michigan Cooperative Liquid Assets Securities System (Michigan CLASS) totaling \$20,311,428.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. As of September 30, 2023, the Michigan CLASS investments are rated AAAM by Standard and Poor's.

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. 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. The Michigan CLASS investment had a carrying amount equal to its fair value of \$20,311,428 at year end.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

*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 valuation inputs used to measure the fair value of assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The investments held by the County at year end that were subject to fair value measurement were the Michigan CLASS investments. Michigan CLASS investments are carried at net asset value.

*Investments in Entities that Calculate Net Asset Value per Share.* The County holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in Michigan CLASS was \$20,311,428. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

### 4. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	\$ 2,770,770	\$ 80,770	\$ 9,808,853
Taxes receivable	1,581,991	2,397,495	-
Special assessments receivable	-	-	11,885,186
Loans receivable	902,673	-	-
Leases receivable	224,523	-	-
Due from other governments	6,032,302	142,945	767,338
Due from component unit	20,190	-	-
Installment sales agreement receivable	-	-	955,000
	<u>\$ 11,532,449</u>	<u>\$ 2,621,210</u>	<u>\$ 23,416,377</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Governmental Activities	Business-type Activities	Component Units
Amount not expected to be collected within one year:			
Accounts receivable	\$ 1,323,300	\$ -	\$ -
Special assessments receivable	-	-	10,701,311
Loans receivable	902,673	-	835,000
Leases receivable	184,274	-	-
	<u>\$ 2,410,247</u>	<u>\$ -</u>	<u>\$ 11,536,311</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in governmental funds were as follows:

### Governmental funds

Unavailable revenue:

Loans receivable	\$ 902,673
Taxes receivable	878,783
Long-term receivables	1,458,120
Leases receivable	<u>222,364</u>

### Totals

\$ 3,461,940

## 5. OTHER ASSETS

Other assets consisted of the following amounts at September 30, 2023:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ 26,427	\$ 3,559	\$ 526,315
Prepays	457,675	-	972,992
	<u>\$ 484,102</u>	<u>\$ 3,559</u>	<u>\$ 1,499,307</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance*	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,021,742	\$ 102,601	\$ -	\$ -	\$ 2,124,343
Construction in progress	4,784,616	15,294,292	-	(89,731)	19,989,177
	<u>6,806,358</u>	<u>15,396,893</u>	<u>-</u>	<u>(89,731)</u>	<u>22,113,520</u>
Capital assets, being depreciated/amortized:					
Land improvements	789,266	-	-	-	789,266
Buildings and improvements	25,029,367	48,857	-	-	25,078,224
Equipment	4,955,456	523,868	(282,331)	48,231	5,245,224
Vehicles	1,129,732	144,546	(15,850)	-	1,258,428
Other	1,280,582	29,818	-	-	1,310,400
Subscription asset (Note 12)	341,357	22,098	-	41,500	404,955
	<u>33,525,760</u>	<u>769,187</u>	<u>(298,181)</u>	<u>89,731</u>	<u>34,086,497</u>
Less accumulated depreciation/amortization for:					
Land improvements	(268,319)	(33,043)	-	-	(301,362)
Buildings and improvements	(16,041,217)	(334,533)	-	-	(16,375,750)
Equipment	(3,971,431)	(195,594)	259,152	-	(3,907,873)
Vehicles	(617,582)	(145,891)	15,850	-	(747,623)
Other	(1,098,389)	(54,225)	-	-	(1,152,614)
Subscription asset (Note 12)	-	(76,716)	-	-	(76,716)
	<u>(21,996,938)</u>	<u>(840,002)</u>	<u>275,002</u>	<u>-</u>	<u>(22,561,938)</u>
Total capital assets being depreciated/amortized, net	<u>11,528,822</u>	<u>(70,815)</u>	<u>(23,179)</u>	<u>89,731</u>	<u>11,524,559</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 18,335,180</u>	<u>\$ 15,326,078</u>	<u>\$ (23,179)</u>	<u>\$ -</u>	<u>\$ 33,638,079</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

\* The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription assets have been added to the beginning balances shown above and a corresponding subscription payable has been recorded for the same amount.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 107,757	\$ -	\$ -	\$ -	\$ 107,757
Capital assets, being depreciated:					
Land improvements	14,196	-	-	-	14,196
Buildings and improvements	1,382,894	9,860	-	-	1,392,754
Equipment	1,485,676	70,675	(67,730)	-	1,488,621
Vehicles	676,788	-	-	-	676,788
	<u>3,559,554</u>	<u>80,535</u>	<u>(67,730)</u>	<u>-</u>	<u>3,572,359</u>
Less accumulated depreciated for:					
Land improvements	(14,196)	-	-	-	(14,196)
Buildings and improvements	(918,330)	(35,681)	-	-	(954,011)
Equipment	(972,046)	(82,813)	30,483	-	(1,024,376)
Vehicles	(516,235)	(45,964)	-	-	(562,199)
	<u>(2,420,807)</u>	<u>(164,458)</u>	<u>30,483</u>	<u>-</u>	<u>(2,554,782)</u>
Total capital assets being depreciated, net	<u>1,138,747</u>	<u>(83,923)</u>	<u>(37,247)</u>	<u>-</u>	<u>1,017,577</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 1,246,504</u>	<u>\$ (83,923)</u>	<u>\$ (37,247)</u>	<u>\$ -</u>	<u>\$ 1,125,334</u>

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

### Depreciation/amortization of governmental activities by function:

General government	\$ 390,619
Public safety	312,188
Health and welfare	29,039
Recreation and culture	108,007
Community and economic development	149
<b>Total depreciation/amortization expense - governmental activities</b>	<u>\$ 840,002</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Depreciation of business-type activities by function:

Recycling	\$ 147,571
Building inspection	13,398
Concessions	<u>3,489</u>

**Total depreciation expense - business-type activities** \$ 164,458

The County has outstanding commitments related to the Radio Tower project and Sheriff's Office and Correctional Facility project in the amounts of \$3,957,721 and \$27,503,257, respectively, as of September 30, 2023.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 225,075	\$ -	\$ -	\$ -	\$ 225,075
Land improvements	552,523	-	-	-	552,523
Land - Infrastructure	28,952,897	871,459	-	-	29,824,356
	<u>29,730,495</u>	<u>871,459</u>	<u>-</u>	<u>-</u>	<u>30,601,954</u>
Capital assets, being depreciated:					
Land improvements	2,948	-	-	-	2,948
Buildings	11,256,583	39,346	-	-	11,295,929
Equipment	10,006,384	1,881,841	(62,663)	-	11,825,562
Infrastructure - bridges	34,439,911	1,592,939	-	-	36,032,850
Infrastructure - roads	72,338,708	6,149,076	(3,485,136)	-	75,002,648
	<u>128,044,534</u>	<u>9,663,202</u>	<u>(3,547,799)</u>	<u>-</u>	<u>134,159,937</u>
Less accumulated depreciation for:					
Land improvements	(2,051)	(147)	-	-	(2,198)
Buildings	(581,966)	(233,450)	-	-	(815,416)
Equipment	(8,206,566)	(737,981)	29,773	-	(8,914,774)
Infrastructure - bridges	(10,200,110)	(1,451,807)	-	-	(11,651,917)
Infrastructure - roads	(34,482,414)	(2,633,542)	3,485,136	-	(33,630,820)
	<u>(53,473,107)</u>	<u>(5,056,927)</u>	<u>3,514,909</u>	<u>-</u>	<u>(55,015,125)</u>
Total capital assets being depreciated, net	<u>74,571,427</u>	<u>4,606,275</u>	<u>(32,890)</u>	<u>-</u>	<u>79,144,812</u>
<b>Road Commission capital assets, net</b>	<u><u>\$ 104,301,922</u></u>	<u><u>\$ 5,477,734</u></u>	<u><u>\$ (32,890)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 109,746,766</u></u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Transportation Commission Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 54,004	\$ -	\$ -	\$ -	\$ 54,004
Capital assets, being depreciated:					
Buildings and improvements	2,990,449	-	-	-	2,990,449
Equipment and furniture	1,478,490	14,620	-	-	1,493,110
Buses	4,427,719	943,434	(283,834)	-	5,087,319
	<u>8,896,658</u>	<u>958,054</u>	<u>(283,834)</u>	<u>-</u>	<u>9,570,878</u>
Less accumulated depreciated:					
Buildings and improvements	(2,938,214)	(13,752)	-	-	(2,951,966)
Equipment and furniture	(1,133,358)	(120,251)	-	-	(1,253,609)
Buses	(2,922,774)	(438,989)	283,834	-	(3,077,929)
	<u>(6,994,346)</u>	<u>(572,992)</u>	<u>283,834</u>	<u>-</u>	<u>(7,283,504)</u>
Total capital assets being depreciated, net	<u>1,902,312</u>	<u>385,062</u>	<u>-</u>	<u>-</u>	<u>2,287,374</u>
<b>Transportation Commission capital assets, net</b>	<u>\$ 1,956,316</u>	<u>\$ 385,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,341,378</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Medical Care Facility Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 42,703	\$ 74,441	\$ -	\$ -	\$ 117,144
Capital assets, being depreciated:					
Buildings and improvements	16,883,223	389,830	-	-	17,273,053
Equipment and furniture	2,164,496	232,259	-	-	2,396,755
	<u>19,047,719</u>	<u>622,089</u>	<u>-</u>	<u>-</u>	<u>19,669,808</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,518,879)	(463,647)	-	-	(7,982,526)
Equipment and furniture	(1,760,509)	(109,493)	-	-	(1,870,002)
	<u>(9,279,388)</u>	<u>(573,140)</u>	<u>-</u>	<u>-</u>	<u>(9,852,528)</u>
Total capital assets being depreciated, net	<u>9,768,331</u>	<u>48,949</u>	<u>-</u>	<u>-</u>	<u>9,817,280</u>
<b>Medical Care Facility capital assets, net</b>	<u>\$ 9,811,034</u>	<u>\$ 123,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,934,424</u>
<b>Drainage Districts Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 5,351,072	\$ 648,496	\$ -	\$ (5,792,973)	\$ 206,595
Capital assets, being depreciated:					
Infrastructure - drains	34,760,402	-	-	5,792,973	40,553,375
Less accumulated depreciated for:					
Infrastructure - drains	(9,740,717)	(666,910)	-	-	(10,407,627)
Total capital assets being depreciated, net	<u>25,019,685</u>	<u>(666,910)</u>	<u>-</u>	<u>5,792,973</u>	<u>30,145,748</u>
<b>Drainage District capital assets, net</b>	<u>\$ 30,370,757</u>	<u>\$ (18,414)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,352,343</u>



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Board of Public Works Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
Capital assets, being depreciated:					
Buildings and improvements	11,856	-	-	-	11,856
Equipment	69,906	-	-	-	69,906
Infrastructure	231,157	62,366	-	-	293,523
	<u>312,919</u>	<u>62,366</u>	<u>-</u>	<u>-</u>	<u>375,285</u>
Less accumulated depreciated for:					
Buildings and improvements	(11,856)	-	-	-	(11,856)
Equipment	(33,822)	(4,619)	-	-	(38,441)
Infrastructure	(231,034)	(1,422)	-	-	(232,456)
	<u>(276,712)</u>	<u>(6,041)</u>	<u>-</u>	<u>-</u>	<u>(282,753)</u>
Total capital assets being depreciated, net	<u>36,207</u>	<u>56,325</u>	<u>-</u>	<u>-</u>	<u>92,532</u>
<b>Board of Public Works capital assets, net</b>	<u>\$ 52,207</u>	<u>\$ 56,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,532</u>

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 6,724,287	\$ 55,379	\$ 1,436,670
Accrued interest payable	72,447	-	184,074
Accrued payroll	488,606	16,802	1,368,898
Due to other governments	85,409	13,143	745,007
Due to primary government	-	-	20,190
Other accrued liabilities	-	-	73,032
<b>Total</b>	<u>\$ 7,370,749</u>	<u>\$ 85,324</u>	<u>\$ 3,827,871</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at year end, was as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 3,646,978	\$ 120,500
Commission on aging fund	137,500	-
Jail construction fund	-	2,974,400
Nonmajor governmental funds	50,000	415,500
Recycling fund	150,000	124,078
Internal service fund	-	350,000
<b>Total</b>	<u>\$ 3,984,478</u>	<u>\$ 3,984,478</u>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

For the year ended September 30, 2023, interfund transfers consisted of the following:

	Transfers In		
	General Fund	Jail Construction	Nonmajor Governmental Funds
<b>Transfers out</b>			
General fund	\$ -	\$ 2,371,428	\$ 1,031,479
Commission on Aging	333,530	-	-
Nonmajor governmental funds	307,872	-	-
Recycling fund	137,915	-	-
Nonmajor enterprise funds	172,622	-	-
<b>Total</b>	<u>\$ 951,939</u>	<u>\$ 2,371,428</u>	<u>\$ 1,031,479</u>

continued...

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Transfers out	Transfers In		
	Recycling	Internal Service Fund	Total
General fund	\$ 400,000	\$ 167,500	\$ 3,970,407
Commission on Aging	-	-	333,530
Nonmajor governmental funds	-	-	307,872
Recycling fund	-	-	137,915
Nonmajor enterprise funds	-	-	172,622
<b>Total</b>	<u>\$ 400,000</u>	<u>\$ 167,500</u>	<u>\$ 4,922,346</u>

concluded

Transfers are generally used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for 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.

The transfer out of the general fund to the jail construction fund consists of the 12% required portion on the correctional facility and the general fund transfer to the nonmajor governmental funds consists of the annual County appropriations. Further, the transfers out of the commission on aging and recycling fund are solely to move indirect costs to the general fund. The transfers out of the nonmajor governmental funds are to move indirect costs to the general fund and to cover positions partially funded by another fund. Lastly, the transfers out of the nonmajor enterprise funds are to move inspections indirect costs to the general fund and commissary costs to cover sheriff vehicles.

For the year ended September 30, 2023, advances to and from component units consisted of the following:

	Advance to Component Unit	Advance from Primary Government
General fund	\$ 350,000	\$ -
Drainage district	-	350,000
	<u>\$ 350,000</u>	<u>\$ 350,000</u>

The advance to the drainage district component unit in the general fund is to increase the drain revolving fund working capital to cover increased operational costs.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 9. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

Bonds, notes and other long-term liabilities for the year ended September 30, 2023, was as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Post-closure landfill costs (Note 10)	\$ 407,341	\$ -	\$ (24,062)	\$ 383,279	\$ 35,247
Bond anticipation note	6,000,000	-	(6,000,000)	-	-
Limited tax general obligation jail bonds, series 2022ABCDE	-	15,976,575	-	15,976,575	681,000
Subtotal	6,000,000	15,976,575	(6,000,000)	15,976,575	681,000
Direct placement:					
Subscriptions (Note 12)	341,357	-	(63,657)	277,700	59,187
Compensated absences	1,193,467	1,146,298	(1,168,201)	1,171,564	468,626
	<u>\$ 7,942,165</u>	<u>\$ 17,122,873</u>	<u>\$ (7,255,920)</u>	<u>\$ 17,809,118</u>	<u>\$ 1,244,060</u>

\* The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscriptions payable have been added to the beginning balances shown above and a corresponding subscription asset has been recorded for the same amount.

#### Business-type activities

Compensated absences	\$ 67,222	\$ 63,686	\$ (79,854)	\$ 51,054	\$ 20,421
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In 2023, the County issued a \$41,500,000 Limited Tax General Obligation Jail Bonds, Series ABCDE, due in annual installments ranging from \$681,000 to \$1,518,000 through December 1, 2063, plus annual interest of 2.125%.

For the governmental activities, compensated absences are normally liquidated by the fund in which the individual employees are budgeted. The General Fund, Parks and Recreation Fund, Friend of the Court Fund, Commission on Aging Fund, Building Inspection Fund, and Recycling Fund are funds where compensated absences would typically be liquidated.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Debt service requirements to maturity for the bond payable of the primary government is as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 681,000	\$ 881,875	\$ 1,562,875
2025	683,000	852,890	1,535,890
2026	697,000	838,079	1,535,079
2027	711,000	822,970	1,533,970
2028	727,000	807,521	1,534,521
2029-2033	3,873,000	3,794,188	7,667,188
2034-2038	4,304,000	3,355,566	7,659,566
2039-2043	4,781,000	2,868,219	7,649,219
2044-2048	5,309,000	2,327,194	7,636,194
2049-2053	5,901,000	1,725,883	7,626,883
2054-2058	6,552,000	1,057,889	7,609,889
2059-2063	7,281,000	315,924	7,596,924
	<u>41,500,000</u>	<u>19,648,196</u>	<u>61,148,196</u>
Available to draw	<u>(25,523,425)</u>	<u>-</u>	<u>(25,523,425)</u>
	<u>\$ 15,976,575</u>	<u>\$ 19,648,196</u>	<u>\$ 35,624,771</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Road Commission Component Unit</b>					
Direct placement:					
Note payable dated in 2020, due in annual installments of \$339,000 to \$479,000, with interest charged at 2.99%, due 2035					
	\$ 5,322,000	\$ -	\$ (346,000)	\$ 4,976,000	\$ 355,000
Vested employee benefits	328,866	198,835	(152,825)	374,876	164,450
	<u>\$ 5,650,866</u>	<u>\$ 198,835</u>	<u>\$ (498,825)</u>	<u>\$ 5,350,876</u>	<u>\$ 519,450</u>

Debt service requirements to maturity for all direct placement debt of the road commission are as follows:

Year Ending September 30,	Road Commission		
	Principal	Interest	Total
2024	\$ 355,000	\$ 148,782	\$ 503,782
2025	365,000	138,168	503,168
2026	376,000	127,254	503,254
2027	386,000	116,012	502,012
2028	396,000	104,471	500,471
2029-2033	2,152,000	337,960	2,489,960
2034-2035	946,000	42,607	988,607
	<u>\$ 4,976,000</u>	<u>\$ 1,015,254</u>	<u>\$ 5,991,254</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Transportation Commission Component Unit</b>					
Compensated absences	\$ 112,523	\$ 110,141	\$ (104,097)	\$ 118,567	\$ 118,567
<b>Drainage District Component Unit</b>					
Drain bonds	\$ 3,987,450	\$ -	\$ (373,450)	\$ 3,614,000	\$ 334,000
Direct placement drain notes	10,551,306	-	(684,418)	9,866,888	834,910
	<u>\$ 14,538,756</u>	<u>\$ -</u>	<u>\$ (1,057,868)</u>	<u>\$ 13,480,888</u>	<u>\$ 1,168,910</u>

### Drain bonds

\$2,385,000 Lewis #435 Drainage District Bond dated August 29, 2013, due in annual principal installments of \$120,000 through May 1, 2034, with interest ranging from 1.60 to 4.50 percent, payable semi-annually. \$ 1,320,000

\$1,970,000 Figg #319 Drainage District Bond dated December 20, 2012, due in annual principal installments ranging from \$95,000 to \$100,000 through May 1, 2033, with interest ranging from 2.00 to 3.00 percent, payable annually. 985,000

\$1,173,000 Blanchard Intercounty Drain Bond Series 2018 dated August 1, 2018, due in annual principal installments ranging from \$58,000 to \$59,000 through May 1, 2038, with interest of 3.74 percent, payable annually. 879,000

\$1,070,000 Bachelder Improvement Drain Bond dated March 24, 2011, due in annual principal installments ranging from \$50,000 to \$55,000 through May 1, 2031, with interest ranging from 4.20 to 5.20 percent, payable annually. 430,000

\$ 3,614,000

### Direct placement drain notes

\$2,945,000 Mission Creek Drain Note dated September 2, 2021, due in annual installments of \$147,000 to \$148,000 through June 1, 2041, with interest of 2.51 percent, payable annually. \$ 2,649,000

\$2,596,500 Little Tobacco River Intercounty Drain Note dated October 28, 2020, due in annual installments of \$425,000 to \$445,000 through June 1, 2040, with interest of 2.5 percent, payable annually. 2,196,000

\$1,850,000 Childs Creek & Dubois Drain Note dated March 28, 2019, due in annual installments of \$92,500 through May 1, 2039, with interest of 3.65 percent, payable annually. 1,480,000

continued...

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Direct placement drain notes (concluded)

\$798,618 Cahoon Drain Note dated May 6, 2016, due in annual installments of \$39,931 through May 1, 2036, with interest of 2.49 percent, payable annually.	\$ 519,101
\$675,000 County Line Intercounty Drain Bond dated November 14, 2016, due in annual installments of \$33,750 through May 1, 2037 with interest of 2.49 percent, payable annually.	472,500
\$695,000 Tice Drain Note dated September 26, 2014, due in annual installments of \$34,750 through May 1, 2035, with interest of 3.69 percent, payable annually.	417,000
\$582,742 Jennings 388 Drain Note dated May 1, 2017, due in annual installments of \$29,137 through May 1, 2037, with interest of 3.10 percent, payable annually.	407,920
\$619,000 Leonard Drain Note dated November 12, 2015, due in annual installments of \$30,950 through May 1, 2036, with interest of 3.69 percent, payable annually.	402,350
\$917,395 Saunders Drain Note dated October 2, 2013, due in annual installments of \$61,160 through June 1, 2028, with interest of 3.75 percent, payable annually.	305,798
\$500,000 Tripp Drain Note dated January 17, 2018, due in annual installments of \$25,000 through May 1, 2038, with interest of 3.75 percent, payable annually.	375,000
\$348,000 Myers Drain Note dated June 13, 2014, due in annual installments ranging from \$13,726 to \$22,688 through June 1, 2034, with interest of 3.00 percent, payable annually.	216,219
\$292,000 Shuler Drain Note dated November 14, 2014, due in annual installments of \$14,600 through May 1, 2035, with interest of 3.69 percent, payable annually.	175,200
\$150,000 McDonald Creek Drain note dated August 10, 2022, due in one annual installment of \$150,000 on May 10, 2023, with interest of 2.35 percent.	150,000
\$117,000 Oberlin Drain Note dated December 29, 2016, due in annual installments of \$5,850 through May 1, 2037, with interest of 3.45 percent, payable annually.	81,900
\$189,000 Martin Drain Note dated August 22, 2014, due in annual installments of \$18,900 through June 1, 2024, with interest of 2.35 percent, payable annually.	<u>18,900</u>
	<u>\$ 9,866,888</u>



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Debt service requirements to maturity for all drain bonds of the drainage district are as follows:

Year Ending September 30,	Drainage District		
	Principal	Interest	Total
2024	\$ 334,000	\$ 132,418	\$ 466,418
2025	333,000	121,434	454,434
2026	324,000	110,230	434,230
2027	333,000	99,042	432,042
2028	334,000	87,223	421,223
2029-2033	1,543,000	251,885	1,794,885
2034-2038	413,000	38,162	451,162
	<u>\$ 3,614,000</u>	<u>\$ 840,394</u>	<u>\$ 4,454,394</u>

Debt service requirements to maturity for all direct placement drain notes of the drainage district are as follows:

Year Ending September 30,	Drainage District		
	Principal	Interest	Total
2024	\$ 834,910	\$ 282,873	\$ 1,117,783
2025	666,516	262,361	928,877
2026	665,538	242,277	907,815
2027	665,075	222,227	887,302
2028	664,127	202,174	866,301
2029-2033	3,013,244	733,310	3,746,554
2034-2038	2,568,978	301,159	2,870,137
2039-2041	788,500	29,540	818,040
	<u>\$ 9,866,888</u>	<u>\$ 2,275,921</u>	<u>\$ 12,142,809</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Board of Public Works Component Unit</b>					
\$2,105,000 Union Township Water Supply Bonds dated July 21, 2010 due in annual principal installments ranging from \$85,000 to \$155,000 through October 1, 2030 with interest ranging from 2.50% to 4.40% payable semi-annually.	\$ 1,180,000	\$ -	\$ (110,000)	\$ 1,070,000	\$ 115,000

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Debt service requirements to maturity for all installment debt of the Board of Public Works are as follows:

Year Ending September 30,	Board of Public Works		
	Principal	Interest	Total
2024	\$ 115,000	\$ 41,661	\$ 156,661
2025	120,000	37,195	157,195
2026	125,000	32,385	157,385
2027	130,000	27,285	157,285
2028	135,000	21,918	156,918
2029-2031	445,000	29,665	474,665
	<u>\$ 1,070,000</u>	<u>\$ 190,109</u>	<u>\$ 1,260,109</u>

### 10. POST-CLOSURE LANDFILL COSTS

The County owns a solid waste landfill located in Deerfield Township. The County stopped accepting waste at this site on June 15, 1987, and completed the capping off of the site on July 21, 1989.

Since that time, post-closure monitoring of the site by the County and the Michigan Department of Natural Resources (DNR) has identified ground water contamination in excess of state and federal laws and regulations. A Consent Judgment, initiated by the State Attorney General and Michigan Department of Natural Resources and its director established the requirements the County had to meet to bring the County back into compliance.

As part of this consent judgment, the County had to implement its remedial action plan previously submitted and approved by the DNR. The remedial action plan called for the construction of purge wells and piping as well as construction of an air stripping facility which was completed during 1996. Air stripping involves the mass transfer of the contaminants from solution to a gas, thereby removing the contaminants from the groundwater. This is accomplished by pumping water through a packed column which has a counter current flow of air.

The County is required to perform certain maintenance and monitoring functions as stipulated in the Consent Judgment for a minimum of thirty years from October 23, 1992, the date of DNR approval of the County remedial action plan. It is anticipated that the purge wells and air stripping facility will have to be operated over this thirty year period.

The landfill post-closure care liability as reported in long-term debt of the governmental activities at September 30, 2023, is \$383,279. For the year ended September 30, 2023, the County incurred post-closure care expenditures of \$24,062.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

All amounts recognized are based on the estimated cost to perform post-closure care at September 30, 2023. Actual costs may be higher due to inflation, changes in technology or applicable laws and regulations. The amount recognized is based on estimates developed by solid waste management engineering consultants used by the County to develop the County remedial action plan. These estimates are considered sufficient and reasonable by management. The post-closure care costs are budgeted in the general fund on an annual basis.

### 11. LEASES

*Lessor* - The County is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended September 30, 2023 was \$40,944, which includes interest of \$1,055, in governmental activities.

	Remaining Term of Agreements
<b>Asset Type</b>	
Buildings	7 to 8 years

### 12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

The County is involved in six arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the County has the control of the right to use another party's IT software and the noncancelable term of the arrangements surpass one year. The present value is discounted using the County's incremental borrowing rate. The County has prepaid for two of the arrangements as of the year ended September 30, 2023.

	Remaining Term of Arrangement
<b>Asset Type</b>	
Subscription assets	2 to 10 years

The right-to-use asset and the related activity are included in Note 6, Capital Assets. The subscription liability and related activity are presented in Note 9, Bonds, Notes and Other Long-term Liabilities.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The net present value of future minimum payments as of September 30, 2023, were as follows:

Year Ended September 30,	Principal	Interest
2024	\$ 59,187	\$ 13,984
2025	44,595	10,842
2026	46,970	8,468
2027	49,471	5,966
2028	30,870	3,331
2029-2030	<u>46,607</u>	<u>1,671</u>
<b>Total</b>	<u><u>\$ 277,700</u></u>	<u><u>\$ 44,262</u></u>

### 13. MERS DEFINED BENEFIT PENSION PLAN

#### Primary Government

*Plan Description.* The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County 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). This plan was closed to new hires effective January 1, 2012.

*Funding policy.* The plan provides that the employer contribute amounts necessary to fund the actuarially determined benefits. The County makes employer contributions in accordance with funding requirements determined by MERS' actuary. Benefit provisions and contribution obligations have been established by union contract.

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.00% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, or age 55 with 15 years of service, depending on division/bargaining unit.

Participants are entitled to a retirement benefit equal to the credited service at the time of membership termination multiplied by 2.0% to 2.5% of the member's final average compensation (FAC) depending on the employee group. Final average compensation is calculated based on 3 to 5 years. The retirement allowance is reduced 0.50% to 0.74% of 1% for each complete month that retirement precedes the age at which full normal retirement benefits are available.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

*Employees Covered by Benefit Terms.* As December 31, 2022, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	189
Inactive employees entitled to but not yet receiving benefits	48
Active employees	<u>52</u>
<b>Total membership</b>	<b><u><u>289</u></u></b>

*Contributions.* The County 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. For the year ended September 30, 2023 monthly employer contributions ranged from \$2,766 to \$122,683 depending on division/bargaining unit (all nine of which are closed to new members). In addition, the employer may establish contribution rates to be paid by its covered employees. For the year ended September 30, 2023, member contribution rates range from 0.00% to 3.95% of wages depending on division/bargaining unit.

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2022, 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%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

*Long-term Expected Rate of Return.* 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	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	100%		
Inflation			2.50%
Administrative expenses netted above			0.25%
<b>Investment rate of return</b>			<b>7.25%</b>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2022 was 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.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### *Changes in Net Pension Liability*

The components of the change in the net pension liability are summarized as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at December 31, 2021	\$ 59,702,293	\$ 43,983,264	\$ 15,719,029
Changes for the year:			
Service cost	406,991	-	406,991
Interest	4,217,479	-	4,217,479
Difference between expected and actual experience	(935,891)	-	(935,891)
Employer contributions	-	2,026,805	(2,026,805)
Employee contributions	-	113,537	(113,537)
Net investment income (loss)	-	(4,827,762)	4,827,762
Benefit payments, including refunds of employee contributions	(3,467,314)	(3,467,314)	-
Administrative expense	-	(79,736)	79,736
Net changes	<u>221,265</u>	<u>(6,234,470)</u>	<u>6,455,735</u>
<b>Balances at December 31, 2022</b>	<u><u>\$ 59,923,558</u></u>	<u><u>\$ 37,748,794</u></u>	<u><u>\$ 22,174,764</u></u>

*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% lower (6.25%) or 1% 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	\$ 28,850,953	\$ 22,174,764	\$ 16,536,609

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

For the year ended September 30, 2023, the County recognized pension expense of \$1,639,595. The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 3,653,492	\$ -	\$ 3,653,492
Contributions subsequent to the measurement date	1,767,798	-	1,767,798
<b>Total</b>	<u>\$ 5,421,290</u>	<u>\$ -</u>	<u>\$ 5,421,290</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2024	\$ 280,894
2025	655,788
2026	1,123,697
2027	<u>1,593,113</u>
<b>Total</b>	<u>\$ 3,653,492</u>

*Payable to the Pension Plan.* At September 30, 2023, the County reported a payable of \$204,193 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2023.

The governmental activities net pension liability is expected to be liquidated mainly by the General Fund.

### **Component Units**

The Isabella County Road Commission, Isabella County Medical Care Facility and Isabella County Transportation Commission have separate MERS retirement plans. Separate accounts are maintained by MERS for each of the component units identified above. Details applicable to these individual plans are available in each component unit's separately issued financial statements.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 14. DEFINED CONTRIBUTION PENSION PLAN

The Isabella County Employees Defined Contribution Pension Plan (the “DC Plan”) is a single employer defined contribution pension plan, established by the County and administered by a third-party administrator. All County employees hired after January 1, 2002, with the exception of certain bargaining units, are required to participate in the DC Plan. As of September 30, 2015, all union contracts now specify that new employees of these units are added to the DC Plan. All other County employees that are not vested in the County’s Defined Benefit Plan have the option of becoming a participant in the Defined Contribution Plan. Employees vest in the County’s contributions completely after five years. A stand-alone report has not been issued for the DC Plan.

As of September 30, 2023, there were 209 plan members. DC Plan members are required to contribute a minimum of 2% of their annual salary to the DC Plan. The County is required to contribute 7% of the employees’ annual salary. Authority for establishing and amending the DC Plan’s provisions rests with the County Board of Commissioners.

Employer contributions to the DC Plan for the year ended September 30, 2023, amounted to \$668,737 and employee contributions were \$202,573.

### 15. DEFERRED COMPENSATION PLAN

The Isabella County Employees Deferred Compensation Pension Plans (the “DCP Plans”) are single employer deferred compensation pension plans, established by the County and administered by outside third-party administrators. Participation in the DCP Plans are optional to all County employees. The County does not make any contributions to the DCP Plans. A stand-alone report has not been issued for the DCP Plans.

As of September 30, 2023, there were 96 plan members who contributed \$308,474 to the DCP Plans. Authority for establishing and amending the DCP Plans’ provisions rests with the County Board of Commissioners.

### 16. OTHER POSTEMPLOYMENT BENEFITS

#### General Information About the Plan

*Plan Administration.* The County administers a retiree health care benefits (OPEB) Plan that is used to provide postemployment benefits other than pensions (OPEB) for nine employees of the County. The County agrees to pay the first \$1,000 annually towards healthcare benefits, with a vendor of the employee’s choice, for employees who retire during the term of this Agreement who have not had a break in service.

During the year ended September 30, 2023, the County determined that the amounts related to the OPEB plan were not material to the financial statements, and as such no net other postemployment benefit liability and related deferred amounts have been reported.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 17. RISK MANAGEMENT

The County 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 County is a member of the Michigan Municipal Risk Management Authority for the risks of loss, including property, casualty loss, and general liability. The County participates in the Michigan Counties Workers' Compensation Fund for workers' compensation coverage. Settlements have not exceeded insurance coverage in any of the past three (3) years.

#### Primary Government

##### Employee Health Benefits

The County has established a high deductible health insurance plan and a health reimbursement account which are accounted for in an internal service fund. Employee groups of the primary government, including the Medical Care Facility component unit as a separate unit, participate in the insurance plan. The Plan is administered under contractual agreements with Blue Cross and Blue Shield of Michigan (BCBSM) and 44 North as third-party administrators.

The County is responsible for paying the medical claims over the employees' deductible and up to the high deductible cap established with BCBSM. These claims are processed through 44 North and paid from the County's health reimbursement account. Certain benefits such as dental and prescription drug are covered by supplemental policies funded by the Plan. The insurance arrangements will be renegotiated annually in compliance with the Public Employees Health Benefit Act (Act 106 of 2007).

The internal service fund is responsible for collecting interfund premiums from the participating funds and departments and for paying insurance premiums, administrative fees, and deductibles paid from the health reimbursement account. Interfund premiums are treated as interfund services provided and used; meaning the interfund premiums are recognized as expenditures or expenses in the contributing funds and interfund revenue is recognized in the Insurance Fund as earned.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Liabilities are reported when it is probable that a claim has occurred and the amount of the claim can be reasonably estimated and are recorded in accounts payable in the insurance internal service fund. Liabilities include a provision for claims that have been incurred but not reported (IBNR's). The provision is based upon historical trends. Claims liabilities are estimated based on actual claims filed subsequent to year end. Changes in the balance of claim liabilities during the current year and the prior year are as follows:

	<b>Fiscal Year Ended</b>	
	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Estimated liability, beginning of year	\$ 52,493	\$ 40,579
Estimated claims incurred, including changes in estimates	4,602,638	4,204,513
Claim payments	<u>(4,524,623)</u>	<u>(4,192,599)</u>
<b>Estimated liability, end of year</b>	<b><u>\$ 130,508</u></b>	<b><u>\$ 52,493</u></b>

### Component Units

#### Transportation Commission

The Transportation Commission participates in a pool, the Michigan Counties Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Transportation Commission has not been informed of any special assessments being required.

The Transportation Commission also participates in a pool, the Michigan Municipal Risk Management Authority, with other municipalities for property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Commission has not been informed of any special assessments being required.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Road Commission

The Road Commission joined together with other Road Commissions and created a public entity risk pool currently operating as a common risk management and insurance program. The Road Commission 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 \$1,000 for each insured event. The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The Road Commission has not been informed of any special assessments being required.

## 18. PROPERTY TAXES AND TAXES RECEIVABLE

The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31. Unpaid property taxes are considered to be delinquent as of March 1 of the year after the tax was levied.

The County's ad valorem taxes were levied and collectible on December 1, 2022, and July 1, 2023. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. The 2023 taxable value of Isabella County amounted to \$2,461,677,640 on which ad valorem taxes levied for the County general operating purposes was 6.6100 mills. For the year ended September 30, 2023, the County levied 1.000 mills for the Medical Care Facilities, 0.8776 for Commission on Aging and 0.3500 mills for parks and recreation. The Isabella County Transportation Commission levied 0.8620 mills for transportation services.

## 19. FEDERAL FINANCIAL ASSISTANCE - ROAD COMMISSION COMPONENT UNIT

It is required by the Michigan Department of Transportation (MDOT) that all road commissions report total federal financial assistance for highway research, planning, and construction pertaining to their counties. During the year ended September 30, 2023, the federal aid received and expended by the Road Commission was \$2,502,200 for contracted projects.

Contracted projects are defined as projects performed by private contractors paid for and administered by MDOT (they are included in MDOT's single audit). Local force account projects are projects where the road commissions perform the work and would be subject to single audit requirements if they expended \$750,000 or more.

**ISABELLA COUNTY, MICHIGAN**

**Notes to Financial Statements**

**20. FUND BALANCES - GOVERNMENTAL FUNDS**

The County classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General	Commission on Aging	Jail Construction	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Advance to component unit	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Inventories	14,971	11,456	-	-	26,427
Prepays	162,648	3,265	-	14,535	180,448
	<u>527,619</u>	<u>14,721</u>	<u>-</u>	<u>14,535</u>	<u>556,875</u>
<b>Restricted</b>					
Parks and recreation	-	-	-	1,770,815	1,770,815
Commission on aging	-	3,070,190	-	-	3,070,190
E-911	-	-	-	926,154	926,154
Child care	-	-	-	607,931	607,931
Tribal contribution	-	-	-	696,841	696,841
Other:					
Opioid Remediation	-	-	-	435,766	435,766
Friend of the Court	-	-	-	72,146	72,146
Register of Deeds Automation	-	-	-	128,597	128,597
Indigent defense	-	-	-	38,248	38,248
Drug law enforcement	-	-	-	21,532	21,532
Concealed pistol license	-	-	-	55,532	55,532
Housing assistance	-	-	-	182,196	182,196
Human Services	-	-	-	13,657	13,657
Veterans	-	-	-	29,310	29,310
Corrections officers training	-	-	-	22,708	22,708
Debt service	-	-	-	1,002	1,002
Law library	-	-	-	1,998	1,998
	<u>-</u>	<u>3,070,190</u>	<u>-</u>	<u>5,004,433</u>	<u>8,074,623</u>
<b>Committed</b>					
Geographical information systems	-	-	-	114,485	114,485
Community corrections	-	-	-	63,390	63,390
Sheriff office/correctional facility	3,450,228	-	-	-	3,450,228
	<u>3,450,228</u>	<u>-</u>	<u>-</u>	<u>177,875</u>	<u>3,628,103</u>
<b>Assigned</b>					
Correctional facility bond replacement	1,551,000	-	-	-	1,551,000
Working capital	2,000,000	-	-	-	2,000,000
Vested benefits	1,171,564	-	-	-	1,171,564
District health capital	22,181	-	-	-	22,181
Central dispatch capital	9,852	-	-	-	9,852
Claims liability	293,701	-	-	-	293,701
Court technology	18,496	-	-	-	18,496
Subsequent year expenditures	5,217,665	-	-	-	5,217,665
	<u>10,284,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,284,459</u>
<b>Unassigned</b>					
	<u>6,224,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,224,877</u>
<b>Total fund balances - governmental funds</b>					
	<u>\$ 20,487,183</u>	<u>\$ 3,084,911</u>	<u>\$ -</u>	<u>\$ 5,196,843</u>	<u>\$ 28,768,937</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 21. NET POSITION

#### *Restricted Net Position*

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

	Governmental Activities	Business-type Activities	Component Units
Restricted for:			
Legal restrictions:			
Commission on Aging	\$ 3,084,911	\$ -	\$ -
Parks and recreation	1,770,815	-	-
E-911	940,489	-	-
Child care	607,931	-	-
Tribal contribution	696,841	-	-
Opioid remediation	1,893,886	-	-
County roads	-	-	16,418,468
Drain capital projects	-	-	4,020,726
Debt service:			
Drainage Districts bonds	-	-	13,655,309
Grant programs:			
CDBG housing assistance	1,084,869	-	-
Other:			
Legal restrictions:			
Register of Deeds automation	128,797	-	-
Drug law enforcement	21,532	-	-
Human services	13,657	-	-
Veterans activities	29,310	-	-
Concealed pistol license	55,532	-	-
Corrections officer training	22,708	-	-
Law library	1,998	-	-
Grant programs:			
Indigent defense	38,248	-	-
Friend of the Court	72,146	-	-
Debt service:			
Building authority	1,002	-	-
Nonexpendable - Drayton & Millie Miley Trust	-	-	55,226
Capital acquisitions	-	-	231,207
Total other	<u>384,930</u>	<u>-</u>	<u>286,433</u>
	<u>\$ 10,464,672</u>	<u>\$ -</u>	<u>\$ 34,380,936</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 22,113,520	\$ 107,757	\$ 30,995,697
Capital assets being depreciated, net	11,524,559	1,017,577	121,487,746
Total capital assets	<u>33,638,079</u>	<u>1,125,334</u>	<u>152,483,443</u>
Related debt:			
Bonds and notes payable	15,976,575	-	19,526,888
Unexpended bond proceeds	-	-	(325,524)
Capital related payables and retainage	6,047,280	-	-
Subscription liability	277,700	-	-
Deferred loss on bond refunding	-	-	(36,253)
Non-capital related debt	-	-	(1,033,747)
Total related debt	<u>22,301,555</u>	<u>-</u>	<u>18,131,364</u>
	<u>\$ 11,336,524</u>	<u>\$ 1,125,334</u>	<u>\$ 134,352,079</u>

## 22. TAX ABATEMENTS

The County received reduced property tax revenues during the year as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by local municipalities.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements by local unit which reduced tax revenues to the County for 2023 were as follows:

Governmental Entity	Abatement Amount
Broomfield Township	\$ 2,209
Coe Township	26
Union Township	2,700
City of Mt. Pleasant	7,126
City of Clare	4,992
	<u>\$ 17,053</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements were entered into by the City of Mt. Pleasant and amounted to approximately \$16,000 in reduced County tax revenues for the year.

### 23. CONTINGENT LIABILITIES AND COMMITMENTS

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

### 24. OPIOID SETTLEMENT

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the County expects to receive eighteen (18) installments from the Distributors with the first two installments being paid in 2023 in the amount of \$147,057 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive eleven (11) installments from Janssen with the first five installments being paid in 2023 in the amount of \$286,575 and the remaining installments expected to be made annually beginning in 2026. The County is currently allocated approximately 0.64066% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$1,834,072 and \$418,866 from the Distributors and Janssen, respectively.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the Distributor and Janssen settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2023 is \$1,458,120.

Additional settlements with pharmacies and manufacturers were entered into during 2023, including CVS, Walgreens, Walmart, Allergan and Teva. However, as of September 30, 2023, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 25. SUBSEQUENT EVENTS

12 days after fiscal year ending 2023, Isabella County government experienced an event of epic proportions as its general government operations building now faces an \$8,000,000 price tag to abate asbestos containing materials from the building and rebuild the interior.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

## ISABELLA COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in County's Net Pension Liability and Related Ratios

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 406,991	\$ 419,959	\$ 426,558	\$ 404,017	\$ 425,691
Interest	4,217,479	4,127,040	3,804,224	3,771,714	3,690,841
Differences between expected and actual experience	(935,891)	550,004	1,024,856	155,322	(285,204)
Changes of assumptions	-	2,113,304	2,119,581	1,550,908	-
Benefit payments, including refunds of employee contributions	(3,467,314)	(3,202,317)	(3,046,443)	(2,921,711)	(2,697,401)
Other	-	-	-	-	-
<b>Net change in total pension liability</b>	<u>221,265</u>	<u>4,007,990</u>	<u>4,328,776</u>	<u>2,960,250</u>	<u>1,133,927</u>
Total pension liability, beginning of year	59,702,293	55,694,303	51,365,527	48,405,277	47,271,350
<b>Total pension liability, end of year</b>	<u>59,923,558</u>	<u>59,702,293</u>	<u>55,694,303</u>	<u>51,365,527</u>	<u>48,405,277</u>
<b>Plan fiduciary net position</b>					
Employer contributions	2,026,805	1,544,498	1,511,112	1,493,283	2,078,521
Employee contributions	113,537	127,829	131,845	128,252	140,615
Net investment income (loss)	(4,827,762)	5,344,190	5,068,148	4,500,770	(1,393,793)
Benefit payments, including refunds of employee contributions	(3,467,314)	(3,202,317)	(3,046,443)	(2,921,711)	(2,697,401)
Administrative expense	(79,736)	(63,424)	(72,969)	(77,523)	(68,840)
<b>Net change in plan fiduciary net position</b>	<u>(6,234,470)</u>	<u>3,750,776</u>	<u>3,591,693</u>	<u>3,123,071</u>	<u>(1,940,898)</u>
Plan fiduciary net position, beginning of year	43,983,264	40,232,488	36,640,795	33,517,724	35,458,622
<b>Plan fiduciary net position, end of year</b>	<u>37,748,794</u>	<u>43,983,264</u>	<u>40,232,488</u>	<u>36,640,795</u>	<u>33,517,724</u>
<b>County's net pension liability</b>	<u>\$ 22,174,764</u>	<u>\$ 15,719,029</u>	<u>\$ 15,461,815</u>	<u>\$ 14,724,732</u>	<u>\$ 14,887,553</u>
Plan fiduciary net position as a percentage of total pension liability	63.0%	73.7%	72.2%	71.3%	69.2%
Covered payroll	\$ 3,191,423	\$ 3,583,154	\$ 4,368,246	\$ 3,570,455	\$ 3,774,098
County's net pension liability as a percentage of covered payroll	694.8%	438.7%	354.0%	412.4%	394.5%

See notes to required supplementary information.

Year Ended September 30,			
2018	2017	2016	2015
\$ 467,074	\$ 526,793	\$ 565,790	\$ 567,176
3,620,439	3,591,709	3,344,840	3,105,900
(638,087)	(1,425,910)	392,120	-
-	-	2,225,734	-
(2,400,087)	(2,207,091)	(2,105,195)	(1,994,155)
-	-	-	97,060
1,049,339	485,501	4,423,289	1,775,981
46,222,011	45,736,510	41,313,221	39,537,240
47,271,350	46,222,011	45,736,510	41,313,221
1,980,435	1,604,325	1,420,389	1,266,473
154,191	164,742	175,830	178,961
4,185,617	3,274,618	(447,563)	1,805,222
(2,400,087)	(2,207,091)	(2,105,195)	(1,994,155)
(66,220)	(64,626)	(65,245)	(66,306)
3,853,936	2,771,968	(1,021,784)	1,190,195
31,604,686	28,832,718	29,854,502	28,664,307
35,458,622	31,604,686	28,832,718	29,854,502
<u>\$ 11,812,728</u>	<u>\$ 14,617,325</u>	<u>\$ 16,903,792</u>	<u>\$ 11,458,719</u>
75.0%	68.4%	63.0%	72.3%
\$ 4,143,120	\$ 4,660,171	\$ 4,915,260	\$ 5,344,166
285.1%	313.7%	343.9%	214.4%

## ISABELLA COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan  
Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 1,767,798	\$ 1,767,798	\$ -	\$ 3,240,382	54.6%
2022	1,916,119	1,916,119	-	3,459,823	55.4%
2021	1,420,927	1,420,927	-	4,049,163	35.1%
2020	1,541,271	1,541,271	-	3,752,795	41.1%
2019	1,477,014	1,477,014	-	3,843,715	38.4%
2018	2,279,460	2,279,460	-	4,164,769	54.7%
2017	1,880,760	1,880,760	-	4,526,479	41.6%
2016	1,512,180	1,512,180	-	4,723,273	32.0%
2015	1,389,792	1,389,792	-	4,940,238	28.1%

See notes to required supplementary information.

## ISABELLA COUNTY, MICHIGAN

### Notes to Required Supplementary Information

#### MERS Agent Multiple-Employer Defined Benefit Pension Plan

##### Notes to Schedule of Changes in County's Net Pension Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

##### *Changes in assumptions:*

In 2016, amounts reported as changes in assumptions resulted primarily from the following: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75%, (3) asset smoothing period was changed from 10 years to 5 years and (4) the amortization period was moved to a fixed period amortization for the December 31, 2015 annual valuations.

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

# ISABELLA COUNTY, MICHIGAN

## Notes to Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 21 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Retirement age	Age 60
Mortality	Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120 Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120 Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120



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

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## ISABELLA COUNTY, MICHIGAN

### Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Special revenue funds are part of the governmental fund category and, accordingly, are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as a net current asset, and expenditures are generally recognized when the related fund liability is incurred.

The Department of Human Services special revenue fund operates as a "quasi-independent" unit.

Certain special revenue funds are required to account for specified activities of the Courts (the Friend of the Court Fund, and Community Alternatives Fund) or certain County departments (Veterans' Activities) or in accordance with public law (County Law Library).

Other special revenue funds are used to account for activities financed with specific revenue sources (the Geographical Information System Fund, Parks and Recreation Fund, Register of Deeds Automation Fund, Drug Law Enforcement Fund, Community Corrections Fund, Indigent Defense Fund, Concealed Pistol License Fund, Local Corrections Officer Training, CDBG Housing Assistance Grant, Tribal Contribution, Opioid Settlements, Child Care Fund, and the E-911 Fund).

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## ISABELLA COUNTY, MICHIGAN

### ■ Nonmajor Debt Service Fund

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

The *Jail Debt Service Fund* accounts for the debt service, including the accumulation of resources and payment of principal and interest, associated with the existing bonds previously issued by the County.

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2023

	Special Revenue Funds	Jail Debt Service Fund	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 4,295,508	\$ 1,002	\$ 4,296,510
Investments	671,956	-	671,956
Receivables:			
Accounts	2,615,131	-	2,615,131
Loans	902,673	-	902,673
Due from other governments	178,381	-	178,381
Due from other funds	50,000	-	50,000
Prepays	14,535	-	14,535
<b>Total assets</b>	<u>\$ 8,728,184</u>	<u>\$ 1,002</u>	<u>\$ 8,729,186</u>
<b>Liabilities</b>			
Accounts payable	\$ 340,482	\$ -	\$ 340,482
Accrued payroll	63,470	-	63,470
Due to other funds	415,500	-	415,500
Due to other governments	85,403	-	85,403
Unearned revenue	266,695	-	266,695
<b>Total liabilities</b>	<u>1,171,550</u>	<u>-</u>	<u>1,171,550</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - loans	902,673	-	902,673
Unavailable revenue - long-term receivables	1,458,120	-	1,458,120
<b>Total deferred inflows of resources</b>	<u>2,360,793</u>	<u>-</u>	<u>2,360,793</u>
<b>Fund balances</b>			
Nonspendable	14,535	-	14,535
Restricted	5,003,431	1,002	5,004,433
Committed	177,875	-	177,875
<b>Total fund balances</b>	<u>5,195,841</u>	<u>1,002</u>	<u>5,196,843</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 8,728,184</u>	<u>\$ 1,002</u>	<u>\$ 8,729,186</u>

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	Special Revenue Funds	Jail Debt Service Fund	Totals
<b>Revenues</b>			
Property taxes	\$ 807,528	\$ -	\$ 807,528
Licenses and permits	619,952	-	619,952
Intergovernmental	3,543,081	-	3,543,081
Charges for services	1,879,485	-	1,879,485
Fines and forfeitures	6,500	-	6,500
Interest and rents	21,409	2	21,411
Other revenues	504,152	-	504,152
<b>Total revenues</b>	<u>7,382,107</u>	<u>2</u>	<u>7,382,109</u>
<b>Expenditures</b>			
Current expenditures:			
General government	91,200	-	91,200
Judicial	2,150,505	-	2,150,505
Public safety	2,495,488	-	2,495,488
Health and welfare	1,342,867	-	1,342,867
Recreation and culture	1,350,501	-	1,350,501
Community and economic development	58	-	58
Debt service:			
Principal	55,257	-	55,257
Interest	9,527	48,073	57,600
<b>Total expenditures</b>	<u>7,495,403</u>	<u>48,073</u>	<u>7,543,476</u>
Revenues over (under) expenditures	<u>(113,296)</u>	<u>(48,071)</u>	<u>(161,367)</u>
<b>Other financing sources (uses)</b>			
Transfers in	982,406	49,073	1,031,479
Transfers out	(307,872)	-	(307,872)
<b>Total other financing sources (uses)</b>	<u>674,534</u>	<u>49,073</u>	<u>723,607</u>
<b>Net change in fund balances</b>	561,238	1,002	562,240
Fund balances, beginning of year	4,634,603	-	4,634,603
<b>Fund balances, end of year</b>	<u>\$ 5,195,841</u>	<u>\$ 1,002</u>	<u>\$ 5,196,843</u>

**ISABELLA COUNTY, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 September 30, 2023

	<b>Geographical Information System</b>	<b>Parks and Recreation</b>	<b>Friend of the Court</b>	<b>Register of Deeds Automation</b>	<b>Drug Law Enforcement</b>	<b>Community Alternatives</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 118,353	\$ 1,721,433	\$ 121,713	\$ 128,597	\$ 21,532	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Accounts	-	55,906	-	-	-	-
Loans	-	-	-	-	-	-
Due from other governments	-	-	39,701	-	-	-
Due from other funds	-	50,000	-	-	-	-
Prepays	-	-	-	200	-	-
<b>Total assets</b>	<u>\$ 118,353</u>	<u>\$ 1,827,339</u>	<u>\$ 161,414</u>	<u>\$ 128,797</u>	<u>\$ 21,532</u>	<u>\$ -</u>
<b>Liabilities</b>						
Accounts payable	\$ 3,705	\$ 39,665	\$ 687	\$ -	\$ -	\$ -
Accrued payroll	163	15,864	10,581	-	-	-
Due to other funds	-	-	78,000	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	995	-	-	-	-
<b>Total liabilities</b>	<u>3,868</u>	<u>56,524</u>	<u>89,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue - loans	-	-	-	-	-	-
Unavailable revenue - long-term receivables	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	200	-	-
Restricted	-	1,770,815	72,146	128,597	21,532	-
Committed	114,485	-	-	-	-	-
<b>Total fund balances</b>	<u>114,485</u>	<u>1,770,815</u>	<u>72,146</u>	<u>128,797</u>	<u>21,532</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 118,353</u>	<u>\$ 1,827,339</u>	<u>\$ 161,414</u>	<u>\$ 128,797</u>	<u>\$ 21,532</u>	<u>\$ -</u>



Community Corrections	Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	Opioid Settlements	Department of Human Services	Child Care
\$ 67,003	\$ 370,169	\$ 54,979	\$ 22,708	\$ 2,348	\$ 182,196	\$ 434,209	\$ 434,718	\$ 13,657	\$ 31,867
-	-	-	-	-	-	94,229	-	-	577,727
-	-	-	-	-	-	700,583	1,459,168	-	-
-	-	-	-	-	902,673	-	-	-	-
-	-	-	-	-	-	15,478	-	-	87,831
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 67,003</u>	<u>\$ 370,169</u>	<u>\$ 54,979</u>	<u>\$ 22,708</u>	<u>\$ 2,348</u>	<u>\$ 1,084,869</u>	<u>\$ 1,244,499</u>	<u>\$ 1,893,886</u>	<u>\$ 13,657</u>	<u>\$ 697,425</u>
\$ 2,497	\$ 50,235	\$ (553)	\$ -	\$ 350	\$ -	\$ 130,654	\$ -	\$ -	\$ 82,273
1,116	15,986	-	-	-	-	-	-	-	1,322
-	-	-	-	-	-	337,500	-	-	-
-	-	-	-	-	-	79,504	-	-	5,899
-	265,700	-	-	-	-	-	-	-	-
<u>3,613</u>	<u>331,921</u>	<u>(553)</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>547,658</u>	<u>-</u>	<u>-</u>	<u>89,494</u>
-	-	-	-	-	902,673	-	-	-	-
-	-	-	-	-	-	-	1,458,120	-	-
-	-	-	-	-	902,673	-	1,458,120	-	-
-	-	-	-	-	-	-	-	-	-
-	38,248	55,532	22,708	1,998	182,196	696,841	435,766	13,657	607,931
63,390	-	-	-	-	-	-	-	-	-
<u>63,390</u>	<u>38,248</u>	<u>55,532</u>	<u>22,708</u>	<u>1,998</u>	<u>182,196</u>	<u>696,841</u>	<u>435,766</u>	<u>13,657</u>	<u>607,931</u>
<u>\$ 67,003</u>	<u>\$ 370,169</u>	<u>\$ 54,979</u>	<u>\$ 22,708</u>	<u>\$ 2,348</u>	<u>\$ 1,084,869</u>	<u>\$ 1,244,499</u>	<u>\$ 1,893,886</u>	<u>\$ 13,657</u>	<u>\$ 697,425</u>

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**ISABELLA COUNTY, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 September 30, 2023

	<b>Veterans' Activities</b>	<b>E-911</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 29,310	\$ 540,716	\$ 4,295,508
Investments	-	-	671,956
Receivables:			
Accounts	-	399,474	2,615,131
Loans	-	-	902,673
Due from other governments	-	35,371	178,381
Due from other funds	-	-	50,000
Prepays	-	14,335	14,535
<b>Total assets</b>	<u>\$ 29,310</u>	<u>\$ 989,896</u>	<u>\$ 8,728,184</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 30,969	\$ 340,482
Accrued payroll	-	18,438	63,470
Due to other funds	-	-	415,500
Due to other governments	-	-	85,403
Unearned revenue	-	-	266,695
<b>Total liabilities</b>	<u>-</u>	<u>49,407</u>	<u>1,171,550</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - loans	-	-	902,673
Unavailable revenue - long-term receivables	-	-	1,458,120
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>2,360,793</u>
<b>Fund balances</b>			
Nonspendable	-	14,335	14,535
Restricted	29,310	926,154	5,003,431
Committed	-	-	177,875
<b>Total fund balances</b>	<u>29,310</u>	<u>940,489</u>	<u>5,195,841</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 29,310</u>	<u>\$ 989,896</u>	<u>\$ 8,728,184</u>

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**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Special Revenue Funds  
 For the Year Ended September 30, 2023

	<b>Geographical Information System</b>	<b>Parks and Recreation</b>	<b>Friend of the Court</b>	<b>Register of Deeds Automation</b>	<b>Drug Law Enforcement</b>	<b>Community Alternatives</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ 807,528	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	592,434	-	-	-	-
Intergovernmental	-	58,500	559,750	-	-	-
Charges for services	2,261	-	44,209	42,330	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rents	-	17,672	-	192	63	-
Other revenues	25,614	37,637	-	-	-	-
<b>Total revenues</b>	<b>27,875</b>	<b>1,513,771</b>	<b>603,959</b>	<b>42,522</b>	<b>63</b>	<b>-</b>
<b>Expenditures</b>						
Current:						
General government	42,542	-	-	46,515	-	-
Judicial	-	-	868,730	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Recreation and culture	-	1,350,501	-	-	-	-
Community and economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	24,673	-	-
Interest	-	-	-	9,527	-	-
<b>Total expenditures</b>	<b>42,542</b>	<b>1,350,501</b>	<b>868,730</b>	<b>80,715</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	(14,667)	163,270	(264,771)	(38,193)	63	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	273,000	-	-	-
Transfers out	-	(71,448)	-	(10,775)	-	(1,190)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(71,448)</b>	<b>273,000</b>	<b>(10,775)</b>	<b>-</b>	<b>(1,190)</b>
<b>Net change in fund balances</b>	<b>(14,667)</b>	<b>91,822</b>	<b>8,229</b>	<b>(48,968)</b>	<b>63</b>	<b>(1,190)</b>
Fund balances, beginning of year	129,152	1,678,993	63,917	177,765	21,469	1,190
<b>Fund balances, end of year</b>	<b>\$ 114,485</b>	<b>\$ 1,770,815</b>	<b>\$ 72,146</b>	<b>\$ 128,797</b>	<b>\$ 21,532</b>	<b>\$ -</b>

Community Corrections	Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	Opioid Settlements	Department of Human Services	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	27,518	-	-	-	-	-	-	-
80,186	1,104,327	-	-	-	-	795,916	-	-	684,261
-	-	-	14,032	-	-	-	-	-	101,145
-	-	-	-	6,500	-	-	-	-	-
-	603	65	-	-	-	-	2,134	-	-
-	-	-	-	-	5,469	-	433,632	-	-
<u>80,186</u>	<u>1,104,930</u>	<u>27,583</u>	<u>14,032</u>	<u>6,500</u>	<u>5,469</u>	<u>795,916</u>	<u>435,766</u>	<u>-</u>	<u>785,406</u>
-	-	-	-	-	-	2,143	-	-	-
-	1,255,280	-	-	26,495	-	-	-	-	-
127,832	-	5,336	25,557	-	-	280,460	-	-	-
-	-	-	-	-	-	-	-	2,366	1,340,501
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	58	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>127,832</u>	<u>1,255,280</u>	<u>5,336</u>	<u>25,557</u>	<u>26,495</u>	<u>-</u>	<u>282,661</u>	<u>-</u>	<u>2,366</u>	<u>1,340,501</u>
<u>(47,646)</u>	<u>(150,350)</u>	<u>22,247</u>	<u>(11,525)</u>	<u>(19,995)</u>	<u>5,469</u>	<u>513,255</u>	<u>435,766</u>	<u>(2,366)</u>	<u>(555,095)</u>
45,000	240,306	-	-	19,100	-	-	-	5,000	400,000
-	(89,956)	(29,655)	-	-	-	-	-	-	-
<u>45,000</u>	<u>150,350</u>	<u>(29,655)</u>	<u>-</u>	<u>19,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>400,000</u>
(2,646)	-	(7,408)	(11,525)	(895)	5,469	513,255	435,766	2,634	(155,095)
<u>66,036</u>	<u>38,248</u>	<u>62,940</u>	<u>34,233</u>	<u>2,893</u>	<u>176,727</u>	<u>183,586</u>	<u>-</u>	<u>11,023</u>	<u>763,026</u>
<u>\$ 63,390</u>	<u>\$ 38,248</u>	<u>\$ 55,532</u>	<u>\$ 22,708</u>	<u>\$ 1,998</u>	<u>\$ 182,196</u>	<u>\$ 696,841</u>	<u>\$ 435,766</u>	<u>\$ 13,657</u>	<u>\$ 607,931</u>

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**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2023

	Veterans' Activities	E-911	Totals
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ 807,528
Licenses and permits	-	-	619,952
Intergovernmental	-	260,141	3,543,081
Charges for services	-	1,675,508	1,879,485
Fines and forfeitures	-	-	6,500
Interest and rents	-	680	21,409
Other revenues	-	1,800	504,152
<b>Total revenues</b>	<u>-</u>	<u>1,938,129</u>	<u>7,382,107</u>
<b>Expenditures</b>			
Current:			
General government	-	-	91,200
Judicial	-	-	2,150,505
Public safety	-	2,056,303	2,495,488
Health and welfare	-	-	1,342,867
Recreation and culture	-	-	1,350,501
Community development	-	-	58
Debt service:			
Principal	-	30,584	55,257
Interest	-	-	9,527
<b>Total expenditures</b>	<u>-</u>	<u>2,086,887</u>	<u>7,495,403</u>
Revenues over (under) expenditures	<u>-</u>	<u>(148,758)</u>	<u>(113,296)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	982,406
Transfers out	-	(104,848)	(307,872)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(104,848)</u>	<u>674,534</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(253,606)</u>	<u>561,238</u>
Fund balances, beginning of year	<u>29,310</u>	<u>1,194,095</u>	<u>4,634,603</u>
<b>Fund balances, end of year</b>	<u>\$ 29,310</u>	<u>\$ 940,489</u>	<u>\$ 5,195,841</u>

concluded

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Geographical Information System Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 7,500	\$ 7,500	\$ 2,261	\$ (5,239)
Other revenues	25,000	25,000	25,614	614
<b>Total revenues</b>	32,500	32,500	27,875	(4,625)
<b>Expenditures</b>				
Current:				
General government	77,107	77,107	42,542	(34,565)
<b>Net change in fund balance</b>	(44,607)	(44,607)	(14,667)	29,940
Fund balance, beginning of year	129,152	129,152	129,152	-
<b>Fund balance, end of year</b>	\$ 84,545	\$ 84,545	\$ 114,485	\$ 29,940

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks and Recreation Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 780,000	\$ 780,000	\$ 807,528	\$ 27,528
Licenses and permits	511,239	511,239	592,434	81,195
Intergovernmental	280,000	280,000	58,500	(221,500)
Interest and rents	3,000	3,000	17,672	14,672
Other revenues	137,441	137,441	37,637	(99,804)
<b>Total revenues</b>	<b>1,711,680</b>	<b>1,711,680</b>	<b>1,513,771</b>	<b>(197,909)</b>
<b>Expenditures</b>				
Current:				
Recreation and culture:				
Administration	1,115,487	1,115,987	645,963	(470,024)
Coldwater Lake County Park	413,642	163,642	137,608	(26,034)
Deerfield County Park	145,764	145,764	79,752	(66,012)
Herrick County Park	151,118	151,118	124,448	(26,670)
Meridian County Park	10,060	10,060	5,660	(4,400)
Pere Marquette Rail Trail	6,616	6,616	1,900	(4,716)
Maintenance shop	413,026	413,026	355,170	(57,856)
<b>Total expenditures</b>	<b>2,255,713</b>	<b>2,006,214</b>	<b>1,350,501</b>	<b>(655,713)</b>
Revenues over (under) expenditures	(544,033)	(294,534)	163,270	457,804
<b>Other financing uses</b>				
Transfers out	(71,448)	(71,448)	(71,448)	-
<b>Net change in fund balance</b>	<b>(615,481)</b>	<b>(365,982)</b>	<b>91,822</b>	<b>457,804</b>
Fund balance, beginning of year	1,678,993	1,678,993	1,678,993	-
<b>Fund balance, end of year</b>	<b>\$ 1,063,512</b>	<b>\$ 1,313,011</b>	<b>\$ 1,770,815</b>	<b>\$ 457,804</b>



## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Friend of the Court Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 562,000	\$ 562,000	\$ 559,750	\$ (2,250)
Charges for services	51,000	51,000	44,209	(6,791)
<b>Total revenues</b>	613,000	613,000	603,959	(9,041)
<b>Expenditures</b>				
Current:				
Judicial	887,668	891,743	868,730	(23,013)
Revenues over (under) expenditures	(274,668)	(278,743)	(264,771)	13,972
<b>Other financing uses</b>				
Transfers in	273,000	273,000	273,000	-
<b>Net change in fund balance</b>	(1,668)	(5,743)	8,229	13,972
Fund balance, beginning of year	63,917	63,917	63,917	-
<b>Fund balance, end of year</b>	\$ 62,249	\$ 58,174	\$ 72,146	\$ 13,972

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Register of Deeds Automation Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 55,000	\$ 55,000	\$ 42,330	\$ (12,670)
Interest and rents	160	160	192	32
<b>Total revenues</b>	<u>55,160</u>	<u>55,160</u>	<u>42,522</u>	<u>(12,638)</u>
<b>Expenditures</b>				
Current:				
General government	38,100	56,900	46,515	(10,385)
Debt service:				
Principal	-	24,673	24,673	-
Interest	-	9,527	9,527	-
<b>Total expenditures</b>	<u>38,100</u>	<u>91,100</u>	<u>80,715</u>	<u>(10,385)</u>
Revenues over (under) expenditures	17,060	(35,940)	(38,193)	(2,253)
<b>Other financing uses</b>				
Transfers out	<u>(11,000)</u>	<u>(11,000)</u>	<u>(10,775)</u>	<u>(225)</u>
<b>Net change in fund balance</b>	6,060	(46,940)	(48,968)	(2,028)
Fund balance, beginning of year	<u>177,765</u>	<u>177,765</u>	<u>177,765</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 183,825</u>	<u>\$ 130,825</u>	<u>\$ 128,797</u>	<u>\$ (2,028)</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drug Law Enforcement Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Interest and rents	\$ -	\$ -	\$ 63	\$ 63
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
<b>Net change in fund balance</b>	-	-	63	63
Fund balance, beginning of year	21,469	21,469	21,469	-
<b>Fund balance, end of year</b>	<u>\$ 21,469</u>	<u>\$ 21,469</u>	<u>\$ 21,532</u>	<u>\$ 63</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Alternatives Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>Other financing uses</b>				
Transfers out	-	(1,190)	(1,190)	-
<b>Net change in fund balance</b>	-	(1,190)	(1,190)	-
Fund balance, beginning of year	1,190	1,190	1,190	-
<b>Fund balance, end of year</b>	<u>\$ 1,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Corrections Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 62,063	\$ 62,063	\$ 80,186	\$ 18,123
<b>Expenditures</b>				
Current:				
Public safety	146,834	146,834	127,832	(19,002)
Revenues over (under) expenditures	(84,771)	(84,771)	(47,646)	37,125
<b>Other financing sources</b>				
Transfers in	45,000	45,000	45,000	-
<b>Net change in fund balance</b>	(39,771)	(39,771)	(2,646)	37,125
Fund balance, beginning of year	66,036	66,036	66,036	-
<b>Fund balance, end of year</b>	<u>\$ 26,265</u>	<u>\$ 26,265</u>	<u>\$ 63,390</u>	<u>\$ 37,125</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Indigent Defense Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 1,359,327	\$ 1,359,327	\$ 1,104,327	\$ (255,000)
Interest and rents	-	-	603	603
<b>Total revenues</b>	<u>1,359,327</u>	<u>1,359,327</u>	<u>1,104,930</u>	<u>(254,397)</u>
<b>Expenditures</b>				
Current:				
Judicial	<u>1,503,877</u>	<u>1,503,877</u>	<u>1,255,280</u>	<u>(248,597)</u>
Revenues over (under) expenditures	<u>(144,550)</u>	<u>(144,550)</u>	<u>(150,350)</u>	<u>(5,800)</u>
<b>Other financing sources (uses)</b>				
Transfers in	240,306	240,306	240,306	-
Transfers out	<u>(95,754)</u>	<u>(95,754)</u>	<u>(89,956)</u>	<u>(5,798)</u>
<b>Total other financing sources (uses)</b>	<u>144,552</u>	<u>144,552</u>	<u>150,350</u>	<u>(5,798)</u>
<b>Net change in fund balance</b>	2	2	-	(2)
Fund balance, beginning of year	<u>38,248</u>	<u>38,248</u>	<u>38,248</u>	-
<b>Fund balance, end of year</b>	<u>\$ 38,250</u>	<u>\$ 38,250</u>	<u>\$ 38,248</u>	<u>\$ (2)</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Concealed Pistol License Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 27,518	\$ (7,482)
Interest and rents	-	-	65	65
<b>Total revenues</b>	35,000	35,000	27,583	(7,417)
<b>Expenditures</b>				
Current:				
Public safety	7,450	7,450	5,336	(2,114)
Revenues over (under) expenditures	27,550	27,550	22,247	(5,303)
<b>Other financing uses</b>				
Transfers out	(29,655)	(32,927)	(29,655)	(3,272)
<b>Net change in fund balance</b>	(2,105)	(5,377)	(7,408)	(2,031)
Fund balance, beginning of year	62,940	62,940	62,940	-
<b>Fund balance, end of year</b>	<u>\$ 60,835</u>	<u>\$ 57,563</u>	<u>\$ 55,532</u>	<u>\$ (2,031)</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Corrections Officers Training Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 14,032	\$ 4,032
<b>Expenditures</b>				
Current:				
Public safety	10,000	10,000	25,557	15,557
<b>Net change in fund balance</b>	-	-	(11,525)	(11,525)
Fund balance, beginning of year	34,233	34,233	34,233	-
<b>Fund balance, end of year</b>	<u>\$ 34,233</u>	<u>\$ 34,233</u>	<u>\$ 22,708</u>	<u>\$ (11,525)</u>



## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - County Law Library Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
<b>Expenditures</b>				
Current:				
Judicial	23,400	23,400	26,495	3,095
Revenues over (under) expenditures	(16,900)	(16,900)	(19,995)	(3,095)
<b>Other financing sources</b>				
Transfers in	16,900	16,900	19,100	2,200
<b>Net change in fund balance</b>	-	-	(895)	(895)
Fund balance, beginning of year	2,893	2,893	2,893	-
<b>Fund balance, end of year</b>	<u>\$ 2,893</u>	<u>\$ 2,893</u>	<u>\$ 1,998</u>	<u>\$ (895)</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - CDBG Housing Assistance Grant Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Other revenues	\$ 35,000	\$ 35,000	\$ 5,469	\$ (29,531)
<b>Expenditures</b>				
Current:				
Community and economic development	100	100	-	(100)
<b>Net change in fund balance</b>	34,900	34,900	5,469	(29,431)
Fund balance, beginning of year	176,727	176,727	176,727	-
<b>Fund balance, end of year</b>	<u>\$ 211,627</u>	<u>\$ 211,627</u>	<u>\$ 182,196</u>	<u>\$ (29,431)</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Tribal Contribution Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 362,189	\$ 795,916	\$ 433,727
<b>Expenditures</b>				
Current:				
General government	100,000	51,394	2,143	(49,251)
Public safety	-	310,735	280,460	(30,275)
Community and economic development	-	60	58	(2)
<b>Total expenditures</b>	<b>100,000</b>	<b>362,189</b>	<b>282,661</b>	<b>(79,528)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>513,255</b>	<b>513,255</b>
Fund balance, beginning of year	183,586	183,586	183,586	-
<b>Fund balance, end of year</b>	<b>\$ 183,586</b>	<b>\$ 183,586</b>	<b>\$ 696,841</b>	<b>\$ 513,255</b>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Opioid Settlements Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Interest and rents	\$ -	\$ -	\$ 2,134	\$ 2,134
Other revenues	-	383,257	433,632	50,375
<b>Total revenues</b>	-	383,257	435,766	52,509
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ 383,257	\$ 435,766	\$ 52,509

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Department of Human Services Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Health and welfare	5,000	5,000	2,366	(2,634)
Revenues over (under) expenditures	(5,000)	(5,000)	(2,366)	2,634
<b>Other financing sources</b>				
Transfers in	5,000	5,000	5,000	-
<b>Net change in fund balance</b>	-	-	2,634	2,634
Fund balance, beginning of year	11,023	11,023	11,023	-
<b>Fund balance, end of year</b>	<u>\$ 11,023</u>	<u>\$ 11,023</u>	<u>\$ 13,657</u>	<u>\$ 2,634</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Child Care Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 671,500	\$ 671,500	\$ 684,261	\$ 12,761
Charges for services	80,000	80,000	101,145	21,145
<b>Total revenues</b>	<b>751,500</b>	<b>751,500</b>	<b>785,406</b>	<b>33,906</b>
<b>Expenditures</b>				
Current:				
Health and welfare	1,594,290	1,595,290	1,340,501	(254,789)
Revenues over (under) expenditures	(842,790)	(843,790)	(555,095)	288,695
<b>Other financing sources</b>				
Transfers in	400,000	400,000	400,000	-
<b>Net change in fund balance</b>	<b>(442,790)</b>	<b>(443,790)</b>	<b>(155,095)</b>	<b>288,695</b>
Fund balance, beginning of year	763,026	763,026	763,026	-
<b>Fund balance, end of year</b>	<b>\$ 320,236</b>	<b>\$ 319,236</b>	<b>\$ 607,931</b>	<b>\$ 288,695</b>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Veterans' Activities Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Health and welfare	-	-	-	-
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	29,310	29,310	29,310	-
<b>Fund balance, end of year</b>	<u>\$ 29,310</u>	<u>\$ 29,310</u>	<u>\$ 29,310</u>	<u>\$ -</u>

## ISABELLA COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - E-911 Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 219,250	\$ 219,250	\$ 260,141	\$ 40,891
Charges for services	1,624,500	1,624,500	1,675,508	51,008
Interest and rents	700	700	680	(20)
Other revenue	500	500	1,800	1,300
<b>Total revenues</b>	<u>1,844,950</u>	<u>1,844,950</u>	<u>1,938,129</u>	<u>93,179</u>
<b>Expenditures</b>				
Current:				
Public safety	2,296,634	2,297,184	2,056,303	(240,881)
Debt service:				
Principal	18,136	18,136	30,584	12,448
<b>Total expenditures</b>	<u>2,314,770</u>	<u>2,315,320</u>	<u>2,086,887</u>	<u>(228,433)</u>
Revenues over (under) expenditures	(469,820)	(470,370)	(148,758)	321,612
<b>Other financing uses</b>				
Transfers out	(104,848)	(104,848)	(104,848)	-
<b>Net change in fund balance</b>	<u>(574,668)</u>	<u>(575,218)</u>	<u>(253,606)</u>	<u>321,612</u>
Fund balance, beginning of year	<u>1,194,095</u>	<u>1,194,095</u>	<u>1,194,095</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 619,427</u>	<u>\$ 618,877</u>	<u>\$ 940,489</u>	<u>\$ 321,612</u>



## ISABELLA COUNTY, MICHIGAN

### Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Building Inspections Fund* – This fund accounts for the activity related to construction inspections.

*Concessions Fund* – This fund accounts for the government’s sale of concessions within the County Jail.

*PA 105 Fund* – This fund accounts for the activities related to the County Treasurer’s audits of the Homestead (Homeowner’s Principal Residence) Exemption under Public Act 105 of 2003.

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2023

	Building Inspection	Concessions	PA 105	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 28,554	\$ 171,433	\$ 77,988	\$ 277,975
Investments	1,004,503	-	-	1,004,503
Accounts receivable	318	97	-	415
Inventories	-	3,559	-	3,559
Total current assets	1,033,375	175,089	77,988	1,286,452
Noncurrent assets:				
Capital assets being depreciated, net	50,660	63,809	-	114,469
<b>Total assets</b>	<b>1,084,035</b>	<b>238,898</b>	<b>77,988</b>	<b>1,400,921</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	90,535	-	-	90,535
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	2,146	4,366	259	6,771
Accrued wages	6,230	-	-	6,230
Current portion of long-term debt	5,458	-	-	5,458
Total current liabilities	13,834	4,366	259	18,459
Noncurrent liabilities:				
Long-term debt, net of current portion	8,187	-	-	8,187
Net pension liability	370,319	-	-	370,319
Total noncurrent liabilities	378,506	-	-	378,506
<b>Total liabilities</b>	<b>392,340</b>	<b>4,366</b>	<b>259</b>	<b>396,965</b>
<b>Net position</b>				
Investment in capital assets	50,660	63,809	-	114,469
Unrestricted	731,570	170,723	77,729	980,022
<b>Total net position</b>	<b>\$ 782,230</b>	<b>\$ 234,532</b>	<b>\$ 77,729</b>	<b>\$ 1,094,491</b>

## ISABELLA COUNTY, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	Building Inspection	Concessions	PA 105	Totals
<b>Operating revenues</b>				
Charges for services	\$ 494,492	\$ 14,644	\$ 2,697	\$ 511,833
Sales	-	287,429	-	287,429
<b>Total operating revenues</b>	<u>494,492</u>	<u>302,073</u>	<u>2,697</u>	<u>799,262</u>
<b>Operating expenses</b>				
Personnel services	428,416	-	259	428,675
Supplies	12,349	-	1,240	13,589
Contractual services	19,768	1,851	-	21,619
Other services and charges	16,589	7,032	-	23,621
Cost of goods sold	-	152,459	-	152,459
Depreciation	13,398	3,489	-	16,887
<b>Total operating expenses</b>	<u>490,520</u>	<u>164,831</u>	<u>1,499</u>	<u>656,850</u>
Operating income	<u>3,972</u>	<u>137,242</u>	<u>1,198</u>	<u>142,412</u>
<b>Nonoperating revenues</b>				
Intergovernmental	4,000	-	-	4,000
Interest revenue	45,555	746	85	46,386
<b>Total nonoperating revenues</b>	<u>49,555</u>	<u>746</u>	<u>85</u>	<u>50,386</u>
Income before transfers	53,527	137,988	1,283	192,798
Transfers out	(41,083)	(131,539)	-	(172,622)
<b>Change in net position</b>	<u>12,444</u>	<u>6,449</u>	<u>1,283</u>	<u>20,176</u>
Net position, beginning of year	<u>769,786</u>	<u>228,083</u>	<u>76,446</u>	<u>1,074,315</u>
<b>Net position, end of year</b>	<u>\$ 782,230</u>	<u>\$ 234,532</u>	<u>\$ 77,729</u>	<u>\$ 1,094,491</u>

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	Building Inspection	Concessions	PA 105	Totals
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 498,318	\$ 302,016	\$ 2,697	\$ 803,031
Cash payments for goods and services	(48,947)	(162,332)	(1,240)	(212,519)
Cash payments to employees	(425,466)	-	-	(425,466)
<b>Net cash provided by operating activities</b>	<u>23,905</u>	<u>139,684</u>	<u>1,457</u>	<u>165,046</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers out	(41,083)	(131,539)	-	(172,622)
Intergovernmental receipts	4,000	-	-	4,000
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(37,083)</u>	<u>(131,539)</u>	<u>-</u>	<u>(168,622)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	45,555	746	85	46,386
Purchase of investments	(3,824)	-	-	(3,824)
<b>Net cash provided by (used in) investing activities</b>	<u>41,731</u>	<u>746</u>	<u>85</u>	<u>42,562</u>
<b>Net change in cash and cash equivalents</b>	<u>28,553</u>	<u>8,891</u>	<u>1,542</u>	<u>38,986</u>
Cash and cash equivalents:				
Beginning of year	<u>1</u>	<u>162,542</u>	<u>76,446</u>	<u>238,989</u>
<b>End of year</b>	<u>\$ 28,554</u>	<u>\$ 171,433</u>	<u>\$ 77,988</u>	<u>\$ 277,975</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income	\$ 3,972	\$ 137,242	\$ 1,198	\$ 142,412
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	13,398	3,489	-	16,887
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	3,826	(57)	-	3,769
Inventories	-	154	-	154
Deferred outflows of resources related to pension	(68,541)	-	-	(68,541)
Accounts payable	(141)	(1,144)	259	(1,026)
Accrued wages	1,262	-	-	1,262
Due to other funds	(100)	-	-	(100)
Compensated absences	(10,790)	-	-	(10,790)
Net pension liability	129,818	-	-	129,818
Deferred inflows of resources related to pension	(48,799)	-	-	(48,799)
<b>Net cash provided by operating activities</b>	<u>\$ 23,905</u>	<u>\$ 139,684</u>	<u>\$ 1,457</u>	<u>\$ 165,046</u>

## ISABELLA COUNTY, MICHIGAN

### Fiduciary Funds

Fiduciary Funds are funds set up to account for assets held by the County, in a fiduciary capacity, for individuals, organizations, other units of government or other funds. The County's fiduciary funds are all custodial funds.

#### Custodial Funds

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

The *General Custodial Fund* is used to account for collection and distribution of court-imposed fines, current property tax collections remitted by the taxing units, and other similar collections.

The *Inmate Trust Fund* is used to account for cash held on behalf of inmates lodged in the county jail.

The *Library Penal Fines Fund* is used to receive funds from penal fines imposed for State law violations. Funds are transferred periodically to the various libraries within the County.

The *Central Michigan District Health Department Fund* is used to account for the funds held on behalf of the Health Department.

**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Fiduciary Net Position**

Custodial Funds

September 30, 2023

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health Department	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 4,513,381	\$ 37,308	\$ 499,847	\$ 4,692,549	\$ 9,743,085
Accounts receivable	-	-	-	34,286	34,286
<b>Total assets</b>	<u>4,513,381</u>	<u>37,308</u>	<u>499,847</u>	<u>4,726,835</u>	<u>9,777,371</u>
<b>Liabilities</b>					
Due to other governmental units:					
Federal/State	4,355,459	-	-	-	4,355,459
Local	1,947	-	499,847	4,726,835	5,228,629
Due to individuals and agencies	155,975	-	-	-	155,975
<b>Total liabilities</b>	<u>4,513,381</u>	<u>-</u>	<u>499,847</u>	<u>4,726,835</u>	<u>9,740,063</u>
<b>Net position</b>					
Restricted for:					
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 37,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,308</u>

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2023

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health Department	Totals
<b>Additions</b>					
Real estate transfer tax collected for other governments	\$ 1,926,743	\$ -	\$ -	\$ -	\$ 1,926,743
Fees and fines collected on behalf of other governments	1,482,476	-	160,050	-	1,642,526
Collections from or on behalf of inmates	-	553,918	-	-	553,918
Collections on behalf of the Central Michigan District Health Department	-	-	-	14,413,800	14,413,800
Other taxes collected for other governments	21,611,044	-	-	-	21,611,044
<b>Total additions</b>	<b>25,020,263</b>	<b>553,918</b>	<b>160,050</b>	<b>14,413,800</b>	<b>40,148,031</b>
<b>Deductions</b>					
Payments of real estate transfer tax to other governments	1,926,743	-	-	-	1,926,743
Fees and fines remitted to other governments	1,482,476	-	160,050	-	1,642,526
Payments to or on behalf of inmates	-	528,328	-	-	528,328
Payments to the Central Michigan District Health Department	-	-	-	14,413,800	14,413,800
Payments of other taxes to other governments	21,611,044	-	-	-	21,611,044
<b>Total deductions</b>	<b>25,020,263</b>	<b>528,328</b>	<b>160,050</b>	<b>14,413,800</b>	<b>40,122,441</b>
<b>Change in net position</b>	<b>-</b>	<b>25,590</b>	<b>-</b>	<b>-</b>	<b>25,590</b>
Net position, beginning of year	-	11,718	-	-	11,718
<b>Net position, end of year</b>	<b>\$ -</b>	<b>\$ 37,308</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,308</b>

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Drainage Districts  
September 30, 2023

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelor Drain Debt
<b>Assets</b>					
Cash and cash equivalents	\$ 37,498	\$ 104,127	\$ 65,979	\$ 170,123	\$ 105,977
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	186,215	234,644	1,474,351	-	305,546
Prepays	-	-	-	-	-
<b>Total assets</b>	<u>\$ 223,713</u>	<u>\$ 338,771</u>	<u>\$ 1,540,330</u>	<u>\$ 170,123</u>	<u>\$ 411,523</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	<u>186,215</u>	<u>234,644</u>	<u>1,474,351</u>	<u>-</u>	<u>305,546</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted:					
Debt service	37,498	104,127	65,979	170,123	105,977
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>37,498</u>	<u>104,127</u>	<u>65,979</u>	<u>170,123</u>	<u>105,977</u>
<b>Total liabilities deferred inflows of resources and fund balances</b>	<u>\$ 223,713</u>	<u>\$ 338,771</u>	<u>\$ 1,540,330</u>	<u>\$ 170,123</u>	<u>\$ 411,523</u>





**Debt Service Funds**

<b>Figg Drain Debt</b>	<b>Lewis Drain Debt</b>	<b>Tice Drain Debt</b>	<b>Myers Drain Debt</b>	<b>Leonard Drain Debt</b>	<b>Cahoon Drain Debt</b>	<b>County Line Drain Debt</b>	<b>Jennings Drain Debt</b>
\$ 299,836	\$ 487,388	\$ 31,296	\$ 69,444	\$ 93,133	\$ 23,274	\$ 62,319	\$ 32,171
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
812,640	932,707	374,179	156,593	318,879	495,864	246,893	406,692
-	-	-	-	-	-	-	-
<u>\$ 1,112,476</u>	<u>\$ 1,420,095</u>	<u>\$ 405,475</u>	<u>\$ 226,037</u>	<u>\$ 412,012</u>	<u>\$ 519,138</u>	<u>\$ 309,212</u>	<u>\$ 438,863</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
812,640	932,707	374,179	156,593	318,879	495,864	246,893	406,692
-	-	-	-	-	-	-	-
299,836	487,388	31,296	69,444	93,133	23,274	62,319	32,171
-	-	-	-	-	-	-	-
299,836	487,388	31,296	69,444	93,133	23,274	62,319	32,171
<u>\$ 1,112,476</u>	<u>\$ 1,420,095</u>	<u>\$ 405,475</u>	<u>\$ 226,037</u>	<u>\$ 412,012</u>	<u>\$ 519,138</u>	<u>\$ 309,212</u>	<u>\$ 438,863</u>

continued...

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Drainage Districts  
September 30, 2023

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
<b>Assets</b>					
Cash and cash equivalents	\$ 6,042	\$ 44,762	\$ 163,885	\$ 20,793	\$ 8,604
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	79,426	341,297	806,089	-	2,115,259
Prepays	-	-	-	-	211,283
<b>Total assets</b>	<u>\$ 85,468</u>	<u>\$ 386,059</u>	<u>\$ 969,974</u>	<u>\$ 20,793</u>	<u>\$ 2,335,146</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	<u>79,426</u>	<u>341,297</u>	<u>806,089</u>	<u>-</u>	<u>2,115,259</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	211,283
Restricted:					
Debt service	6,042	44,762	163,885	20,793	8,604
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>6,042</u>	<u>44,762</u>	<u>163,885</u>	<u>20,793</u>	<u>219,887</u>
<b>Total liabilities deferred inflows of resources and fund balances</b>	<u>\$ 85,468</u>	<u>\$ 386,059</u>	<u>\$ 969,974</u>	<u>\$ 20,793</u>	<u>\$ 2,335,146</u>



Debt Service Funds	Capital Project Funds		Totals
Mission Creek	County Drain Revolving	County Drain Construction & Maintenance	
\$ 105,637	\$ 43,357	\$ 2,740,790	\$ 4,716,435
-	-	1,607,390	1,607,390
-	-	26,735	26,735
-	767,669	100,000	867,669
2,597,912	-	-	11,885,186
-	-	-	211,283
<u>\$ 2,703,549</u>	<u>\$ 811,026</u>	<u>\$ 4,474,915</u>	<u>\$ 19,314,698</u>
\$ -	\$ -	\$ 24	\$ 24
-	147,522	767,669	915,191
-	350,000	-	350,000
-	497,522	767,693	1,265,215
2,597,912	-	-	11,885,186
-	-	-	211,283
105,637	-	-	1,932,288
-	313,504	3,707,222	4,020,726
105,637	313,504	3,707,222	6,164,297
<u>\$ 2,703,549</u>	<u>\$ 811,026</u>	<u>\$ 4,474,915</u>	<u>\$ 19,314,698</u>

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# ISABELLA COUNTY, MICHIGAN

## Reconciliation

Fund Balances of the Governmental Fund of the Drains Component Unit  
to Net Position of the Governmental Activities of the Drains Component Unit  
September 30, 2023

<b>Fund balances - drain component unit</b>	\$ 6,164,297
 Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	206,595
Capital assets being depreciated, net	30,145,748
 Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.	
Deferred long-term receivables	11,885,186
 Internal service funds are used by management to charge the costs of certain equipment maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	102,403
 Long-term debt and other noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and notes payable	(13,480,888)
Accrued interest on bonds and notes payable	(162,165)
	<hr/>
<b>Net position of drains component unit</b>	<b><u>\$ 34,861,176</u></b>

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drainage Districts

For the Year Ended September 30, 2023

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelor Drain Debt
<b>Revenues</b>					
Special assessments	\$ 40,359	\$ 52,891	\$ 165,925	\$ 35,357	\$ 65,397
Interest	50	148	675	214	348
Other	-	-	-	-	-
<b>Total revenues</b>	<u>40,409</u>	<u>53,039</u>	<u>166,600</u>	<u>35,571</u>	<u>65,745</u>
<b>Expenditures</b>					
Debt service:					
Principal	33,500	61,160	92,500	44,450	50,000
Interest and fiscal charges	7,892	13,761	57,397	1,854	24,734
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>41,392</u>	<u>74,921</u>	<u>149,897</u>	<u>46,304</u>	<u>74,734</u>
<b>Net change in fund balances</b>	(983)	(21,882)	16,703	(10,733)	(8,989)
Fund balances, beginning of year	<u>38,481</u>	<u>126,009</u>	<u>49,276</u>	<u>180,856</u>	<u>114,966</u>
<b>Fund balances, end of year</b>	<u>\$ 37,498</u>	<u>\$ 104,127</u>	<u>\$ 65,979</u>	<u>\$ 170,123</u>	<u>\$ 105,977</u>

Debt Service Funds							
Figg Drain Debt	Lewis Drain Debt	Tice Drain Debt	Myers Drain Debt	Leonard Drain Debt	Cahoon Drain Debt	County Line Drain Debt	Jennings Drain Debt
\$ 115,078	\$ 131,484	\$ 47,328	\$ 21,048	\$ 40,635	\$ 56,004	\$ 40,592	\$ 48,323
368	606	44	116	117	220	4,865	150
-	-	-	-	-	-	-	-
<u>115,446</u>	<u>132,090</u>	<u>47,372</u>	<u>21,164</u>	<u>40,752</u>	<u>56,224</u>	<u>45,457</u>	<u>48,473</u>
100,000	120,000	34,750	16,390	30,950	39,931	33,750	29,137
28,336	55,921	16,669	6,978	15,989	13,920	12,606	13,549
-	-	-	-	-	-	-	-
<u>128,336</u>	<u>175,921</u>	<u>51,419</u>	<u>23,368</u>	<u>46,939</u>	<u>53,851</u>	<u>46,356</u>	<u>42,686</u>
(12,890)	(43,831)	(4,047)	(2,204)	(6,187)	2,373	(899)	5,787
<u>312,726</u>	<u>531,219</u>	<u>35,343</u>	<u>71,648</u>	<u>99,320</u>	<u>20,901</u>	<u>63,218</u>	<u>26,384</u>
<u>\$ 299,836</u>	<u>\$ 487,388</u>	<u>\$ 31,296</u>	<u>\$ 69,444</u>	<u>\$ 93,133</u>	<u>\$ 23,274</u>	<u>\$ 62,319</u>	<u>\$ 32,171</u>

continued...

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drainage Districts

For the Year Ended September 30, 2023

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
<b>Revenues</b>					
Special assessments	\$ 9,537	\$ 41,039	\$ 126,625	\$ -	\$ 201,037
Interest	8	55	31,715	25	13,695
Other	-	-	-	-	-
<b>Total revenues</b>	<b>9,545</b>	<b>41,094</b>	<b>158,340</b>	<b>25</b>	<b>214,732</b>
<b>Expenditures</b>					
Debt service:					
Principal	5,850	25,000	59,000	-	133,500
Interest and fiscal charges	3,027	15,000	34,916	-	29,119
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>8,877</b>	<b>40,000</b>	<b>93,916</b>	<b>-</b>	<b>162,619</b>
<b>Net change in fund balances</b>	<b>668</b>	<b>1,094</b>	<b>64,424</b>	<b>25</b>	<b>52,113</b>
Fund balances, beginning of year	5,374	43,668	99,461	20,768	167,774
<b>Fund balances, end of year</b>	<b>\$ 6,042</b>	<b>\$ 44,762</b>	<b>\$ 163,885</b>	<b>\$ 20,793</b>	<b>\$ 219,887</b>



Debt Service Fund	Capital Project Funds		
Mission Creek	County Drain Revolving	County Drain Construction & Maintenance	Totals
\$ 272,133	\$ -	\$ 373,471	\$ 1,884,263
910	108	127,390	181,827
-	-	6,008	6,008
<u>273,043</u>	<u>108</u>	<u>506,869</u>	<u>2,072,098</u>
148,000	-	-	1,057,868
69,793	-	-	421,461
-	-	1,328,004	1,328,004
<u>217,793</u>	<u>-</u>	<u>1,328,004</u>	<u>2,807,333</u>
55,250	108	(821,135)	(735,235)
<u>50,387</u>	<u>313,396</u>	<u>4,528,357</u>	<u>6,899,532</u>
<u>\$ 105,637</u>	<u>\$ 313,504</u>	<u>\$ 3,707,222</u>	<u>\$ 6,164,297</u>

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## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Fund Balances of the Governmental Funds of the Drains Component Unit  
to Change in Net Position of the Governmental Activities of the Drains Component Unit  
For the Year Ended September 30, 2023

**Net change in fund balances - drains component unit** \$ (735,235)

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

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

Capital assets purchased/constructed	648,496
Depreciation expense	(666,910)

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

Change in deferred long-term receivables	(1,032,952)
--	-------------

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

Net change in net position of the internal service fund	3,231
---	-------

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

Principal payments on long-term debt	1,057,868
--------------------------------------	-----------

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

Change in accrued interest payable on long-term debt	<u>12,890</u>
--	---------------

**Change in net position of drains component unit** \$ (712,612)

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Drainage District - Drain Tile Internal Service Fund  
September 30, 2023

### Assets

Cash and cash equivalents	\$	5,171
Inventories		49,710
Due from other funds		<u>47,522</u>

### Total assets

102,403

### Liabilities

Accounts payable		<u>-</u>
------------------	--	----------

### Net position

Unrestricted	\$	<u><u>102,403</u></u>
--------------	----	-----------------------

# ISABELLA COUNTY, MICHIGAN

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

Drainage District - Drain Tile Internal Service Fund  
For the Year Ended September 30, 2023

### Revenues

Sales	\$ 77,165
-------	-----------

### Expenses

Materials	<u>73,299</u>
-----------	---------------

<b>Operating income/change in net position</b>	3,231
--	-------

Net position, beginning of year	<u>99,172</u>
---------------------------------	---------------

<b>Net position, end of year</b>	<u><u>\$ 102,403</u></u>
----------------------------------	--------------------------

# ISABELLA COUNTY, MICHIGAN

## Statement of Cash Flows

Drainage District - Drain Tile Internal Service Fund

For the Year Ended September 30, 2023

### Cash flows from operating activities

Cash received from customers	\$ 29,643
Cash payments for goods and services	(39,381)
	<hr/>

**Net change in cash and cash equivalents** (9,738)

Cash and cash equivalents:

Beginning of year	<hr/> 14,909
-------------------	--------------

**End of year** \$ 5,171

### Reconciliation of operating income to net cash used in operating activities

Operating income	\$ 3,231
Adjustments to reconcile operating income to net cash used in operating activities:	
Changes in operating assets and liabilities that provided (used) cash:	
Inventories	46,530
Due from other funds	(47,522)
Accounts payable	(11,977)
	<hr/>

**Net cash used in operating activities** \$ (9,738)

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Board of Public Works

September 30, 2023

	Governmental Activities	Business-type Activities	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 65,549	\$ 65,549
Cash at fiscal agent	137,659	-	137,659
Receivables	955,000	124,961	1,079,961
Capital assets not being depreciated	-	16,000	16,000
Capital assets being depreciated, net	-	92,532	92,532
<b>Total assets</b>	<u>1,092,659</u>	<u>299,042</u>	<u>1,391,701</u>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	36,253	-	36,253
<b>Liabilities</b>			
Accounts payable and accrued liabilities	22,659	20,100	42,759
Unearned revenue	136,909	-	136,909
Long-term liabilities:			
Due within one year	115,000	-	115,000
Due in more than one year	955,000	-	955,000
<b>Total liabilities</b>	<u>1,229,568</u>	<u>20,100</u>	<u>1,249,668</u>
<b>Net position</b>			
Investment in capital assets	-	108,532	108,532
Unrestricted (deficit)	(100,656)	170,410	69,754
<b>Total net position</b>	<u>\$ (100,656)</u>	<u>\$ 278,942</u>	<u>\$ 178,286</u>

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

Board of Public Works

For the Year Ended September 30, 2023

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Board of public works	\$ 51,819	\$ -	\$ 41,548	\$ (10,271)	\$ -	\$ (10,271)
Business-type activities:						
Board of public works	43,987	132,184	-	-	88,197	88,197
<b>Net program (expense) revenue</b>	<u>\$ 95,806</u>	<u>\$ 132,184</u>	<u>\$ 41,548</u>	(10,271)	88,197	77,926
<b>General revenues</b>						
Unrestricted investment earnings				-	72	72
Unrestricted grant revenue				-	35,679	35,679
<b>Total general revenues</b>				-	35,751	35,751
<b>Change in net position</b>				(10,271)	123,948	113,677
Net position (deficit), beginning of year				(90,385)	154,994	64,609
Net position (deficit), end of year				<u>\$ (100,656)</u>	<u>\$ 278,942</u>	<u>\$ 178,286</u>



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# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Board of Public Works - Governmental Fund  
Union Township Water System Debt Service  
September 30, 2023

### Assets

Cash held by fiscal agent	\$ 137,659
Installment sales agreement receivable	<u>955,000</u>

### Total assets

\$ 1,092,659

### Liabilities

Unearned revenue	\$ 136,909
Due to primary government	<u>750</u>

### Total liabilities

137,659

### Deferred inflows of resources

Unavailable revenue - installment sales agreement receivable	955,000
--	---------

### Fund balances

Restricted	<u>-</u>
------------	----------

### Total liabilities, deferred inflows of resources and fund balances

\$ 1,092,659

# ISABELLA COUNTY, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds of the Board of Public Works Component Unit to Net Position of the Governmental Activities of the Board of Public Works Component Unit  
September 30, 2023

**Fund balances - governmental funds - Board of Public Works** \$ -

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

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Unavailable installment sales agreement receivable 955,000

Long-term debt and related deferred outflows are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Bonds and notes payable (1,070,000)  
Deferred charge on refunding 36,253  
Accrued interest on bonds and notes payable (21,909)

**Net position of governmental activities - Board of Public Works** \$ (100,656)

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Board of Public Works - Governmental Fund  
Union Township Water System Debt Service  
For the Year Ended September 30, 2023

#### Revenues

Intergovernmental - local	\$ 156,548
---------------------------	------------

#### Expenditures

Debt service:

Principal	110,000
-----------	---------

Interest and fiscal charges	46,548
-----------------------------	--------

#### Total expenditures

156,548
---------

#### Net change in fund balances

-

Fund balances, beginning of year

-

#### Fund balances, end of year

\$ -
------

# ISABELLA COUNTY, MICHIGAN

## Reconciliation

Net Change in Fund Balances of Governmental Funds of the Board of Public Works  
Component Unit to Change in Net Position of Governmental Activities of the Board of  
Public Works Component Unit  
For the Year Ended September 30, 2023

<b>Net change in fund balances of governmental funds - Board of Public Works</b>	\$ -
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.	
Change in installment sales agreement receivable	(115,000)
Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term debt in the statement of net position.	
Principal payments on long-term debt	110,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in deferred charge on refunding	(7,252)
Change in accrued interest payable on long-term debt	<u>1,981</u>
<b>Change in net position of governmental activities - Board of Public Works</b>	<u><u>\$ (10,271)</u></u>

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Board of Public Works - Enterprise Fund  
Lake Isabella Water Supply System  
September 30, 2023

### Assets

Current assets:

Cash and cash equivalents	\$ 65,549
Accounts receivable	124,961
Total current assets	<u>190,510</u>

Noncurrent assets:

Capital assets not being depreciated	16,000
Capital assets being depreciated, net	92,532
Total noncurrent assets	<u>108,532</u>

### Total assets

299,042

### Liabilities

Accounts payable and accrued liabilities	660
Due to primary government	19,440
	<u>20,100</u>

### Total liabilities

20,100

### Net position

Investment in capital assets	108,532
Unrestricted	170,410
	<u>278,942</u>

### Total net position

\$ 278,942

## ISABELLA COUNTY, MICHIGAN

### Statement of Revenues, Expenses, and Changes in Net Position

Board of Public Works - Enterprise Fund  
Lake Isabella Water Supply System  
For the Year Ended September 30, 2023

#### Revenues

Charges for services	\$ 132,184
----------------------	------------

#### Expenses

Personnel services	17,469
Supplies	3,750
Utilities	3,674
Contractual services	11,147
Depreciation	6,041
Interest	1,144
Other	762

#### Total expenses

43,987

Operating income

88,197

#### Nonoperating revenues

Interest income	72
Intergovernmental	35,679

#### Total nonoperating revenues

35,751

#### Change in net position

123,948

Net position, beginning of year

154,994

#### Net position, end of year

\$ 278,942

# ISABELLA COUNTY, MICHIGAN

## Statement of Cash Flows

Board of Public Works - Enterprise Fund  
Lake Isabella Water Supply System  
For the Year Ended September 30, 2023

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 84,944
Cash payments for goods and services	<u>(51,299)</u>
<b>Net cash provided by operating activities</b>	33,645
<b>Cash flows from noncapital financing activities</b>	
Intergovernmental receipts	35,679
<b>Cash flows from capital and related financing activities</b>	
Acquisition/construction of capital assets	(62,366)
<b>Cash flows from investing activities</b>	
Interest received	<u>72</u>
<b>Net change in cash and cash equivalents</b>	7,030
Cash and cash equivalents:	
Beginning of year	<u>58,519</u>
<b>End of year</b>	<u><u>\$ 65,549</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 88,197
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,041
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	(47,240)
Accounts payable	(4,190)
Due to other funds	<u>(9,163)</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 33,645</u></u>



## **STATISTICAL SECTION**

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# ISABELLA COUNTY, MICHIGAN

## Statistical Section Table of Contents

This part of Isabella County, Michigan's (the "County") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

		<u>Page</u>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. (Tables 1-4)	182
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. (Tables 5-9)	192
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. (Tables 10-13)	200
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. (Table 14-16)	206
<b>Operating Information</b>	These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. (Tables 17-18)	210

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

# ISABELLA COUNTY, MICHIGAN

## Net Position by Component

Last Ten Fiscal Years

	2023	2022	2021	2020
<b>Governmental activities</b>				
Net investment in capital assets	\$ 11,336,524	\$ 14,329,044	\$ 14,054,394	\$ 14,662,825
Restricted	10,464,672	8,221,822	8,009,100	7,061,626
Unrestricted (deficit)	9,465,477	(5,313,039)	(4,736,503)	(4,358,039)
<b>Total governmental activities</b>	<u>\$ 31,266,673</u>	<u>\$ 17,237,827</u>	<u>\$ 17,326,991</u>	<u>\$ 17,366,412</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 1,125,334	\$ 1,246,504	\$ 1,156,803	\$ 1,150,698
Restricted	-	-	-	-
Unrestricted	9,442,176	9,132,342	8,300,699	8,017,065
<b>Total business-type activities</b>	<u>\$ 10,567,510</u>	<u>\$ 10,378,846</u>	<u>\$ 9,457,502</u>	<u>\$ 9,167,763</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 12,461,858	\$ 15,575,548	\$ 15,211,197	\$ 15,813,523
Restricted	10,464,672	8,221,822	8,009,100	7,061,626
Unrestricted	18,907,653	3,819,303	3,564,196	3,659,026
<b>Total primary government</b>	<u>\$ 41,834,183</u>	<u>\$ 27,616,673</u>	<u>\$ 26,784,493</u>	<u>\$ 26,534,175</u>

**Table 1 - Unaudited**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 13,679,396	\$ 13,669,179	\$ 13,481,108	\$ 13,621,811	\$ 13,030,558	\$ 12,414,882
5,915,564	5,269,315	4,872,321	3,528,717	2,903,804	4,774,534
(1,221,220)	(1,578,584)	(1,725,563)	1,096,840	3,743,803	12,789,431
<u>\$ 18,373,740</u>	<u>\$ 17,359,910</u>	<u>\$ 16,627,866</u>	<u>\$ 18,247,368</u>	<u>\$ 19,678,165</u>	<u>\$ 29,978,847</u>
\$ 1,155,991	\$ 1,108,106	\$ 1,286,733	\$ 1,423,200	\$ 1,455,010	\$ 1,636,046
-	-	-	350,000	350,000	350,000
8,218,891	8,534,022	8,573,804	7,675,320	9,403,965	9,897,272
<u>\$ 9,374,882</u>	<u>\$ 9,642,128</u>	<u>\$ 9,860,537</u>	<u>\$ 9,448,520</u>	<u>\$ 11,208,975</u>	<u>\$ 11,883,318</u>
\$ 14,835,387	\$ 14,777,285	\$ 14,767,841	\$ 15,045,011	\$ 14,485,568	\$ 14,050,928
5,915,564	5,269,315	4,872,321	3,878,717	3,253,804	5,124,534
6,997,671	6,955,438	6,848,241	8,772,160	13,147,768	22,686,703
<u>\$ 27,748,622</u>	<u>\$ 27,002,038</u>	<u>\$ 26,488,403</u>	<u>\$ 27,695,888</u>	<u>\$ 30,887,140</u>	<u>\$ 41,862,165</u>

# ISABELLA COUNTY, MICHIGAN

## Change in Net Position

Last Ten Fiscal Years

	2023	2022	2021	2020
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,789,520	\$ 5,723,726	\$ 6,539,913	\$ 7,370,269
Judicial	8,150,473	7,681,864	7,578,874	6,962,886
Public safety	10,043,753	10,238,276	10,167,940	8,366,130
Public works	774,704	771,477	823,855	728,169
Health and welfare	5,371,071	4,795,180	4,880,071	5,121,962
Culture and recreation	1,138,509	1,063,815	982,754	826,908
Community and economic development	256,424	476,778	315,788	332,245
Interest on long-term debt	60,747	69,300	-	1,667
	<u>30,585,201</u>	<u>30,820,416</u>	<u>31,289,195</u>	<u>29,710,236</u>
Business-type activities:				
Delinquent tax	306,114	321,109	254,546	107,518
Building inspections	499,012	394,725	408,748	572,322
Recycling facility	1,451,241	1,413,057	1,264,817	1,090,829
Concessions	164,831	123,439	151,752	146,193
	<u>2,421,198</u>	<u>2,252,330</u>	<u>2,079,863</u>	<u>1,916,862</u>
<b>Total primary government expenses</b>	<u>33,006,399</u>	<u>33,072,746</u>	<u>33,369,058</u>	<u>31,627,098</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	701,272	778,912	943,009	780,083
Judicial	737,102	779,875	717,686	745,987
Public safety	4,190,149	2,218,365	3,228,860	2,142,596
Health and welfare	240,262	262,074	212,001	192,194
Culture and recreation	630,071	605,060	618,382	405,054
Community and economic development	66,502	148,619	68,552	116,622
Operating grants and contributions	6,387,796	5,738,647	5,469,723	5,364,758
Capital grants and contributions	-	-	-	-
	<u>12,953,154</u>	<u>10,531,552</u>	<u>11,258,213</u>	<u>9,747,294</u>
Business-type activities:				
Charges for services:				
Delinquent tax	663,567	818,087	1,150,257	677,153
Building inspections	494,492	490,550	484,234	718,524
Recycling facility	452,886	894,858	772,449	423,877
Concessions	302,073	301,804	293,827	232,779
Operating grants and contributions	394,446	459,879	381,438	387,966
	<u>2,307,464</u>	<u>2,965,178</u>	<u>3,082,205</u>	<u>2,440,299</u>
<b>Total primary government program revenues</b>	<u>15,260,618</u>	<u>13,496,730</u>	<u>14,340,418</u>	<u>12,187,593</u>

Table 2 - Unaudited

	2019	2018	2017	2016	2015	2014
\$	4,927,863	\$ 10,430,062	\$ 11,863,489	\$ 12,092,262	\$ 10,870,079	\$ 10,051,170
	6,675,082	-	-	-	-	-
	7,808,136	7,787,004	7,660,384	7,831,619	7,120,091	7,112,889
	665,041	622,151	680,225	626,388	497,128	242,005
	4,911,239	5,434,018	297,673	485,698	423,975	289,280
	881,766	1,060,491	5,796,511	6,478,989	6,346,368	5,783,379
	439,750	263,314	937,252	963,879	904,810	833,562
	15,025	29,097	41,126	42,997	98,065	114,830
	<u>26,323,902</u>	<u>25,626,137</u>	<u>27,276,660</u>	<u>28,521,832</u>	<u>26,260,516</u>	<u>24,427,115</u>
	302,994	219,381	363,633	569,796	379,153	349,329
	402,858	366,529	369,458	384,258	352,828	304,450
	1,237,073	1,210,634	1,161,993	1,069,899	1,040,113	1,020,239
	198,240	234,868	221,673	201,812	231,245	256,820
	<u>2,141,165</u>	<u>2,031,412</u>	<u>2,116,757</u>	<u>2,225,765</u>	<u>2,003,339</u>	<u>1,930,838</u>
	<u>28,465,067</u>	<u>27,657,549</u>	<u>29,393,417</u>	<u>30,747,597</u>	<u>28,263,855</u>	<u>26,357,953</u>
	947,765	2,257,527	2,518,550	2,872,758	2,706,910	2,923,473
	1,090,374	-	-	-	-	-
	2,053,413	2,243,496	1,844,867	1,947,806	1,741,185	1,969,112
	187,605	231,115	31,752	26,636	17,484	21,047
	455,032	421,983	259,719	353,901	274,621	282,756
	277,318	44,396	401,626	412,195	389,947	347,735
	5,249,472	4,960,741	4,147,196	4,464,476	4,950,360	4,570,129
	-	6,500	89,607	38,920	13,040	8,472
	<u>10,260,979</u>	<u>10,165,758</u>	<u>9,293,317</u>	<u>10,116,692</u>	<u>10,093,547</u>	<u>10,122,724</u>
	913,501	772,058	821,178	814,021	720,086	643,695
	589,597	476,658	405,426	352,600	346,840	417,505
	512,344	633,117	764,538	572,053	531,197	595,105
	339,225	313,651	369,171	320,894	342,860	305,405
	327,123	206,197	399,268	271,930	165,300	256,373
	<u>2,681,790</u>	<u>2,401,681</u>	<u>2,759,581</u>	<u>2,331,498</u>	<u>2,106,283</u>	<u>2,218,083</u>
	<u>12,942,769</u>	<u>12,567,439</u>	<u>12,052,898</u>	<u>12,448,190</u>	<u>12,199,830</u>	<u>12,340,807</u>

## ISABELLA COUNTY, MICHIGAN

### Change in Net Position

Last Ten Fiscal Years

	2023	2022	2021	2020
<b>Net (expenses) revenues</b>				
Governmental activities	\$ (17,632,047)	\$ (20,288,864)	\$ (20,030,982)	\$ (19,962,942)
Business-type activities	(113,734)	712,848	1,002,342	523,437
<b>Total primary government net expense</b>	<u>(17,745,781)</u>	<u>(19,576,016)</u>	<u>(19,028,640)</u>	<u>(19,439,505)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Property taxes	18,549,100	17,750,046	15,949,317	14,825,715
State shared revenue	1,420,694	1,336,889	1,306,336	1,004,609
Unrestricted grants and contributions	11,001,357	1,141,210	1,948,195	2,177,899
Unrestricted investment earnings	779,205	149,974	65,445	151,722
Other revenues	-	-	-	-
Transfers	(89,463)	(178,419)	722,268	795,669
Total governmental activities	<u>31,660,893</u>	<u>20,199,700</u>	<u>19,991,561</u>	<u>18,955,614</u>
Business-type activities:				
Unrestricted grants and contributions	15,000	-	-	-
Unrestricted investment earnings	197,935	30,077	9,665	65,113
Other revenues	-	-	-	-
Transfers	89,463	178,419	(722,268)	(795,669)
Total business-type activities	<u>302,398</u>	<u>208,496</u>	<u>(712,603)</u>	<u>(730,556)</u>
<b>Total primary government</b>	<u>31,963,291</u>	<u>20,408,196</u>	<u>19,278,958</u>	<u>18,225,058</u>
<b>Changes in net position</b>				
Governmental activities	14,028,846	(89,164)	(39,421)	(1,007,328)
Business-type activities	188,664	921,344	289,739	(207,119)
<b>Total primary government changes in net position</b>	<u>\$ 14,217,510</u>	<u>\$ 832,180</u>	<u>\$ 250,318</u>	<u>\$ (1,214,447)</u>



Table 2 - Unaudited

2019	2018	2017	2016	2015	2014
\$ (16,062,923)	\$ (15,460,379)	\$ (17,983,343)	\$ (18,405,140)	\$ (16,166,969)	\$ (14,304,391)
540,625	370,269	642,824	105,733	102,944	287,245
(15,522,298)	(15,090,110)	(17,340,519)	(18,299,407)	(16,064,025)	(14,017,146)
14,020,126	13,454,955	13,096,866	12,933,132	12,640,166	12,642,259
1,274,111	1,268,181	1,255,625	1,243,491	1,241,312	995,270
703,409	495,729	520,942	494,694	829,107	812,668
183,438	125,013	97,377	74,993	70,725	71,988
-	200,802	217,407	334,083	167,374	353,023
895,669	647,743	740,000	1,893,950	550,000	396,076
17,076,753	16,192,423	15,928,217	16,974,343	15,498,684	15,271,284
-	-	-	-	-	-
87,798	59,065	31,466	22,674	90,673	86,149
-	-	-	5,088	3,551	31,911
(895,669)	(647,743)	(740,000)	(1,893,950)	(550,000)	(396,076)
(807,871)	(588,678)	(708,534)	(1,866,188)	(455,776)	(278,016)
16,268,882	15,603,745	15,219,683	15,108,155	15,042,908	14,993,268
1,013,830	732,044	(2,055,126)	(1,430,797)	(668,285)	966,893
(267,246)	(218,409)	(65,710)	(1,760,455)	(352,832)	9,229
\$ 746,584	\$ 513,635	\$ (2,120,836)	\$ (3,191,252)	\$ (1,021,117)	\$ 976,122

concluded

# ISABELLA COUNTY, MICHIGAN

## Fund Balances, Governmental Funds Last Ten Fiscal Years

	2023	2022	2021	2020
<b>General fund</b>				
Nonspendable	\$ 527,619	\$ 280,771	\$ 268,621	\$ 249,043
Committed	3,450,228	1,214,978	-	-
Assigned	10,284,459	6,401,154	5,985,723	3,095,284
Unassigned	6,224,877	4,455,813	5,387,449	5,635,570
<b>Total general fund</b>	<u>20,487,183</u>	<u>12,352,716</u>	<u>11,641,793</u>	<u>8,979,897</u>
<b>All other governmental funds</b>				
Nonspendable	29,256	43,803	10,468	8,423
Restricted	8,074,623	9,629,717	10,613,000	6,031,877
Committed	177,875	196,378	142,606	62,248
Assigned	-	-	-	46,689
<b>Total all other governmental funds</b>	<u>8,281,754</u>	<u>9,869,898</u>	<u>10,766,074</u>	<u>6,149,237</u>
<b>Total all governmental funds</b>	<u>\$ 28,768,937</u>	<u>\$ 22,222,614</u>	<u>\$ 22,407,867</u>	<u>\$ 15,129,134</u>

**Table 3 - Unaudited**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 74,279	\$ 70,672	\$ 54,375	\$ 57,833	\$ 48,774	\$ 55,628
-	-	-	-	-	-
3,120,819	3,331,980	4,788,096	5,082,391	3,073,275	3,097,321
5,795,821	5,300,917	4,764,319	5,611,774	7,970,365	7,869,977
<u>8,990,919</u>	<u>8,703,569</u>	<u>9,606,790</u>	<u>10,751,998</u>	<u>11,092,414</u>	<u>11,022,926</u>
14,337	7,873	46,734	47,238	82,140	97,151
5,906,204	5,271,702	4,842,045	3,501,036	2,858,438	3,671,083
56,753	38,683	54,925	81,573	669,741	591,963
46,655	46,614	46,843	-	-	-
<u>6,023,949</u>	<u>5,364,872</u>	<u>4,990,547</u>	<u>3,629,847</u>	<u>3,610,319</u>	<u>4,360,197</u>
<u>\$ 15,014,868</u>	<u>\$ 14,068,441</u>	<u>\$ 14,597,337</u>	<u>\$ 14,381,845</u>	<u>\$ 14,702,733</u>	<u>\$ 15,383,123</u>

# ISABELLA COUNTY, MICHIGAN

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	2023	2022	2021	2020
<b>Revenues</b>				
Property taxes	\$ 18,487,698	\$ 17,637,185	\$ 16,006,000	\$ 14,981,259
Licenses and permits	761,439	867,785	749,843	584,448
Intergovernmental	18,213,158	7,461,607	8,108,980	7,663,098
Charges for services	3,848,193	3,990,159	4,034,798	3,640,373
Fines and forfeitures	100,579	84,181	92,553	102,941
Interest and rent	963,698	363,757	280,051	368,216
Contributions	178,416	152,729	109,001	129,594
Other revenue	635,979	323,651	343,410	608,650
<b>Total revenues</b>	<b>43,189,160</b>	<b>30,881,054</b>	<b>29,724,636</b>	<b>28,078,579</b>
<b>Expenditures</b>				
General government	5,220,401	5,358,425	5,175,608	6,127,302
Judicial	8,040,233	7,685,399	7,425,434	7,026,471
Public safety	10,905,352	9,781,758	9,849,856	8,768,377
Public works	421,553	395,108	451,758	377,654
Health and welfare	5,341,071	4,763,106	4,560,678	4,904,195
Recreation and culture	1,350,501	1,175,606	889,863	973,896
Community and economic development	252,634	478,203	309,710	325,993
Capital outlay	14,617,707	1,250,283	1,393,182	-
Debt service:				
Principal	6,063,657	-	-	250,000
Interest and fiscal charges	149,340	-	-	6,094
<b>Total expenditures</b>	<b>52,362,449</b>	<b>30,887,888</b>	<b>30,056,089</b>	<b>28,759,982</b>
Revenues over (under) expenditures	(9,173,289)	(6,834)	(331,453)	(681,403)
<b>Other financing sources (uses)</b>				
Issuance of debt	15,976,575	-	6,000,000	-
Insurance proceeds	-	-	887,918	-
Transfers in	4,354,846	2,212,938	3,881,833	3,301,699
Transfers out	(4,611,809)	(2,391,357)	(3,159,565)	(2,506,030)
<b>Total other financing sources (uses)</b>	<b>15,719,612</b>	<b>(178,419)</b>	<b>7,610,186</b>	<b>795,669</b>
<b>Net change in fund balance</b>	<b>\$ 6,546,323</b>	<b>\$ (185,253)</b>	<b>\$ 7,278,733</b>	<b>\$ 114,266</b>
Debt service as a percentage of noncapital expenditures	17.2%	0.0%	0.0%	0.9%

Table 4 - Unaudited

2019	2018	2017	2016	2015	2014
\$ 13,962,571	\$ 13,341,536	\$ 13,256,738	\$ 12,984,397	\$ 12,892,823	\$ 12,871,889
816,321	569,366	519,329	539,884	491,750	453,337
6,595,533	5,844,499	5,381,666	6,010,487	6,164,258	5,830,859
3,995,521	4,303,766	4,203,003	4,291,135	4,006,683	4,373,826
130,874	149,042	173,908	166,783	208,841	248,534
442,004	478,359	418,106	701,525	661,330	668,069
217,492	239,796	197,923	212,634	657,714	433,670
341,716	755,294	619,474	341,506	211,489	345,555
<u>26,502,032</u>	<u>25,681,658</u>	<u>24,770,147</u>	<u>25,248,351</u>	<u>25,294,888</u>	<u>25,225,739</u>
5,199,394	11,051,966	10,588,359	10,751,157	10,265,973	9,578,054
6,675,082	-	-	-	-	-
7,678,254	7,933,236	7,019,442	6,904,261	6,730,652	6,782,321
334,681	309,515	311,051	565,096	478,372	232,163
4,901,173	5,428,675	5,592,663	5,889,326	6,159,223	5,626,061
850,584	1,066,790	842,038	881,414	881,966	813,424
443,671	684,963	782,796	975,074	778,566	655,758
-	280	495,854	411,957	283,250	65,752
350,000	350,000	350,000	791,729	754,102	773,856
18,435	32,872	47,747	293,175	293,174	293,174
<u>26,451,274</u>	<u>26,858,297</u>	<u>26,029,950</u>	<u>27,463,189</u>	<u>26,625,278</u>	<u>24,820,563</u>
<u>50,758</u>	<u>(1,176,639)</u>	<u>(1,259,803)</u>	<u>(2,214,838)</u>	<u>(1,330,390)</u>	<u>405,176</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,277,712	2,289,963	3,576,294	4,410,252	2,396,938	1,769,673
(2,382,043)	(1,642,220)	(2,836,294)	(2,516,302)	(1,746,938)	(1,373,597)
<u>895,669</u>	<u>647,743</u>	<u>740,000</u>	<u>1,893,950</u>	<u>650,000</u>	<u>396,076</u>
<u>\$ 946,427</u>	<u>\$ (528,896)</u>	<u>\$ (519,803)</u>	<u>\$ (320,888)</u>	<u>\$ (680,390)</u>	<u>\$ 801,252</u>
<u>1.4%</u>	<u>1.5%</u>	<u>1.6%</u>	<u>4.0%</u>	<u>4.0%</u>	<u>4.4%</u>

**Governmental Activities Tax Revenue by Source**  
 Last Ten Fiscal Years

Fiscal Year	Property Tax
2023	\$ 18,549,100
2022	17,750,046
2021	15,949,317
2020	14,825,715
2019	14,020,126
2018	13,454,955
2017	13,096,866
2016	12,933,132
2015	12,640,166
2014	12,642,259

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## ISABELLA COUNTY, MICHIGAN

### Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	A.V. Real Property		A.V. Personal Property	Total Assessed Valuation	Total Direct Tax Rate
	Agriculture/ Residential	Commercial/ Industrial			
2023	\$ 2,152,812,245	\$ 644,658,550	\$ 450,958,807	\$ 3,248,429,602	9.8220
2022	1,939,799,076	620,802,697	488,293,345	3,048,895,118	9.6996
2021	1,844,643,006	562,126,117	342,366,414	2,749,135,537	9.6791
2020	1,769,203,882	564,161,187	213,395,800	2,546,760,869	9.6791
2019	1,702,688,534	568,536,200	167,223,011	2,438,447,745	9.3996
2018	1,622,872,540	524,730,024	126,296,029	2,273,898,593	9.3996
2017	1,595,416,010	516,258,066	121,099,536	2,232,773,612	9.3996
2016	1,567,017,396	494,692,800	118,952,744	2,180,662,940	9.3996
2015	1,537,364,463	490,359,261	126,167,761	2,153,891,485	9.3996
2014	1,464,742,254	446,647,572	120,690,993	2,032,080,819	9.3996

Source: Isabella County Equalization Department

Note: Property in the County is reassessed annually. The tax rates are applied to taxable value to generate revenue. True cash values are estimated at twice the State equalized values. Estimated actual value is calculated by dividing assessed value by those percentages.

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



**Table 6 - Unaudited**



<b>Total Taxable Value</b>	<b>Estimated Actual Value</b>	<b>Taxable Value as a Percentage of True Cash Value</b>
\$ 2,461,677,640	\$ 6,496,859,204	37.89%
2,383,091,657	6,097,790,236	39.08%
2,142,583,406	5,498,271,074	38.97%
1,976,397,220	5,093,521,738	38.80%
1,887,838,296	4,876,895,490	38.71%
1,806,146,131	4,547,797,186	39.71%
1,758,379,688	4,465,547,224	39.38%
1,720,335,250	4,361,325,880	39.45%
1,711,805,770	4,307,782,970	39.74%
1,664,679,324	4,064,161,638	40.96%

## ISABELLA COUNTY, MICHIGAN

### Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	Direct Rates - Isabella County			Overlapping Rates		
	Operating <sup>(1)</sup> Millage	Special Millage	Total County Millage	State Education Tax <sup>(2)</sup>	Local School Districts	Intermediate Schools
2023	6.6100	3.2120	9.8220	6.0000	20.8000 - 26.6000	3.0133 - 5.4640
2022	6.6100	3.0896	9.6996	6.0000	20.6546 - 26.6000	3.0133 - 5.4640
2021	6.6100	3.0691	9.6791	6.0000	20.8820 - 26.6000	2.6756 - 5.4640
2020	6.6100	3.0691	9.6791	6.0000	20.8820 - 26.6000	2.6756 - 5.4640
2019	6.6100	2.7896	9.3996	6.0000	20.1000 - 26.6000	2.6756 - 5.2985
2018	6.6100	2.7896	9.3996	6.0000	20.3700 - 26.0000	2.6756 - 5.2985
2017	6.6100	2.7896	9.3996	6.0000	20.4400 - 26.0000	2.6756 - 5.2985
2016	6.6100	2.7896	9.3996	6.0000	20.4500 - 26.0000	2.6756 - 5.2985
2015	6.6100	2.7896	9.3996	6.0000	20.4500 - 26.0000	2.0385 - 5.2985
2014	6.6100	2.7896	9.3996	6.0000	19.8500 - 26.0000	2.0385 - 5.2985

(1) Rates reduced to comply with the Headlee Amendment.

(2) Proposal A voted in on March 15, 1994 implemented a 6 mill state education tax with the exception of 2003 which was reduced to 5 mills.

Source: Isabella County Equalization Department

Table 7 - Unaudited



Overlapping Rates						
Library Districts	Community Colleges		Townships	Cities		Villages
	Mid-Michigan Community College	Montcalm Community College		Mt. Pleasant	Clare	
.9923 - 1.75	1.2183	2.6516	0.9772 - 4.4789	16.2500	22.2500	2.1480 - 11.5000
.9923 - 1.75	1.2183	2.6516	0.9772 - 4.6289	16.2500	22.2500	1.8180 - 11.5000
.9923 - 1.75	1.2202	2.6853	0.9925 - 4.4541	16.2500	22.2500	1.8386 - 11.5000
.9923 - 1.75	1.2202	2.7054	0.9758 - 5.4914	16.2500	22.2500	1.8386 - 11.5000
.9931 - 1.75	1.2232	2.7175	0.9872 - 5.4970	16.2500	22.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7187	0.9872 - 5.4970	16.2500	21.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7191	0.9872 - 5.4970	16.2500	21.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7200	0.9938 - 5.4864	16.2500	18.2500	1.8424 - 11.5000
.9931 - 1.75	1.2232	2.7200	0.9938 - 5.4864	16.2500	18.2500	1.8463 - 13.0000
.9931 - 1.75	1.2232	2.7292	0.9938 - 5.4864	16.2500	19.0000	1.8463 - 13.0000

**Ten Largest Ad Valorem Taxpayers**

Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
DTE (Some Wind Turbines - Alt Energy - Utility PP)	\$302,647,800	1	12.29%			
Consumers Energy	63,512,056	2	2.58%	\$ 33,753,068	1	2.03%
SZ Mount Pleasant Townhomes LLC	17,297,935	3	0.70%			
Morbark LLC (Formerly Morbark Inc.)	8,851,206	4	0.36%	7,439,913	5	0.45%
Lexington Ridge Apts LLC	8,528,602	5	0.35%	6,365,395	7	0.38%
Jamestown Mt Pleasant Apt LLC	7,194,048	6	0.29%	6,377,533	6	0.38%
Tallgrass Apartments LLC	7,060,089	7	0.29%	5,785,800	9	0.35%
SZ Mount Pleasant Apartments East LLC	6,918,500	8	0.29%			
Wolverine Power Supply Co-Op	6,918,486	9	0.28%			
Mount Pleasant Hospitality	6,885,776	10	0.28%			
Copper Beech Townhome				12,615,093	2	0.76%
PEP-CMU LLC (Formerly GFII)				8,761,700	3	0.53%
Deerfield Village LLC				8,297,520	4	0.50%
Great Lakes Gas				6,018,291	8	0.36%
Sterling Wy Associates LLC				5,457,818	10	0.33%

Source: Isabella County Equalization Department

**Property Tax Levies and Collections**  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer (1)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount (2)	Percentage of Levy
2023	(2)	(2)	(2)	(2)	(2)	(2)	(2)
2022	\$ 90,430,091	\$ 86,504,209	95.660%	\$ 3,925,882	\$ 2,254,842	\$ 88,759,051	98.152%
2021	86,684,233	83,226,552	96.010%	3,457,681	3,111,539	85,308,046	98.412%
2020	81,456,218	77,644,346	95.320%	3,811,872	3,801,530	81,445,876	99.987%
2019	76,849,214	73,191,883	95.240%	3,657,331	3,656,092	76,847,975	99.998%
2018	74,536,934	70,817,924	95.011%	3,719,010	3,716,548	74,534,472	99.997%
2017	73,371,500	69,785,738	95.113%	3,585,762	3,584,609	73,370,347	99.998%
2016	72,178,585	68,547,174	94.969%	3,631,411	3,630,217	72,177,391	99.998%
2015	71,563,655	67,958,016	94.962%	3,589,022	3,588,167	71,546,183	99.976%
2014	69,838,758	66,202,847	94.794%	3,635,911	3,634,251	69,837,098	100.000%

(1) Includes all delinquent tax years March 31- March 31 and excludes personal tax collections.

(2) Tax settlement not completed.

Source: Isabella County Administration / Isabella County Treasurer

**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds					
2023	\$ 15,976,575	\$ -	\$ -	\$ 15,976,575	0.54%	\$ 248
2022	6,000,000	-	-	6,000,000	0.22%	86
2021	6,000,000	-	-	6,000,000	0.24%	86
2020	-	-	-	-	0.00%	-
2019	250,000	-	-	250,000	0.01%	4
2018	605,946	-	-	605,946	0.03%	9
2017	950,000	-	-	950,000	0.04%	13
2016	1,300,000	-	-	1,300,000	0.06%	28
2015	2,300,000	-	-	2,300,000	0.10%	33
2014	3,225,000	-	-	3,225,000	0.15%	55

(1) See Statistical Table Number 14 for personal income and population data. These ratios are calculated using the most recent available income and population data.

**Ratios of General Bonded Debt Outstanding**  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2023	\$ 15,976,575	\$ -	\$ 15,976,575	0.65%	\$ 248
2022	6,000,000	-	6,000,000	0.22%	86
2021	6,000,000	-	6,000,000	0.24%	86
2020	-	-	-	0.00%	-
2019	250,000	-	250,000	0.01%	4
2018	605,946	-	605,946	0.03%	9
2017	950,000	-	950,000	0.04%	13
2016	1,300,000	-	1,300,000	0.06%	28
2015	2,300,000	-	2,300,000	0.10%	33
2014	3,225,000	-	3,225,000	0.15%	55

(1) See Statistical Table Number 6 for property value data.

(2) See Statistical Table Number 14 for population data, last available population was used.

**Direct and Overlapping Governmental Activities Debt**

As of September 30, 2023

Name of Governmental Unit	Net General Obligation Debt Outstanding	% Applicable to County	Amount Applicable to County
<b>Net direct - County</b>	\$ 15,976,575	100.00%	\$ 15,976,575
<b>Overlapping debt</b>			
Cities:			
City of Clare	2,604,716	10.78%	280,788
City of Mt. Pleasant	26,500,000	100.00%	26,500,000
			<u>26,780,788</u>
Townships:			
Lincoln	29,550	100.00%	29,550
Nottawa	1,407,000	100.00%	1,407,000
Union	1,474,502	100.00%	1,474,502
			<u>2,911,052</u>
Village:			
Shepherd	3,500,000	100.00%	3,500,000
Lake Isabella	639,500	100.00%	639,500
			<u>4,139,500</u>
School districts:			
Alma	23,091,398	0.02%	4,618
Beal City	4,372,149	100.00%	4,372,149
Chippewa Hills	19,465,000	29.57%	5,755,801
Clare	2,225,000	27.31%	607,648
Coleman	5,415,000	15.61%	845,282
Farwell	16,395,000	10.82%	1,773,939
Montabella	18,620,000	32.07%	5,971,434
Mt. Pleasant	34,000,000	100.00%	34,000,000
Shepherd	24,043,564	94.51%	22,723,572
St. Louis	20,742,429	4.56%	945,855
Vestaburg	12,670,054	7.27%	921,113
			<u>77,921,411</u>
Intermediate School districts:			
Clare-Gladwin ISD	620,000	5.95%	36,890
Midland ISD	15,185,000	0.89%	135,147
Montcalm ISD	306,000	3.08%	9,425
			<u>181,462</u>
Community colleges:			
Mid-Michigan Community College	5,585,000	5.95%	332,308
Montcalm Community College	6,850,000	3.08%	210,980
			<u>543,288</u>
<b>Total overlapping debt</b>			<u>112,477,501</u>
<b>Total direct and overlapping debt</b>			<u>\$ 128,454,076</u>

Source: Municipal Advisory Council of Michigan

Note: the Municipal Advisory Council gathers all the financial obligations of the various political jurisdictions that also partially falls into a neighboring jurisdiction throughout the State of Michigan and maps out this debt geographically to determine the total overlapping debt that is the responsibility of each taxpayer within each jurisdiction. This proportional share of the other jurisdictions debt, plus the County's direct debt together make up the municipality's overall debt amounts. The overlapping percentage is calculated by dividing the taxable value of property of the overlapping government located in Isabella County by the total taxable value of all property in the overlapping government.



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## ISABELLA COUNTY, MICHIGAN

### Legal Debt Margin

Last Ten Fiscal Years

	2023	2022	2021	2020
Debt limit	\$ 246,167,764	\$ 238,309,166	\$ 214,258,341	\$ 197,639,722
Total net debt applicable to limit	<u>15,976,575</u>	<u>6,000,000</u>	<u>6,590,000</u>	<u>1,160,000</u>
Legal debt margin	<u>\$ 230,191,189</u>	<u>\$ 232,309,166</u>	<u>\$ 207,668,341</u>	<u>\$ 196,479,722</u>
Total net debt applicable to the limit as a percentage of debt limit	6.49%	2.52%	3.08%	0.59%

### Legal Debt Margin Calculation for Fiscal Year 2023

Taxable value	\$ 2,461,677,640
Debt limitation - 10 percent of total taxable value in County	246,167,764
Debt applicable to limit	15,976,575
Less:	
Assets in debt service funds	<u>-</u>
Total amount of debt applicable to debt limit	<u>15,976,575</u>
<b>Legal debt margin</b>	<u><b>\$ 230,191,189</b></u>

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

**Table 13 - Unaudited**

2019	2018	2017	2016	2015	2014
\$ 188,783,830	\$ 180,614,613	\$ 175,837,969	\$ 172,033,525	\$ 171,180,577	\$ 166,467,932
<u>1,960,000</u>	<u>2,845,946</u>	<u>3,711,894</u>	<u>4,491,560</u>	<u>5,466,126</u>	<u>6,377,238</u>
<u>\$ 186,823,830</u>	<u>\$ 177,768,667</u>	<u>\$ 172,126,075</u>	<u>\$ 167,541,965</u>	<u>\$ 165,714,451</u>	<u>\$ 160,090,694</u>
1.04%	1.58%	2.11%	2.61%	3.19%	3.83%

**Demographic and Economic Statistics**

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2023	(1)	(1)	(1)	(1)	4.60%
2022	64,513	\$ 2,790,960,000	\$ 43,262	23,022	4.40%
2021	64,813	2,959,189,000	45,657	24,046	5.20%
2020	69,504	2,781,637,000	40,021	25,947 (3)	6.20%
2019	69,872	2,540,248,000	36,356	25,947	3.70%
2018	70,562	2,505,029,000	35,501	29,729 (2)	3.30%
2017	71,063	2,348,845,000	33,053	29,729	4.40%
2016	71,282	2,332,921,000	32,728	30,266	3.70%
2015	70,698	2,255,267,000	31,900	30,602	4.60%
2014	70,506	2,175,646,000	30,810	31,056	5.60%

Data sources:

- U.S. Department of Commerce, Bureau of the Census
- Bureau of Economic Analysis, U.S. Department of Commerce (<http://bea.gov/iTable>) Table CA 1-3 Personal Income Summary
- Michigan Department of Technology, Management & Budget - Labor Market Information (<http://milmi.org>)

- (1) Information not available.
- (2) 2018 data not available.
- (3) 2020 data not available.

**Ten Largest Principal Employers**  
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment
Saginaw Chippewa Indian Tribe	3,134	1	9.61%	4,000	1	11.98%
Central Michigan University	2,090	2	6.41%	2,693	2	8.07%
Bandit Industries	640	3	1.96%	420	8	1.26%
Welbilt/Delfied	586	4	1.80%			
Morbark LLC	488	5	1.50%	620	5	1.86%
Mt. Pleasant Public Schools	487	6	1.49%	456	7	1.37%
McLaren Central Michigan	458	8	1.41%			
McBride Quality Care Services	420	6	1.29%	686	3	2.05%
Walmart	331	9	1.02%			
Meijer	330	10	1.01%	340	10	1.02%
Isabella Bank				635	4	1.90%
Defield Co.				550	6	1.65%
STT Security				400	9	1.20%

Source:  
www.mmdc.org

## ISABELLA COUNTY, MICHIGAN

### Full-Time Equivalent County Governmental Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020
General service administration	125.5	122.4	122.4	119.5
Legislative	7.0	1.9	7.0	7.0
Law enforcement and corrections	51.8	51.9	51.9	52.9
Public safety and emergency services	21.5	21.5	22.3	19.8
Health and welfare	30.5	26.8	26.8	26.8
Culture and recreation	22.0	18.3	6.8	6.8
Planning and development	2.5	2.5	2.5	3.8
Other agencies	10.9	11.1	10.9	10.9
	<u>271.7</u>	<u>256.4</u>	<u>250.6</u>	<u>247.5</u>

Source: Isabella County Administration Office

**Table 16 - Unaudited**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
115.3	108.9	108.5	112.9	110.1	109.5
7.0	7.0	7.0	7.0	7.0	7.0
51.4	53.8	48.4	53.7	50.8	52.4
18.8	20.8	21.3	21.0	22.1	21.4
27.9	27.9	11.6	26.5	25.3	29.1
6.8	6.9	6.6	8.2	7.9	8.3
3.8	3.8	3.8	2.5	3.6	3.4
10.9	10.9	10.9	7.5	15.0	16.2
<u>241.9</u>	<u>239.9</u>	<u>218.1</u>	<u>239.3</u>	<u>241.8</u>	<u>247.3</u>

## ISABELLA COUNTY, MICHIGAN

### Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020
General government activities				
Trial Court total caseload	10,889	10,656	10,399	9,167
Law enforcement and corrections:				
Number of incarcerated offenders	1,971	2,049	1,764	2,496
Public safety and emergency services:				
Animal control:				
Complaints	520	1,051	1,155	834
Animal adoptions	624	544	458	439
Health and welfare:				
Health Department:				
Immunizations administered	3,405	7,965	24,575	3,048
House numbering:				
House numbers issued	73	85	88	195
Housing:				
Mortgages granted	-	-	-	-
Recreation and culture:				
Annual vehicle park passes	2,725	2,849	3,189	2,082
Daily vehicle park passes	13,704	13,031	15,469	12,318
Annual boat passes	1,094	886	1,016	834

Note: Indicators are not available for the legislative or planning and development functions

Sources: Isabella County Trial Court, Isabella County Sheriff Department, Isabella County Animal Control, Central Michigan District/Health Department, Isabella County Community Development, Isabella County Parks & Recreation.



**Table 17 - Unaudited**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
11,337	12,577	14,737	14,857	13,459	13,586
3,482	3,803	4,092	4,064	4,331	4,449
885	1,304	1,711	1,449	1,455	1,151
470	567	595	560	972	1,042
4,250	3,646	5,496	3,586	3,495	4,194
106	84	62	61	47	48
-	-	-	7	4	9
2,213	2,177	2,109	2,089	1,782	1,640
12,258	11,972	12,577	13,390	12,248	10,646
1,012	1,057	941	1,001	739	653

# ISABELLA COUNTY, MICHIGAN

## Capital Assets Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020
General government:				
Juvenile detention:				
Facilities	2	2	2	2
Law enforcement and corrections:				
Sheriff:				
Vehicles	22	21	20	21
Boats	1	1	1	1
Jail facilities	1	1	1	1
Public safety and emergency services:				
Animal control - vehicles	1	1	1	1
Emergency services - vehicles	1	1	1	1
Community and economic development - vehicles	3	3	3	3
Recreation and culture:				
Parks and recreation:				
Parks	5	5	5	5
Vehicles	8	9	8	10

Source: Isabella County Finance Department

Note: No capital asset indicators are available for the legislative, health and welfare, or public works functions.

Table 18 - Unaudited



2019	2018	2017	2016	2015	2014
2	2	2	2	2	2
21	26	23	18	19	20
1	1	1	1	1	1
1	1	1	1	1	1
3	3	2	2	2	2
1	1	2	2	2	2
3	3	1	1	1	1
5	5	5	5	5	5
8	8	7	7	7	7