

Isabella County,
Michigan



Year Ended
September 30,
2024

Annual
Comprehensive
Financial Report

Prepared by: County Administrator/Controller's Office

Brian Smith, Administrator/Controller

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ISABELLA COUNTY, MICHIGAN

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INTRODUCTORY SECTION

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ISABELLA COUNTY, MICHIGAN

ELECTED AND APPOINTED OFFICERS

For the Year Ended September 30, 2024

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

Brian Smith

Director of Finance

Chris Witmer

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ISABELLA COUNTY

Brian A. Smith
Administrator/Controller
200 North Main Street, Suite 205
Mount Pleasant, MI 48858
Office: (989) 317-4058
Fax: (989) 773-7431
bsmith@isabellacounty.org

March 10, 2025

Honorable Frank Engler, 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, 2024, 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 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.

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.

In Fiscal Year 2024, the County provided 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 exercised at the activity level for the general fund and at the fund level for special revenue 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, 2024 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 originate 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.

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,

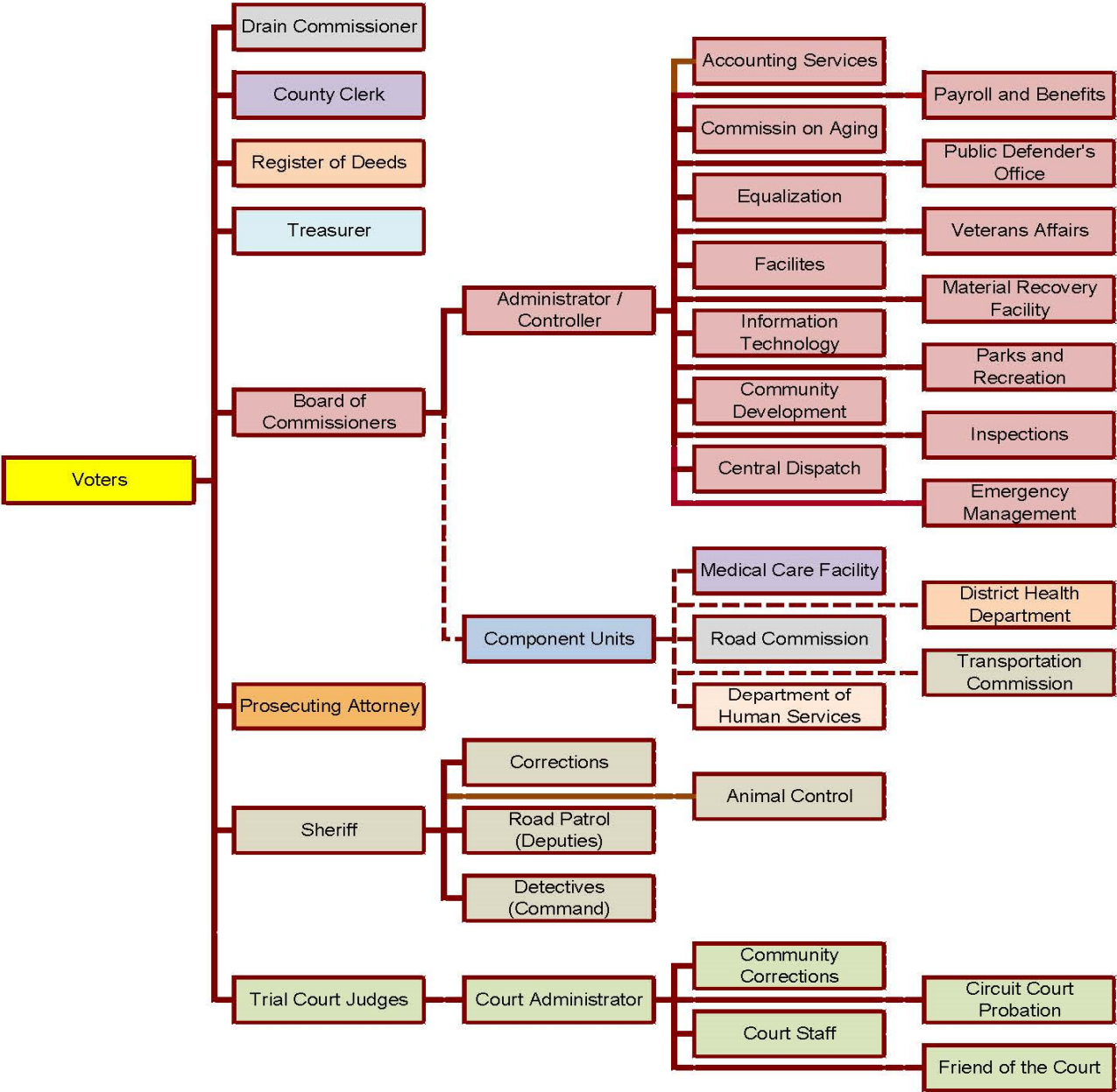


Brian A. Smith
County Administrator/Controller



Chris Witmer
Director of Finance

ISABELLA COUNTY ORGANIZATIONAL FLOW CHART



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 10, 2025

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, 2024, 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, 2024, 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 funds 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	63%	68%	38%
Isabella County Transportation Commission	4%	4%	16%
Isabella County Medical Care Facility	10%	9%	41%

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 10, 2025, 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 Lobson 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, 2024. 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	\$ 49,453,449
· Change in total net position	7,619,266
· Fund balances, governmental funds	27,821,486
· Change in fund balances, governmental funds	(947,451)
· Unassigned fund balance, general fund	11,435,144
· Change in fund balance, general fund	(1,730,982)
· Installment debt outstanding	35,592,892

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 and opioid settlements special revenue funds, 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 \$49,453,449 at the close of the most recent fiscal year. One of the largest portions of the County's net position (43 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	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 38,559,456	\$ 42,893,616	\$ 10,965,747	\$ 10,004,094	\$ 49,525,203	\$ 52,897,710
Capital assets, net	60,354,601	33,638,079	971,424	1,125,334	61,326,025	34,763,413
	<u>98,914,057</u>	<u>76,531,695</u>	<u>11,937,171</u>	<u>11,129,428</u>	<u>110,851,228</u>	<u>87,661,123</u>
Deferred outflows of resources	<u>3,831,717</u>	<u>5,283,590</u>	<u>118,099</u>	<u>137,700</u>	<u>3,949,816</u>	<u>5,421,290</u>
Liabilities						
Other liabilities	6,777,746	10,905,606	234,773	85,324	7,012,519	10,990,930
Long-term liabilities	57,484,217	39,420,642	669,644	614,294	58,153,861	40,034,936
	<u>64,261,963</u>	<u>50,326,248</u>	<u>904,417</u>	<u>699,618</u>	<u>65,166,380</u>	<u>51,025,866</u>
Deferred inflows of resources	<u>181,215</u>	<u>222,364</u>	<u>-</u>	<u>-</u>	<u>181,215</u>	<u>222,364</u>
Net position						
Net investment in capital assets	20,322,666	11,336,524	971,424	1,125,334	21,294,090	12,461,858
Restricted	12,148,814	10,464,672	-	-	12,148,814	10,464,672
Unrestricted	<u>5,831,116</u>	<u>9,465,477</u>	<u>10,179,429</u>	<u>9,442,176</u>	<u>16,010,545</u>	<u>18,907,653</u>
Total net position	<u>\$ 38,302,596</u>	<u>\$ 31,266,673</u>	<u>\$ 11,150,853</u>	<u>\$ 10,567,510</u>	<u>\$ 49,453,449</u>	<u>\$ 41,834,183</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 \$7,619,266 during the current fiscal year. This was comprised of an increase in governmental activities of \$7,035,923 and an increase in business-type activities of \$583,343.

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	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 6,544,727	\$ 6,565,358	\$ 2,441,542	\$ 1,913,018	\$ 8,986,269	\$ 8,478,376
Operating grants	6,790,073	6,387,796	286,565	394,446	7,076,638	6,782,242
General revenues						
Taxes	19,639,569	18,549,100	-	-	19,639,569	18,549,100
State shared revenues	1,498,417	1,420,694	-	-	1,498,417	1,420,694
Unrestricted grants and contributions	6,985,765	11,001,357	-	15,000	6,985,765	11,016,357
Unrestricted investment earnings	1,164,046	779,205	310,388	197,935	1,474,434	977,140
Total revenues	42,622,597	44,703,510	3,038,495	2,520,399	45,661,092	47,223,909
Expenses						
General government	5,863,455	4,789,520	-	-	5,863,455	4,789,520
Judicial	8,343,893	8,150,473	-	-	8,343,893	8,150,473
Public safety	12,845,972	10,043,753	-	-	12,845,972	10,043,753
Public works	817,642	774,704	-	-	817,642	774,704
Health and welfare	5,594,698	5,371,071	-	-	5,594,698	5,371,071
Recreation and culture	1,201,314	1,138,509	-	-	1,201,314	1,138,509
Community and economic development	393,063	256,424	-	-	393,063	256,424
Interest on long-term debt	560,164	60,747	-	-	560,164	60,747
Delinquent tax	-	-	387,250	306,114	387,250	306,114
Building inspections	-	-	593,987	499,012	593,987	499,012
Recycling	-	-	1,307,017	1,451,241	1,307,017	1,451,241
Concessions	-	-	133,371	164,831	133,371	164,831
Total expenses	35,620,201	30,585,201	2,421,625	2,421,198	38,041,826	33,006,399
Change in net position, before transfers	7,002,396	14,118,309	616,870	99,201	7,619,266	14,217,510
Transfers	33,527	(89,463)	(33,527)	89,463	-	-
Change in net position	7,035,923	14,028,846	583,343	188,664	7,619,266	14,217,510
Net position:						
Beginning of year	31,266,673	17,237,827	10,567,510	10,378,846	41,834,183	27,616,673
End of year	\$ 38,302,596	\$ 31,266,673	\$ 11,150,853	\$ 10,567,510	\$ 49,453,449	\$ 41,834,183

ISABELLA COUNTY, MICHIGAN

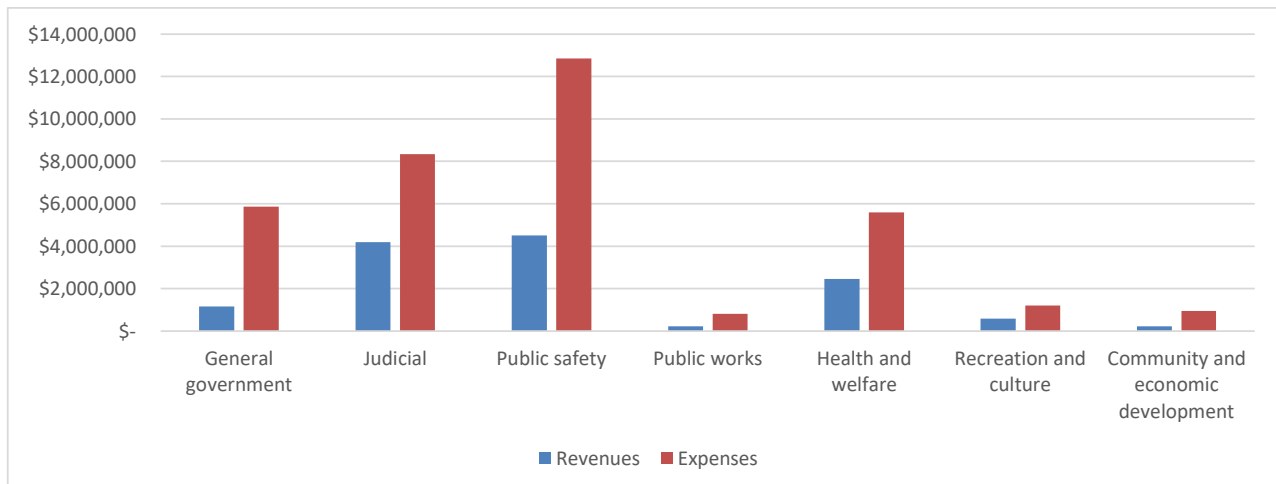
Management's Discussion and Analysis

Governmental activities. The County had an increase in governmental activities net position totaling \$7,035,923 in fiscal year 2024. This change was the result of the following:

- Operating grants increased \$402,277 from the previous year due to additional Tribal 2% distributions of \$917,023 for one time projects for Commission on Aging, Recycling, Parks and Recreation, Prosecuting Attorney, Central Dispatch & Emergency Management.
- Tax revenue increased \$1,090,469 from the previous year which is attributed to a County taxable value increase of 4.25%.
- Unrestricted grants and contributions decreased \$4,015,592 from the previous year which is attributed to the recognition of ARPA funds to help fund general government services.
- Unrestricted investment earnings increased \$384,841 from the previous year due to higher interest rates.
- General government expenses increased \$1,073,935 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 increase in general government expenses.
- Public safety expenses increased \$2,802,219 from the previous year which is due in major part to the unexpected closure of the Administration Building for asbestos remediation.
- Interest on long-term debt expenses increased \$499,417 from the previous year which is due to an additional \$24,922,892 in 2022 Jail Bonds for the construction of the Isabella County Sheriff's Office & Correctional Facility.

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

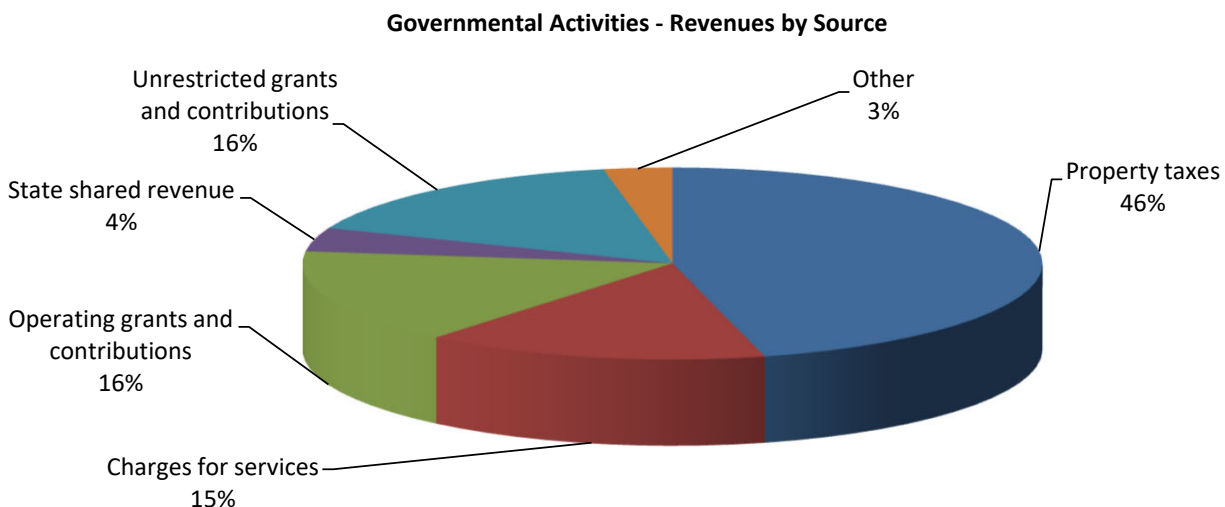
Governmental Activities - Program Revenues and Expenses



ISABELLA COUNTY, MICHIGAN

Management's Discussion and Analysis

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



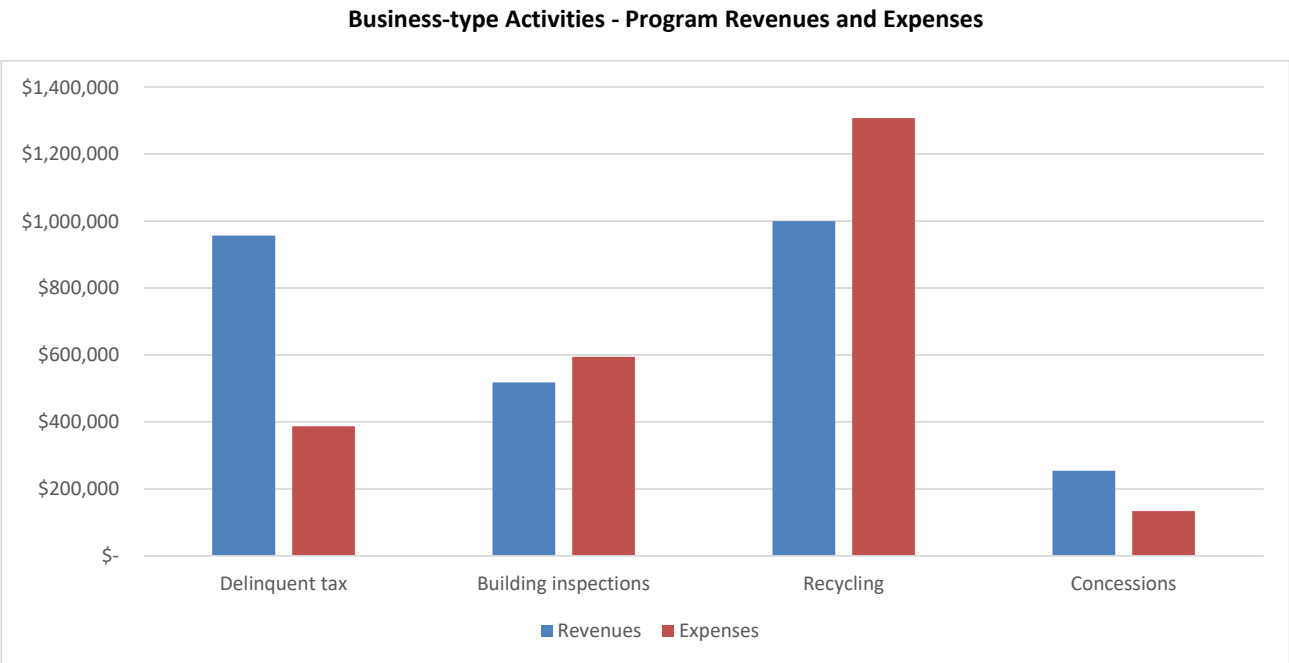
Business-type Activities. Business-type activities increased the County's net position by \$583,343. This change was the result of the following:

- The recycling activity decreased business-type activities net position by \$122,167 in 2024. There were no ARPA grants funds in current and no contribution from the City of Mt. Pleasant in current year. Transfers in from General Fund were also decreased compared to prior year.
- The delinquent tax revolving activity increased business-type activities net position by \$383,560 in 2024 as a result of collecting more delinquent taxes in the current year.
- The PA 123 restricted tax activity increased business-type activities net position by \$417,148 in 2024. This is attributed to 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.

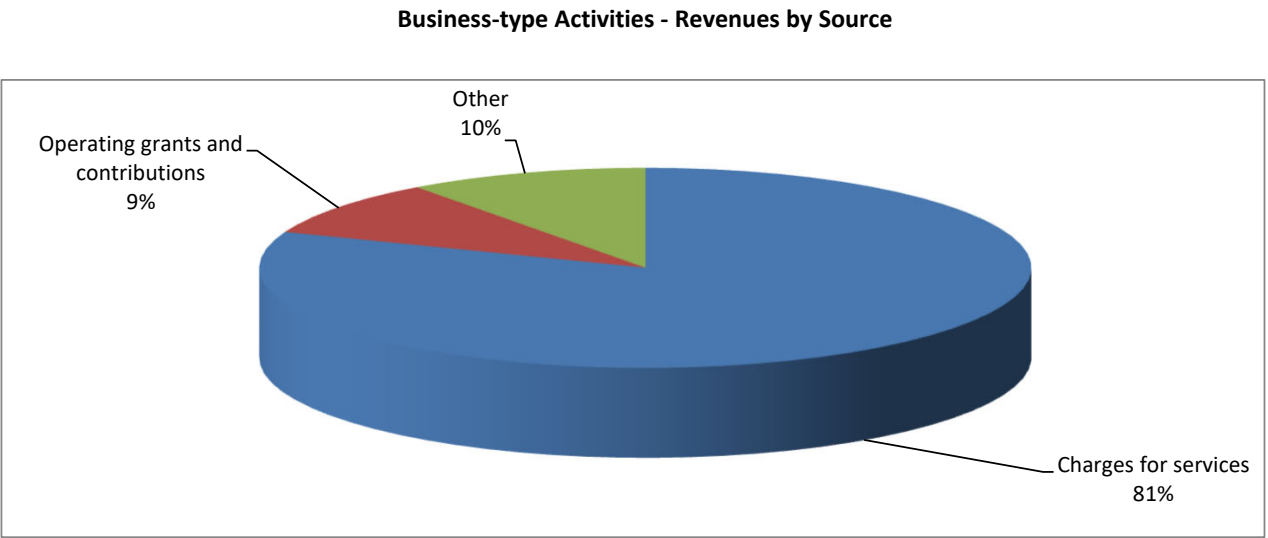
ISABELLA COUNTY, MICHIGAN

Management's Discussion and Analysis

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



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



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 \$27,821,486, a decrease of \$947,451 in comparison with the prior year. Approximately 66 percent (\$18,372,462) 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 \$14,783,383 while total fund balance was \$18,756,201. 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 35 percent of total general fund expenditures and transfers out.

The general fund had a decrease of \$1,730,982 in the current fiscal year. The amended budget planned to use \$5,331,860 of fund balance in order to balance the budget, but ended the fiscal year using \$1,730,982 to cover the deficit in revenues over expenditures.

The commission on aging fund increased fund balance by \$123,298 to \$3,208,209 as of the most recent fiscal year end. This increase is due mostly to an increase in Third Party Contributions, specifically to Home Delivered Meals.

The opioid settlements fund increased fund balance by \$716,094 to \$1,151,860 as of the most recent fiscal year end. This increase is due to additional opioid settlements and interest earned.

The jail construction fund fund balance ended the current year at \$0, as bond proceeds and the General Fund match of 12% covered all expenditures. Total transferred in by the General fund to meet the 12% match requirement was \$3,209,073. The Sheriff's Office and Correctional Facility is anticipated to be substantially complete by February 11, 2025.

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 \$572,470. This variance was mainly due to property taxes and interest and rents being over budget by \$230,182 and \$532,763, respectively. This was the result of the County taxable value increasing 4.25% and interest rates for the funds that the County Treasurer invests, remained significantly higher in the current year.

General fund expenditures and other financing uses were less than the budgetary estimates by \$3,028,408. 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 Drains and Sheriff vehicle purchases, Sheriff Radio Tower Project, Facilities capital outlay and the County's portion of the Sheriff's Office and Correctional Facility for a combined total of \$1,071,556. Multiple General Fund departments, mainly Trial Court, Corrections, Sheriff, Clerk, Equalization 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 \$1,297,316 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 \$33,000 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 \$3,033,108. This budget increase was mainly due to the increase for public safety in the amount of \$2,224,050 to account for the closure of the Administration Building. The original revenue budget was amended up by \$2,892,603 mainly due to the increase in intergovernmental revenue of \$2,696,153 due to the recognition of American Rescue Plan Act funds for use on general governments services.

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, 2024, amounted to \$61,326,025 (net of accumulated depreciation/amortization). 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:

- . Sheriff's Office and Correctional Facility additions of \$23,518,977 and other public safety additions of \$299,433
- . Parks additions of \$426,869 for the Herrick playground area, rail-trail brush cut and sealcoating, and purchase of truck
- . Sheriff additions of \$2,799,986 for the radio tower project, drone, two Durangos, and flooring for MSP
- . General government additions of \$39,112 for windows and three furnances
- . Welfare additions of \$604,068 for COA pavilion, ice machine, tables, mixer, and doors
- . Judicial additions of \$155,000 for rooftop heating and cooling unit

ISABELLA COUNTY, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 2,922,919	\$ 2,612,247	\$ 107,757	\$ 107,757	\$ 3,030,676	\$ 2,720,004
Construction in progress	46,064,797	19,989,177	-	-	46,064,797	19,989,177
Buildings and improvements	9,005,346	8,702,474	418,784	438,743	9,424,130	9,141,217
Equipment	1,474,589	1,337,351	375,487	464,245	1,850,076	1,801,596
Vehicles	517,128	510,805	69,396	114,589	586,524	625,394
Other	115,595	157,786	-	-	115,595	157,786
Subscription asset	254,227	328,239	-	-	254,227	328,239
Total capital assets, net	\$ 60,354,601	\$ 33,638,079	\$ 971,424	\$ 1,125,334	\$ 61,326,025	\$ 34,763,413

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 \$37,365,069, which represents bonds payable, post-closure landfill costs, and compensated absences.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 35,592,892	\$ 15,976,575	\$ -	\$ -	\$ 35,592,892	\$ 15,976,575
Post-closure landfill costs	354,970	383,279	-	-	354,970	383,279
Compensated absences	1,362,614	1,171,564	54,593	51,054	1,417,207	1,222,618
Total long-term debt	\$ 37,310,476	\$ 17,531,418	\$ 54,593	\$ 51,054	\$ 37,365,069	\$ 17,582,472

The County's total debt increased by \$19,782,597 during the current fiscal year due to additional draws of bonds payable for the jail construction 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 a decrease in fund balance of \$1,730,982 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 2024-2025 budget:

- Property tax revenue anticipated for the 2024-2025 fiscal year budget shows an increase of \$913,156.
- The budget reflects no utilization of General Fund balance in order to provide services to County residents.
- The County is strategically considering much needed facility improvements, including the Administration Building. The County is completing 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

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ISABELLA COUNTY, MICHIGAN

Statement of Net Position

September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Assets				
Cash and cash equivalents	\$ 22,933,178	\$ 6,660,467	\$ 29,593,645	\$ 13,507,105
Investments	3,845,405	1,401,240	5,246,645	23,576,333
Restricted cash and investments	569,651	-	569,651	1,778,944
Cash at fiscal agent	-	-	-	140,578
Receivables	10,421,195	2,858,764	13,279,959	22,859,125
Internal balances	(39,028)	39,028	-	-
Other assets	479,055	6,248	485,303	1,618,857
Advance to component unit	350,000	-	350,000	-
Capital assets not being depreciated/amortized	48,189,140	107,757	48,296,897	31,335,220
Capital assets being depreciated/amortized, net	12,165,461	863,667	13,029,128	121,572,232
Total assets	98,914,057	11,937,171	110,851,228	216,388,394
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	29,003
Deferred pension amounts	3,831,717	118,099	3,949,816	2,968,451
Total deferred outflows of resources	3,831,717	118,099	3,949,816	2,997,454
Liabilities				
Accounts payable and accrued liabilities	6,276,039	234,773	6,510,812	3,224,429
Unearned revenue	501,707	-	501,707	4,167,779
Advance from primary government	-	-	-	350,000
Bonds, notes and other long-term liabilities:				
Due within one year	1,322,293	21,838	1,344,131	1,799,338
Due in more than one year	36,206,683	32,755	36,239,438	16,783,122
Net pension liability, due in more than one year	19,955,241	615,051	20,570,292	7,726,595
Total liabilities	64,261,963	904,417	65,166,380	34,051,263
Deferred inflows of resources				
Deferred pension amounts	-	-	-	136,603
Deferred lease amounts	181,215	-	181,215	-
Total deferred outflows of resources	181,215	-	181,215	136,603
Net position				
Net investment in capital assets	20,322,666	971,424	21,294,090	136,158,266
Restricted:				
County roads	-	-	-	18,293,939
Drain capital projects	-	-	-	4,121,091
Debt service	-	-	-	12,759,749
Commission on aging activities	3,208,209	-	3,208,209	-
Parks and recreation	1,822,931	-	1,822,931	-
E-911	1,224,465	-	1,224,465	-
Child care	649,901	-	649,901	-
Tribal contribution	268,169	-	268,169	-
Opioid remediation	3,515,225	-	3,515,225	-
CDBG housing assistance	1,044,960	-	1,044,960	-
Other	414,954	-	414,954	297,138
Unrestricted	5,831,116	10,179,429	16,010,545	13,567,799
Total net position	\$ 38,302,596	\$ 11,150,853	\$ 49,453,449	\$ 185,197,982

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

ISABELLA COUNTY, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2024

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues
Primary government					
Governmental activities:					
General government	\$ 5,863,455	\$ 709,421	\$ 441,583	\$ -	\$ (4,712,451)
Judicial	8,343,893	861,356	3,329,936	-	(4,152,601)
Public safety	12,845,972	3,958,184	549,247	-	(8,338,541)
Public works	817,642	-	218,117	-	(599,525)
Health and welfare	5,594,698	207,971	2,251,190	-	(3,135,537)
Recreation and culture	1,201,314	580,364	-	-	(620,950)
Community and economic development	393,063	227,431	-	-	(165,632)
Interest on long-term debt	560,164	-	-	-	(560,164)
Total governmental activities	35,620,201	6,544,727	6,790,073	-	(22,285,401)
Business-type activities:					
Delinquent tax	387,250	956,814	-	-	569,564
Building inspections	593,987	517,830	-	-	(76,157)
Recycling	1,307,017	713,000	286,565	-	(307,452)
Concessions	133,371	253,898	-	-	120,527
Total business-type activities	2,421,625	2,441,542	286,565	-	306,482
Total primary government	\$ 38,041,826	\$ 8,986,269	\$ 7,076,638	\$ -	\$ (21,978,919)
Component units					
Road commission	\$ 12,891,136	\$ 3,337,026	\$ 10,897,783	\$ 1,514,045	\$ 2,857,718
Transportation commission	7,091,262	339,427	4,482,272	10,441	(2,259,122)
Medical care facility	17,815,589	15,016,539	-	1,404	(2,797,646)
Drainage districts	2,211,537	459,880	-	1,330,265	(421,392)
Board of public works	170,948	23,790	37,411	-	(109,747)
Total component units	\$ 40,180,472	\$ 19,176,662	\$ 15,417,466	\$ 2,856,155	\$ (2,730,189)

continued...

ISABELLA COUNTY, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Changes in net position				
Net (expense) revenues	\$ (22,285,401)	\$ 306,482	\$ (21,978,919)	\$ (2,730,189)
General revenues:				
Property taxes	19,639,569	-	19,639,569	4,436,301
State shared revenues	1,498,417	-	1,498,417	-
Grants and contributions not restricted to specific programs	6,985,765	-	6,985,765	713,598
Unrestricted investment earnings	1,164,046	310,388	1,474,434	1,637,669
Gain on sale of capital assets	-	-	-	93,699
Transfers - internal activities	33,527	(33,527)	-	-
Total general revenues and transfers	29,321,324	276,861	29,598,185	6,881,267
Change in net position	7,035,923	583,343	7,619,266	4,151,078
Net position, beginning of year	31,266,673	10,567,510	41,834,183	181,046,904
Net position, end of year	<u>\$ 38,302,596</u>	<u>\$ 11,150,853</u>	<u>\$ 49,453,449</u>	<u>\$ 185,197,982</u>

concluded

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

ISABELLA COUNTY, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2024

	General	Commission on Aging Special Revenue Fund	Opioid Settlements Special Revenue Fund	Jail Construction Capital Projects Fund	Nonmajor Governmental Funds	Totals
Assets						
Cash and cash equivalents	\$ 15,505,133	\$ 1,822,228	\$ 1,150,785	\$ -	\$ 3,994,669	\$ 22,472,815
Investments	1,989,446	1,139,003	-	-	716,956	3,845,405
Restricted cash and investments	55,000	-	-	514,651	-	569,651
Receivables:						
Accounts	21,276	20,451	2,364,440	-	814,951	3,221,118
Taxes	1,648,771	-	-	-	-	1,648,771
Loans	-	-	-	-	859,015	859,015
Leases	184,273	-	-	-	-	184,273
Due from other governments	517,289	78,145	-	3,705,892	166,138	4,467,464
Due from component unit	37,711	-	-	-	-	37,711
Due from other funds	887,478	227,000	-	-	26,500	1,140,978
Inventories	17,449	10,157	-	-	-	27,606
Prepays	155,141	1,015	-	-	35,371	191,527
Advance to component unit	350,000	-	-	-	-	350,000
Total assets	<u>\$ 21,368,967</u>	<u>\$ 3,297,999</u>	<u>\$ 3,515,225</u>	<u>\$ 4,220,543</u>	<u>\$ 6,613,600</u>	<u>\$ 39,016,334</u>
Liabilities						
Accounts payable	\$ 615,653	\$ 59,744	\$ -	\$ 4,220,543	\$ 236,034	\$ 5,131,974
Accrued payroll	432,197	30,046	-	-	83,122	545,365
Due to other funds	110,400	-	-	-	331,500	441,900
Due to other governments	6	-	-	-	161,431	161,437
Unearned revenue	264,425	-	-	-	237,282	501,707
Total liabilities	<u>1,422,681</u>	<u>89,790</u>	<u>-</u>	<u>4,220,543</u>	<u>1,049,369</u>	<u>6,782,383</u>
Deferred inflows of resources						
Unavailable revenue - taxes	1,008,870	-	-	-	-	1,008,870
Unavailable revenue - loans	-	-	-	-	859,015	859,015
Unavailable revenue - long-term opioid receivables	-	-	2,363,365	-	-	2,363,365
Deferred lease amounts	181,215	-	-	-	-	181,215
Total deferred inflows of resources	<u>1,190,085</u>	<u>-</u>	<u>2,363,365</u>	<u>-</u>	<u>859,015</u>	<u>4,412,465</u>
Fund balances						
Nonspendable	522,590	11,172	-	-	35,371	569,133
Restricted	-	3,197,037	1,151,860	-	4,530,994	8,879,891
Committed	3,450,228	-	-	-	138,851	3,589,079
Assigned	3,348,239	-	-	-	-	3,348,239
Unassigned	11,435,144	-	-	-	-	11,435,144
Total fund balances	<u>18,756,201</u>	<u>3,208,209</u>	<u>1,151,860</u>	<u>-</u>	<u>4,705,216</u>	<u>27,821,486</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,368,967</u>	<u>\$ 3,297,999</u>	<u>\$ 3,515,225</u>	<u>\$ 4,220,543</u>	<u>\$ 6,613,600</u>	<u>\$ 39,016,334</u>

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, 2024

Fund balances - total governmental funds \$ 27,821,486

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	48,189,140
Capital assets being depreciated/amortized, net	12,165,461

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	859,015
Deferred taxes receivable	1,008,870
Deferred other long-term receivables	2,363,365

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	(19,955,241)
Deferred outflows related to the net pension liability	3,831,717

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	-
Net position of the internal service fund allocated to business-type activities	(163,106)

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	(35,811,392)
Accrued interest on bonds payable	(289,135)
Post-closure landfill liabilities	(354,970)
Compensated absences	(1,362,614)

Net position of governmental activities \$ 38,302,596

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, 2024

	General	Commission on Aging Special Revenue Fund	Opioid Settlements Special Revenue Fund	Jail Construction Capital Projects Fund	Nonmajor Governmental Funds	Totals
Revenues						
Property taxes	\$ 16,287,947	\$ 2,385,988	\$ -	\$ -	\$ 835,547	\$ 19,509,482
Licenses and permits	344,283	-	-	-	590,686	934,969
Intergovernmental	9,966,445	1,232,945	-	-	3,449,880	14,649,270
Charges for services	1,943,514	-	-	-	1,885,315	3,828,829
Fines and forfeitures	99,934	-	-	-	6,500	106,434
Interest and rents	1,009,738	155,970	32,384	12,587	130,224	1,340,903
Contributions	-	293,411	-	-	-	293,411
Other revenues	126,237	395	683,710	-	150,279	960,621
Total revenues	29,778,098	4,068,709	716,094	12,587	7,048,431	41,623,919
Expenditures						
Current:						
General government	5,898,651	-	-	-	71,962	5,970,613
Judicial	5,976,272	-	-	-	2,438,210	8,414,482
Public safety	12,925,601	-	-	-	2,500,708	15,426,309
Public works	466,992	-	-	-	-	466,992
Health and welfare	1,194,904	3,613,847	-	-	1,321,212	6,129,963
Recreation and culture	-	-	-	-	1,376,950	1,376,950
Community and economic development	383,971	-	-	-	434	384,405
Capital outlay	-	-	-	23,518,977	-	23,518,977
Debt service:						
Principal	11,795	-	-	-	728,405	740,200
Interest	619	-	-	-	342,857	343,476
Total expenditures	26,858,805	3,613,847	-	23,518,977	8,780,738	62,772,367
Revenues over (under) expenditures	2,919,293	454,862	716,094	(23,506,390)	(1,732,307)	(21,148,448)
Other financing sources (uses)						
Issuance of debt	-	-	-	20,297,317	-	20,297,317
Transfers in	1,054,580	-	-	3,209,073	2,050,935	6,314,588
Transfers out	(5,704,855)	(331,564)	-	-	(374,489)	(6,410,908)
Total other financing sources (uses)	(4,650,275)	(331,564)	-	23,506,390	1,676,446	20,200,997
Net change in fund balances	(1,730,982)	123,298	716,094	-	(55,861)	(947,451)
Fund balances, beginning of year as previously reported	20,487,183	3,084,911	-	-	5,196,843	28,768,937
Change within financial reporting entity (nonmajor to major fund)	-	-	435,766	-	(435,766)	-
Fund balances, beginning of year as adjusted	20,487,183	3,084,911	435,766	-	4,761,077	28,768,937
Fund balances, end of year	\$ 18,756,201	\$ 3,208,209	\$ 1,151,860	\$ -	\$ 4,705,216	\$ 27,821,486

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, 2024

Net change in fund balances - total governmental funds \$ (947,451)

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	27,606,609
Depreciation/amortization expense	(889,287)
Loss on sale of capital assets	(800)

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	(43,658)
Change in deferred taxes receivables	130,087
Change in deferred other long-term receivables	905,245

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	(82)
Change in the internal service fund net position allocated to business-type activities	7,396

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	28,309
Issuance of bonds	(20,297,317)
Principal payments on bonds, notes and other long-term liabilities	740,200

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	(216,688)
Change in net pension liability and related deferred amounts	204,410
Change in the accrual for compensated absences	(191,050)

Change in net position of governmental activities \$ 7,035,923

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 16,057,765	\$ 16,057,765	\$ 16,287,947	\$ 230,182
Licenses and permits	129,000	279,000	344,283	65,283
Intergovernmental	7,348,812	10,044,965	9,966,445	(78,520)
Charges for services	2,040,550	2,040,550	1,943,514	(97,036)
Fines and forfeitures	85,500	85,500	99,934	14,434
Interest and rents	476,975	476,975	1,009,738	532,763
Other revenues	171,800	218,250	126,237	(92,013)
Total revenues	26,310,402	29,203,005	29,778,098	575,093
Expenditures				
Current:				
General government:				
Board of Commissioners	223,894	593,604	589,122	(4,482)
Administration	1,220,103	1,267,078	1,223,972	(43,106)
Elections	200,950	235,950	196,990	(38,960)
Clerk	687,844	687,844	643,793	(44,051)
Equalization	358,962	373,962	334,404	(39,558)
Register of deeds	462,278	462,278	410,390	(51,888)
Managed assigned counsel	168,000	208,000	175,830	(32,170)
Remonumentation	40,000	60,000	53,387	(6,613)
Treasurer	285,572	285,572	277,663	(7,909)
MSU cooperative extension	187,028	187,028	186,202	(826)
Information systems	386,585	386,585	327,051	(59,534)
Building and grounds	1,309,795	1,319,795	1,096,464	(223,331)
Drain commissioner	450,521	450,521	383,383	(67,138)
Total general government	5,981,532	6,518,217	5,898,651	(619,566)
Judicial:				
Trial court	4,569,083	4,618,494	4,181,383	(437,111)
Prosecuting attorney	1,678,355	1,678,356	1,558,233	(120,123)
Adult drug court	161,568	161,568	131,485	(30,083)
Juvenile drug court	105,477	105,477	100,457	(5,020)
Jury board	6,900	6,900	4,714	(2,186)
Total judicial	6,521,383	6,570,795	5,976,272	(594,523)
Public safety:				
Sheriff	6,931,509	6,968,206	6,317,131	(651,075)
Road patrol	160,077	160,077	146,379	(13,698)
Other state grant	-	6,700	6,598	(102)
Marine safety	5,100	18,800	14,621	(4,179)
Corrections	4,113,412	4,129,063	3,737,941	(391,122)
Emergency management	328,869	2,480,171	2,312,768	(167,403)
Michigan justice training act	3,000	3,000	1,800	(1,200)
Mid-Michigan community college contract	70,791	70,791	58,312	(12,479)
Animal control	385,772	385,772	330,051	(55,721)
Total public safety	11,998,530	14,222,580	12,925,601	(1,296,979)

continued...

ISABELLA COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Public works:				
Board of public works	\$ 1,080	\$ 1,080	\$ 420	\$ (660)
Drain at large	365,302	438,263	438,263	-
Well monitoring - landfill	49,652	49,652	28,309	(21,343)
Total public works	<u>416,034</u>	<u>488,995</u>	<u>466,992</u>	<u>(22,003)</u>
Health and welfare:				
Substance abuse counseling	183,433	183,433	149,165	(34,268)
Medical examiner	192,750	192,750	177,114	(15,636)
Public health	466,398	466,398	464,053	(2,345)
Mental health services	216,300	216,300	216,300	-
Child protection services	5,000	5,000	5,000	-
Veteran's affairs	208,853	208,853	180,495	(28,358)
Disabilities advisory commission	8,065	8,065	2,777	(5,288)
Total health and welfare	<u>1,280,799</u>	<u>1,280,799</u>	<u>1,194,904</u>	<u>(85,895)</u>
Community and economic development	<u>258,895</u>	<u>408,895</u>	<u>383,971</u>	<u>(24,924)</u>
Debt service:				
Principal	11,795	11,795	11,795	-
Interest	619	619	619	-
Total debt service	<u>12,414</u>	<u>12,414</u>	<u>12,414</u>	<u>-</u>
Total expenditures	<u>26,469,587</u>	<u>29,502,695</u>	<u>26,858,805</u>	<u>(2,643,890)</u>
Revenues over (under) expenditures	<u>(159,185)</u>	<u>(299,690)</u>	<u>2,919,293</u>	<u>3,218,983</u>
Other financing sources (uses)				
Transfers in	1,027,893	1,057,203	1,054,580	(2,623)
Transfers out	<u>(6,086,373)</u>	<u>(6,089,373)</u>	<u>(5,704,855)</u>	<u>(384,518)</u>
Total other financing sources (uses)	<u>(5,058,480)</u>	<u>(5,032,170)</u>	<u>(4,650,275)</u>	<u>381,895</u>
Net change in fund balance	<u>(5,217,665)</u>	<u>(5,331,860)</u>	<u>(1,730,982)</u>	<u>3,600,878</u>
Fund balance, beginning of year	<u>20,487,183</u>	<u>20,487,183</u>	<u>20,487,183</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,269,518</u>	<u>\$ 15,155,323</u>	<u>\$ 18,756,201</u>	<u>\$ 3,600,878</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,005,843	\$ 2,005,843	\$ 2,385,988	\$ 380,145
Intergovernmental	957,355	957,355	1,232,945	275,590
Interest and rents	-	-	155,970	155,970
Contributions	181,223	181,223	293,411	112,188
Other revenues	600	600	395	(205)
Total revenues	3,145,021	3,145,021	4,068,709	923,688
Expenditures				
Current:				
Health and welfare	3,129,699	3,685,902	3,613,847	(72,055)
Revenues over (under) expenditures	15,322	(540,881)	454,862	995,743
Other financing uses				
Transfers out	(331,564)	(331,564)	(331,564)	-
Net change in fund balance	(316,242)	(872,445)	123,298	995,743
Fund balance, beginning of year	3,084,911	3,084,911	3,084,911	-
Fund balance, end of year	\$ 2,768,669	\$ 2,212,466	\$ 3,208,209	\$ 995,743

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 - Opioid Settlements Special Revenue Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest and rents	\$ -	\$ -	\$ 32,384	\$ 32,384
Other revenues	-	-	683,710	683,710
Total revenues/net change in fund balance	-	-	716,094	716,094
Fund balance, beginning of year	435,766	435,766	435,766	-
Fund balance, end of year	<u>\$ 435,766</u>	<u>\$ 435,766</u>	<u>\$ 1,151,860</u>	<u>\$ 716,094</u>

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

ISABELLA COUNTY, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,124,015	\$ 693,432	\$ 3,608,557	\$ 234,463	\$ 6,660,467	\$ 460,363
Investments	370,057	-	-	1,031,183	1,401,240	-
Receivables:						
Accounts	-	74,852	37,740	1,786	114,378	2,843
Delinquent taxes	2,714,530	-	-	-	2,714,530	-
Due from other governments	29,856	-	-	-	29,856	-
Inventories	-	-	-	2,980	2,980	-
Prepays	-	-	-	3,268	3,268	259,922
Total current assets	5,238,458	768,284	3,646,297	1,273,680	10,926,719	723,128
Noncurrent assets:						
Capital assets not being depreciated	-	107,757	-	-	107,757	-
Capital assets being depreciated, net	-	766,086	-	97,581	863,667	-
Total noncurrent assets	-	873,843	-	97,581	971,424	-
Total assets	5,238,458	1,642,127	3,646,297	1,371,261	11,898,143	723,128
Deferred outflows of resources						
Deferred pension amounts	18,564	790	18,959	79,786	118,099	-
Liabilities						
Current liabilities:						
Accounts payable	2,518	30,167	170,873	6,828	210,386	148,128
Accrued wages	2,089	12,096	1,287	8,915	24,387	-
Due to other funds	-	124,078	-	-	124,078	575,000
Current portion of other long-term liabilities	249	14,118	2,233	5,238	21,838	-
Total current liabilities	4,856	180,459	174,393	20,981	380,689	723,128
Noncurrent liabilities:						
Other long-term liabilities, net of current portion	373	21,175	3,350	7,857	32,755	-
Net pension liability	96,680	4,114	98,737	415,520	615,051	-
Total noncurrent liabilities	97,053	25,289	102,087	423,377	647,806	-
Total liabilities	101,909	205,748	276,480	444,358	1,028,495	723,128
Net position						
Investment in capital assets	-	873,843	-	97,581	971,424	-
Unrestricted	5,155,113	563,326	3,388,776	909,108	10,016,323	-
Total net position	\$ 5,155,113	\$ 1,437,169	\$ 3,388,776	\$ 1,006,689	\$ 10,987,747	\$ -

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, 2024	
Net position - total enterprise funds	\$ 10,987,747
Amounts reported for <i>business-type activities</i> 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.	
	<u>163,106</u>
Net position of business-type activities	<u><u>\$ 11,150,853</u></u>

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, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
Operating revenues						
Charges for services	\$ 158,450	\$ 191,171	\$ 509,539	\$ 536,271	\$ 1,395,431	\$ 4,620,031
Sales	-	521,829	-	239,621	761,450	-
Interest and penalties on delinquent taxes	284,661	-	-	-	284,661	-
Total operating revenues	443,111	713,000	509,539	775,892	2,441,542	4,620,031
Operating expenses						
Personnel services	128,574	604,742	90,171	537,506	1,360,993	-
Supplies	2,958	19,388	11,314	11,304	44,964	-
Contractual services	27,268	273,134	48,505	13,728	362,635	-
Other services and charges	-	241,641	76,833	23,458	341,932	-
Cost of goods sold	-	-	-	122,864	122,864	-
Health insurance benefits and premiums	-	-	-	-	-	4,756,964
Depreciation	-	141,523	-	16,888	158,411	-
Total operating expenses	158,800	1,280,428	226,823	725,748	2,391,799	4,756,964
Operating income (loss)	284,311	(567,428)	282,716	50,144	49,743	(136,933)
Nonoperating revenues (expenses)						
Intergovernmental	-	286,565	-	-	286,565	-
Interest revenue	99,249	18,276	134,432	58,431	310,388	7,004
Loss on the sale of capital assets	-	(22,430)	-	-	(22,430)	-
Total nonoperating revenues (expenses)	99,249	282,411	134,432	58,431	574,523	7,004
Income (loss) before transfers	383,560	(285,017)	417,148	108,575	624,266	(129,929)
Transfers in	-	315,000	-	-	315,000	129,847
Transfers out	-	(152,150)	-	(196,377)	(348,527)	-
Change in net position	383,560	(122,167)	417,148	(87,802)	590,739	(82)
Net position, beginning of year	4,771,553	1,559,336	2,971,628	1,094,491	10,397,008	82
Net position, end of year	\$ 5,155,113	\$ 1,437,169	\$ 3,388,776	\$ 1,006,689	\$ 10,987,747	\$ -

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, 2024	
Change in net position - total enterprise funds	\$ 590,739
Amounts reported for <i>business-type activities</i> 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.	
Change in net position from internal service funds accounted for in governmental activities allocated to business-type activities	<u>(7,396)</u>
Change in net position of business-type activities	<u>\$ 583,343</u>

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, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
Cash flows from operating activities						
Cash received from customers	\$ 234,433	\$ 830,157	\$ 653,274	\$ 774,521	\$ 2,492,385	\$ -
Cash received from interfund services	-	-	-	-	-	4,622,128
Cash payments for goods and services	(27,745)	(537,966)	(136,652)	(174,034)	(876,397)	(4,497,039)
Cash payments to employees	(114,920)	(606,356)	(77,760)	(479,373)	(1,278,409)	-
Net cash provided by (used in) operating activities	91,768	(314,165)	438,862	121,114	337,579	125,089
Cash flows from noncapital financing activities						
Transfers in	-	315,000	-	-	315,000	129,847
Transfers out	-	(152,150)	-	(196,377)	(348,527)	-
Intergovernmental receipts	-	291,297	-	-	291,297	-
Net cash provided by (used in) noncapital financing activities	-	454,147	-	(196,377)	257,770	129,847
Cash flows from capital and related financing activities						
Acquisition/construction of capital assets	-	(26,931)	-	-	(26,931)	-
Cash flows from investing activities						
Interest and dividends received	99,249	18,276	134,432	58,431	310,388	7,004
Sales of investments	462,634	-	310,915	-	773,549	-
Purchases of investments	-	-	-	(26,680)	(26,680)	-
Net cash provided by (used in) investing activities	561,883	18,276	445,347	31,751	1,057,257	7,004
Net change in cash and cash equivalents	653,651	131,327	884,209	(43,512)	1,625,675	261,940
Cash and cash equivalents:						
Beginning of year	1,470,364	562,105	2,724,348	277,975	5,034,792	198,423
End of year	\$ 2,124,015	\$ 693,432	\$ 3,608,557	\$ 234,463	\$ 6,660,467	\$ 460,363

continued...

ISABELLA COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 284,311	\$ (567,428)	\$ 282,716	\$ 50,144	\$ 49,743	\$ (136,933)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	141,523	-	16,888	158,411	-
Change in operating assets and liabilities that provided (used) cash:						
Accounts receivable	-	(32,843)	606	(1,371)	(33,608)	2,097
Delinquent taxes receivable	(317,035)	-	-	-	(317,035)	-
Due from other governmental units	108,357	-	-	-	108,357	-
Inventories	-	-	-	579	579	-
Prepays	-	-	-	(3,268)	(3,268)	17,305
Deferred outflows of resources related to pension	1,495	4,631	2,726	10,749	19,601	-
Due from other funds	-	150,000	-	-	150,000	-
Accounts payable	2,481	9,340	143,129	57	155,007	17,620
Accrued wages	211	4,444	245	2,685	7,585	-
Due to other governmental units	-	(13,143)	-	-	(13,143)	-
Due to other funds	-	-	-	-	-	225,000
Compensated absences	(2,685)	7,372	(598)	(550)	3,539	-
Net pension liability	14,633	(18,061)	10,038	45,201	51,811	-
Net cash provided by (used in) operating activities	<u>\$ 91,768</u>	<u>\$ (314,165)</u>	<u>\$ 438,862</u>	<u>\$ 121,114</u>	<u>\$ 337,579</u>	<u>\$ 125,089</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, 2024

Assets

Cash and cash equivalents	\$ 8,280,532
Investments	1,681,742
Accounts receivable	<u>33,506</u>

Total assets

9,995,780

Liabilities

Due to other governmental units:

Federal/State	4,113,273
Local	5,655,286
Due to individuals and agencies	<u>183,579</u>

Total liabilities

9,952,138

Net position restricted for

Individuals, organizations and other governments	<u>\$ 43,642</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, 2024

Additions

Real estate transfer tax collected for other governments	\$ 1,641,938
Fees and fines collected on behalf of other governments	1,643,409
Collections from or on behalf of inmates	509,457
Collections on behalf of the Central Michigan District Health Department	17,651,284
Other taxes collected for other governments	<u>21,219,842</u>

Total additions

42,665,930

Deductions

Payments of real estate transfer tax to other governments	1,641,938
Fees and fines remitted to other governments	1,643,409
Payments to or on behalf of inmates	503,123
Payments to the Central Michigan District Health Department	17,651,284
Payments of other taxes to other governments	<u>21,219,842</u>

Total deductions

42,659,596

Change in net position

6,334

Net position, beginning of year

37,308

Net position, end of year

\$ 43,642

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, 2024

	Road Commission	Transportation Commission	Medical Care Facility
Assets			
Cash and cash equivalents	\$ 2,669,917	\$ 3,074,172	\$ 2,974,899
Investments	18,458,832	3,420,347	-
Cash at fiscal agent	-	-	-
Receivables	4,314,011	455,014	6,137,295
Other assets	689,892	414,058	265,022
Restricted cash and investments	-	-	1,778,944
Capital assets not being depreciated	30,742,992	54,004	315,629
Capital assets being depreciated, net	80,660,558	1,699,950	9,336,389
Total assets	137,536,202	9,117,545	20,808,178
Deferred outflows of resources			
Deferred charge on bond refunding	-	-	-
Deferred pension amounts	1,662,868	460,534	845,049
Total deferred outflows of resources	1,662,868	460,534	845,049
Liabilities			
Accounts payable and accrued liabilities	588,182	897,053	1,503,370
Advance from primary government	-	-	-
Unearned revenue	3,800,000	227,201	-
Long-term debt:			
Due within one year	562,804	116,318	-
Due in more than one year	4,473,760	-	-
Net pension liability, due in more than one year	4,697,835	277,253	2,751,507
Total liabilities	14,122,581	1,517,825	4,254,877
Deferred inflows of resources			
Deferred pension amounts	-	136,603	-
Net position			
Net investment in capital assets	106,782,550	1,753,954	9,652,018
Restricted:			
County roads	18,293,939	-	-
Debt service	-	-	-
Capital projects	-	-	-
Nonexpendable permanent endowments	-	-	55,226
Capital acquisitions	-	-	241,912
Unrestricted (deficit)	-	6,169,697	7,449,194
Total net position	\$ 125,076,489	\$ 7,923,651	\$ 17,398,350

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



Drainage District	Board of Public Works	Totals
\$ 4,764,991	\$ 23,126	\$ 13,507,105
1,697,154	-	23,576,333
-	140,578	140,578
11,026,914	925,891	22,859,125
249,885	-	1,618,857
-	-	1,778,944
206,595	16,000	31,335,220
29,787,790	87,545	121,572,232
47,733,329	1,193,140	216,388,394
-	29,003	29,003
-	-	2,968,451
-	29,003	2,997,454
178,163	57,661	3,224,429
350,000	-	350,000
-	140,578	4,167,779
1,000,216	120,000	1,799,338
11,474,362	835,000	16,783,122
-	-	7,726,595
13,002,741	1,153,239	34,051,263
-	-	136,603
17,866,199	103,545	136,158,266
-	-	18,293,939
12,759,749	-	12,759,749
4,121,091	-	4,121,091
-	-	55,226
-	-	241,912
(16,451)	(34,641)	13,567,799
\$ 34,730,588	\$ 68,904	\$ 185,197,982

ISABELLA COUNTY, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2024

	Road Commission	Transportation Commission	Medical Care Facility
Expenses			
Road Commission	\$ 12,891,136	\$ -	\$ -
Transportation Commission	-	7,091,262	-
Medical Care Facility	-	-	17,815,589
Drainage Districts	-	-	-
Board of Public Works	-	-	-
Total expenses	<u>12,891,136</u>	<u>7,091,262</u>	<u>17,815,589</u>
Program revenues			
Charges for services	3,337,026	339,427	15,016,539
Operating grants and contributions	10,897,783	4,482,272	-
Capital grants and contributions	<u>1,514,045</u>	<u>10,441</u>	<u>1,404</u>
Total program revenues	<u>15,748,854</u>	<u>4,832,140</u>	<u>15,017,943</u>
Net program revenue (expense)	<u>2,857,718</u>	<u>(2,259,122)</u>	<u>(2,797,646)</u>
General revenues			
Property taxes	-	2,048,261	2,388,040
Unrestricted grant revenue	-	-	713,598
Unrestricted investment earnings	935,838	244,791	165,871
Gain on sale of capital assets	<u>93,699</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>1,029,537</u>	<u>2,293,052</u>	<u>3,267,509</u>
Change in net position	<u>3,887,255</u>	<u>33,930</u>	<u>469,863</u>
Net position, beginning of year	<u>121,189,234</u>	<u>7,889,721</u>	<u>16,928,487</u>
Net position, end of year	<u>\$ 125,076,489</u>	<u>\$ 7,923,651</u>	<u>\$ 17,398,350</u>

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



Drainage District	Board of Public Works	Totals
\$ -	\$ -	\$ 12,891,136
-	-	7,091,262
-	-	17,815,589
2,211,537	-	2,211,537
-	170,948	170,948
<u>2,211,537</u>	<u>170,948</u>	<u>40,180,472</u>
459,880	23,790	19,176,662
-	37,411	15,417,466
<u>1,330,265</u>	<u>-</u>	<u>2,856,155</u>
<u>1,790,145</u>	<u>61,201</u>	<u>37,450,283</u>
<u>(421,392)</u>	<u>(109,747)</u>	<u>(2,730,189)</u>
-	-	4,436,301
-	-	713,598
290,804	365	1,637,669
-	-	93,699
<u>290,804</u>	<u>365</u>	<u>6,881,267</u>
(130,588)	(109,382)	4,151,078
<u>34,861,176</u>	<u>178,286</u>	<u>181,046,904</u>
<u>\$ 34,730,588</u>	<u>\$ 68,904</u>	<u>\$ 185,197,982</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. All County debt under the Building Authority was paid off during fiscal year 2020 and the fund is no longer active as of year-end.

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, 2024.

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 *Opioid Settlements Fund* accounts for funds received from a nationwide Opioid Settlement reached in July 2021. Money for the operation of this fund is supplied from the settlement dollars received by pharmaceutical distributors. It is to be spent in accordance with Exhibit E of the settlement documents and is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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 (Michigan CLASS) investment.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

- 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.
- 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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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/amortization, 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/amortized 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, MICHIGAN

Notes to Financial Statements

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.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

Unearned Revenue

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

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.

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.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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.
- 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, 2024, the County incurred expenditures within the amounts appropriated.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

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, 2024:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and cash equivalents	\$ 29,593,645	\$ 13,507,105	\$ 43,100,750
Investments	5,246,645	23,576,333	28,822,978
Restricted cash and investments	569,651	1,778,944	2,348,595
Statement of fiduciary net position			
Custodial funds:			
Cash and cash equivalents	8,280,532	-	8,280,532
Investments	1,681,742	-	1,681,742
Total	<u>\$ 45,372,215</u>	<u>\$ 38,862,382</u>	<u>\$ 84,234,597</u>
Deposits and investments			
Bank deposits:			
Checking / savings accounts			\$ 39,778,938
Certificates of deposit, due within one year			13,935,620
Investments			30,504,720
Cash on hand			<u>15,319</u>
Total			<u>\$ 84,234,597</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, \$50,057,149 of the County's bank balance, excluding Road Commission, Transportation Authority, and the Medical Care Facility, of \$52,307,149 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, 2024, the County's investments, including the Road Commission and Transportation Commission, consisted of Michigan Cooperative Liquid Assets Securities System (Michigan CLASS) totaling \$30,504,720.

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, 2024, 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 \$30,504,720 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 \$30,504,720. 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	\$ 3,223,961	\$ 114,378	\$ 10,642,588
Taxes receivable	1,648,771	2,714,530	-
Special assessments receivable	-	-	11,008,182
Loans receivable	859,015	-	-
Leases receivable	184,273	-	-
Due from other governments	4,467,464	29,856	373,355
Due from component unit	37,711	-	-
Installment sales agreement receivable	-	-	835,000
	<u>\$ 10,421,195</u>	<u>\$ 2,858,764</u>	<u>\$ 22,859,125</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	\$ 2,132,307	\$ -	\$ -
Special assessments receivable	-	-	9,886,116
Loans receivable	859,015	-	-
Leases receivable	143,652	-	-
Installment sales agreement receivable	-	-	710,000
	<u>\$ 3,134,974</u>	<u>\$ -</u>	<u>\$ 10,596,116</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	\$ 859,015
Taxes receivable	1,008,870
Other long-term receivables	2,363,365
Leases receivable	<u>181,215</u>

Totals	<u><u>\$ 4,412,465</u></u>
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5. OTHER ASSETS

Other assets consisted of the following amounts at September 30, 2024:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ 27,606	\$ 2,980	\$ 572,739
Prepays	<u>451,449</u>	<u>3,268</u>	<u>1,046,118</u>
Totals	<u><u>\$ 479,055</u></u>	<u><u>\$ 6,248</u></u>	<u><u>\$ 1,618,857</u></u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,124,343	\$ -	\$ -	\$ -	\$ 2,124,343
Construction in progress	19,989,177	26,312,458	-	(236,838)	46,064,797
	<u>22,113,520</u>	<u>26,312,458</u>	<u>-</u>	<u>(236,838)</u>	<u>48,189,140</u>
Capital assets, being depreciated/amortized:					
Land improvements	789,266	217,500	-	130,058	1,136,824
Buildings and improvements	25,078,224	642,946	-	-	25,721,170
Equipment	5,245,224	273,940	(6,861)	106,780	5,619,083
Vehicles	1,258,428	159,765	-	-	1,418,193
Other	1,310,400	-	-	-	1,310,400
Subscription asset (Note 12)	404,955	-	-	-	404,955
	<u>34,086,497</u>	<u>1,294,151</u>	<u>(6,861)</u>	<u>236,838</u>	<u>35,610,625</u>
Less accumulated depreciation/amortization for:					
Land improvements	(301,362)	(36,886)	-	-	(338,248)
Buildings and improvements	(16,375,750)	(340,074)	-	-	(16,715,824)
Equipment	(3,907,873)	(242,682)	6,061	-	(4,144,494)
Vehicles	(747,623)	(153,442)	-	-	(901,065)
Other	(1,152,614)	(42,191)	-	-	(1,194,805)
Subscription asset (Note 12)	(76,716)	(74,012)	-	-	(150,728)
	<u>(22,561,938)</u>	<u>(889,287)</u>	<u>6,061</u>	<u>-</u>	<u>(23,445,164)</u>
Total capital assets being depreciated/amortized, net	<u>11,524,559</u>	<u>404,864</u>	<u>(800)</u>	<u>236,838</u>	<u>12,165,461</u>
Governmental activities capital assets, net	<u>\$ 33,638,079</u>	<u>\$ 26,717,322</u>	<u>\$ (800)</u>	<u>\$ -</u>	<u>\$ 60,354,601</u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 107,757	\$ -	\$ -	\$ -	\$ 107,757
Capital assets, being depreciated:					
Land improvements	14,196	-	-	-	14,196
Buildings and improvements	1,392,754	16,000	-	-	1,408,754
Equipment	1,488,621	10,931	(23,850)	-	1,475,702
Vehicles	676,788	-	-	-	676,788
	<u>3,572,359</u>	<u>26,931</u>	<u>(23,850)</u>	<u>-</u>	<u>3,575,440</u>
Less accumulated depreciated for:					
Land improvements	(14,196)	-	-	-	(14,196)
Buildings and improvements	(954,011)	(35,959)	-	-	(989,970)
Equipment	(1,024,376)	(77,259)	1,420	-	(1,100,215)
Vehicles	(562,199)	(45,193)	-	-	(607,392)
	<u>(2,554,782)</u>	<u>(158,411)</u>	<u>1,420</u>	<u>-</u>	<u>(2,711,773)</u>
Total capital assets being depreciated, net	<u>1,017,577</u>	<u>(131,480)</u>	<u>(22,430)</u>	<u>-</u>	<u>863,667</u>
Business-type activities capital assets, net	<u>\$ 1,125,334</u>	<u>\$ (131,480)</u>	<u>\$ (22,430)</u>	<u>\$ -</u>	<u>\$ 971,424</u>

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

Depreciation/amortization of governmental activities by function:

General government	\$ 376,032
Public safety	354,178
Health and welfare	38,563
Recreation and culture	120,365
Community and economic development	<u>149</u>

Total depreciation/amortization expense - governmental activities \$ 889,287

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

Depreciation of business-type activities by function:

Recycling	\$ 141,523
Building inspection	13,398
Concessions	<u>3,490</u>

Total depreciation expense - business-type activities \$ 158,411

The County has outstanding commitments related to the Radio Tower project and Sheriff's Office and Correctional Facility project in the amounts of \$1,758,978 and \$22,239,777, respectively, as of September 30, 2024.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Road Commission Component Unit					
Capital assets, not being depreciated:					
Land	\$ 225,075	\$ -	\$ -	\$ -	\$ 225,075
Land improvements	552,523	-	-	-	552,523
Land - Infrastructure	29,824,356	141,038	-	-	29,965,394
	<u>30,601,954</u>	<u>141,038</u>	<u>-</u>	<u>-</u>	<u>30,742,992</u>
Capital assets, being depreciated:					
Land improvements	2,948	-	-	-	2,948
Buildings	11,295,929	-	-	-	11,295,929
Equipment	11,825,562	914,250	(320,114)	-	12,419,698
Infrastructure - bridges	36,540,461	94,735	-	-	36,635,196
Infrastructure - roads	74,495,037	6,340,591	(122,928)	-	80,712,700
	<u>134,159,937</u>	<u>7,349,576</u>	<u>(443,042)</u>	<u>-</u>	<u>141,066,471</u>
Less accumulated depreciation for:					
Land improvements	(2,198)	(147)	-	-	(2,345)
Buildings	(815,416)	(234,126)	-	-	(1,049,542)
Equipment	(8,914,774)	(1,076,708)	225,732	-	(9,765,750)
Infrastructure - bridges	(11,829,887)	(703,056)	-	-	(12,532,943)
Infrastructure - roads	(33,452,850)	(3,725,411)	122,928	-	(37,055,333)
	<u>(55,015,125)</u>	<u>(5,739,448)</u>	<u>348,660</u>	<u>-</u>	<u>(60,405,913)</u>
Total capital assets being depreciated, net	<u>79,144,812</u>	<u>1,610,128</u>	<u>(94,382)</u>	<u>-</u>	<u>80,660,558</u>
Road Commission capital assets, net	<u><u>\$ 109,746,766</u></u>	<u><u>\$ 1,751,166</u></u>	<u><u>\$ (94,382)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 111,403,550</u></u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Transportation Commission Component Unit					
Capital assets, not being depreciated:					
Land	\$ 54,004	\$ -	\$ -	\$ -	\$ 54,004
Capital assets, being depreciated:					
Buildings and improvements	2,990,449	30,108	-	-	3,020,557
Equipment and furniture	1,493,110	5,600	-	-	1,498,710
Buses	5,087,319	-	(516,743)	-	4,570,576
	<u>9,570,878</u>	<u>35,708</u>	<u>(516,743)</u>	<u>-</u>	<u>9,089,843</u>
Less accumulated depreciated:					
Buildings and improvements	(2,951,966)	(13,497)	-	-	(2,965,463)
Equipment and furniture	(1,253,609)	(110,802)	-	-	(1,364,411)
Buses	(3,077,929)	(487,495)	505,405	-	(3,060,019)
	<u>(7,283,504)</u>	<u>(611,794)</u>	<u>505,405</u>	<u>-</u>	<u>(7,389,893)</u>
Total capital assets being depreciated, net	<u>2,287,374</u>	<u>(576,086)</u>	<u>(11,338)</u>	<u>-</u>	<u>1,699,950</u>
Transportation Commission capital assets, net	<u>\$ 2,341,378</u>	<u>\$ (576,086)</u>	<u>\$ (11,338)</u>	<u>\$ -</u>	<u>\$ 1,753,954</u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Medical Care Facility Component Unit					
Capital assets, not being depreciated:					
Construction in progress	\$ 117,144	\$ 198,485	\$ -	\$ -	\$ 315,629
Capital assets, being depreciated:					
Buildings and improvements	17,273,053	43,964	(56,143)	-	17,260,874
Equipment and furniture	2,396,755	31,054	(109,902)	-	2,317,907
	<u>19,669,808</u>	<u>75,018</u>	<u>(166,045)</u>	<u>-</u>	<u>19,578,781</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,982,526)	(449,270)	56,143	-	(8,375,653)
Equipment and furniture	(1,870,002)	(106,639)	109,902	-	(1,866,739)
	<u>(9,852,528)</u>	<u>(555,909)</u>	<u>166,045</u>	<u>-</u>	<u>(10,242,392)</u>
Total capital assets being depreciated, net	<u>9,817,280</u>	<u>(480,891)</u>	<u>-</u>	<u>-</u>	<u>9,336,389</u>
Medical Care Facility capital assets, net	<u>\$ 9,934,424</u>	<u>\$ (282,406)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,652,018</u>
Drainage Districts Component Unit					
Capital assets, not being depreciated:					
Construction in progress	\$ 206,595	\$ -	\$ -	\$ -	\$ 206,595
Capital assets, being depreciated:					
Infrastructure - drains	40,553,375	374,406	-	-	40,927,781
Less accumulated depreciation for:					
Infrastructure - drains	(10,407,627)	(732,364)	-	-	(11,139,991)
Total capital assets being depreciated, net	<u>30,145,748</u>	<u>(357,958)</u>	<u>-</u>	<u>-</u>	<u>29,787,790</u>
Drainage District capital assets, net	<u>\$ 30,352,343</u>	<u>\$ (357,958)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,994,385</u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Board of Public Works Component Unit					
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	293,523	-	-	-	293,523
	<u>375,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,285</u>
Less accumulated depreciated for:					
Buildings and improvements	(11,856)	-	-	-	(11,856)
Equipment	(38,441)	(1,869)	-	-	(40,310)
Infrastructure	(232,456)	(3,118)	-	-	(235,574)
	<u>(282,753)</u>	<u>(4,987)</u>	<u>-</u>	<u>-</u>	<u>(287,740)</u>
Total capital assets being depreciated, net	<u>92,532</u>	<u>(4,987)</u>	<u>-</u>	<u>-</u>	<u>87,545</u>
Board of Public Works capital assets, net					
	<u>\$ 108,532</u>	<u>\$ (4,987)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,545</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	\$ 5,280,102	\$ 210,386	\$ 1,092,851
Accrued interest payable	289,135	-	169,753
Accrued payroll	545,365	24,387	1,175,066
Due to other governments	161,437	-	681,072
Due to primary government	-	-	37,711
Other accrued liabilities	-	-	67,976
Total	<u>\$ 6,276,039</u>	<u>\$ 234,773</u>	<u>\$ 3,224,429</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	\$ 887,478	\$ 110,400
Commission on aging fund	227,000	-
Nonmajor governmental funds	26,500	331,500
Recycling fund	-	124,078
Internal service fund	-	575,000
Total	<u>\$ 1,140,978</u>	<u>\$ 1,140,978</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, 2024, interfund transfers consisted of the following:

Transfers out	Transfers In		
	General Fund	Jail Construction	Nonmajor Governmental Funds
General fund	\$ -	\$ 3,209,073	\$ 2,050,935
Commission on Aging	331,564	-	-
Nonmajor governmental funds	374,489	-	-
Recycling fund	152,150	-	-
Nonmajor enterprise funds	196,377	-	-
Total	<u>\$ 1,054,580</u>	<u>\$ 3,209,073</u>	<u>\$ 2,050,935</u>

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ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

Transfers out	Transfers In		
	Recycling	Internal Service Fund	Total
General fund	\$ 315,000	\$ 129,847	\$ 5,704,855
Commission on Aging	-	-	331,564
Nonmajor governmental funds	-	-	374,489
Recycling fund	-	-	152,150
Nonmajor enterprise funds	-	-	196,377
Total	<u>\$ 315,000</u>	<u>\$ 129,847</u>	<u>\$ 6,759,435</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 recycling and internal services funds are to the general fund for indirect costs.

For the year ended September 30, 2024, 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, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Post-closure landfill costs (Note 10)	\$ 383,279	\$ -	\$ (28,309)	\$ 354,970	\$ 49,652
Limited tax general obligation jail bonds, series 2022ABCDE	15,976,575	20,297,317	(681,000)	35,592,892	683,000
Direct placement: Subscriptions (Note 12)	277,700	-	(59,200)	218,500	44,595
Compensated absences	1,171,564	1,103,775	(912,725)	1,362,614	545,046
	<u>\$ 17,809,118</u>	<u>\$ 21,401,092</u>	<u>\$ (1,681,234)</u>	<u>\$ 37,528,976</u>	<u>\$ 1,322,293</u>
Business-type activities					
Compensated absences	<u>\$ 51,054</u>	<u>\$ 63,613</u>	<u>\$ (60,074)</u>	<u>\$ 54,593</u>	<u>\$ 21,838</u>

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, and Commission on Aging 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
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	742,000	799,637	1,541,637
2030-2034	3,956,000	3,752,150	7,708,150
2035-2039	4,396,000	3,742,258	8,138,258
2040-2044	4,881,000	2,816,358	7,697,358
2045-2049	5,423,000	2,268,574	7,691,574
2050-2054	6,026,000	1,661,856	7,687,856
2055-2059	6,692,000	986,786	7,678,786
2060-2064	5,885,000	253,396	6,138,396
	40,819,000	19,602,475	60,421,475
Available to draw	(5,226,108)	-	(5,226,108)
	<u>\$ 35,592,892</u>	<u>\$ 19,602,475</u>	<u>\$ 55,195,367</u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Road Commission Component Unit					
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	\$ 4,976,000	\$ -	\$ (355,000)	\$ 4,621,000	\$ 365,000
Vested employee					
benefits	374,876	317,376	(276,688)	415,564	197,804
	<u>\$ 5,350,876</u>	<u>\$ 317,376</u>	<u>\$ (631,688)</u>	<u>\$ 5,036,564</u>	<u>\$ 562,804</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
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	407,000	92,630	499,630
2030-2034	2,212,000	273,615	2,485,615
2035	479,000	14,322	493,322
	<u>\$ 4,621,000</u>	<u>\$ 866,472</u>	<u>\$ 5,487,472</u>

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Transportation Commission Component Unit					
Compensated absences	\$ 118,567	\$ 108,052	\$ (110,301)	\$ 116,318	\$ 116,318
Drainage District Component Unit					
Drain bonds	\$ 3,614,000	\$ -	\$ (334,000)	\$ 3,280,000	\$ 333,000
Direct placement drain notes	9,866,888	13,300	(685,610)	9,194,578	667,216
	<u>\$ 13,480,888</u>	<u>\$ 13,300</u>	<u>\$ (1,019,610)</u>	<u>\$ 12,474,578</u>	<u>\$ 1,000,216</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.	\$ 1,200,000
\$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.	885,000
\$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.	820,000
\$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.	<u>375,000</u>
	<u>\$ 3,280,000</u>

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.	\$ 2,501,000
\$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.	2,062,500
\$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.	1,387,500

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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.	\$ 479,170
\$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.	438,750
\$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.	382,250
\$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.	378,783
\$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.	371,400
\$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.	350,000
\$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.	244,638
\$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.	199,337
\$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.	160,600
\$150,000 McDonald Creek Drain note dated August 10, 2022, due in one annual installment of \$150,000 on June 10, 2026, 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.	76,050
\$14,000 Barnes and Willoughby Intercounty Drain dated June 15, 2023, due in annual installments of \$700 through June 15, 2042, with interest of 2.47 percent, payable annually.	<u>12,600</u>
	<u>\$ 9,194,578</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
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	328,000	75,059	403,059
2030-2034	1,394,000	193,185	1,587,185
2035-2038	234,000	21,804	255,804
	<u>\$ 3,280,000</u>	<u>\$ 707,977</u>	<u>\$ 3,987,977</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
2025	\$ 667,216	\$ 262,361	\$ 928,877
2026	816,238	244,921	907,815
2027	665,775	222,227	887,302
2028	664,827	202,174	866,301
2029	604,239	182,142	786,381
2030-2034	3,016,860	644,612	3,661,472
2035-2039	2,335,823	226,690	2,562,513
2040-2042	423,600	10,563	434,163
	<u>\$ 9,194,578</u>	<u>\$ 1,995,690</u>	<u>\$ 11,034,824</u>

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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Board of Public Works Component Unit

\$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.

\$ 1,070,000	\$ -	\$ (115,000)	\$ 955,000	\$ 120,000
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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
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	140,000	16,210	156,210
2030-2031	305,000	13,455	318,455
	<u>\$ 955,000</u>	<u>\$ 148,448</u>	<u>\$ 1,103,448</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, 2024, is \$354,970. For the year ended September 30, 2024, the County incurred post-closure care expenditures of \$28,309.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

All amounts recognized are based on the estimated cost to perform post-closure care at September 30, 2024. 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, 2024 was \$41,149, which includes interest of \$899, in governmental activities.

	Remaining Term of Agreements
Asset Type	
Buildings	5 to 6 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, 2024.

	Remaining Term of Arrangements
Asset Type	
Subscription assets	2 to 8 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, 2024, were as follows:

Year Ended September 30,	Principal	Interest
2025	\$ 44,595	\$ 10,842
2026	46,970	8,468
2027	49,471	5,966
2028	30,869	3,331
2029	32,529	1,671
2030	14,066	185
Total	\$ 218,500	\$ 30,463

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. 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, 2023, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	194
Inactive employees entitled to but not yet receiving benefits	46
Active employees	<u>46</u>
Total membership	<u>286</u>

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, 2024 monthly employer contributions ranged from \$3,313 to \$111,060 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, 2024, 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2023 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	6.93%, 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, 2023 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%
	<u>100%</u>		
Inflation			2.50%
Dedicated gains adjustment			-0.07%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.18%</u></u>

In February 2022, the MERS Retirement Board adopted a Dedicated Gains Policy. The purpose of the Policy is to automatically reduce the assumed rate of investment return for annual actuarial valuation purposes if the plan year's market value of investment income exceeds the expected investment income. Investment performance measured for the one-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return, as reflected above.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2023 was 7.18% (down from 7.25% at December 31, 2022). 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:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2022	\$ 59,923,558	\$ 37,748,794	\$ 22,174,764
Changes for the year:			
Service cost	370,746	-	370,746
Interest	4,229,162	-	4,229,162
Difference between expected and actual experience	(9,942)	-	(9,942)
Changes in assumptions	429,671	-	429,671
Employer contributions	-	2,370,768	(2,370,768)
Employee contributions	-	107,158	(107,158)
Net investment income	-	4,234,293	(4,234,293)
Benefit payments, including refunds of employee contributions	(3,551,308)	(3,551,308)	-
Administrative expense	-	(88,110)	88,110
Net changes	1,468,329	3,072,801	(1,604,472)
Balances at December 31, 2023	\$ 61,391,887	\$ 40,821,595	\$ 20,570,292

Changes in assumptions. Amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

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 7.18%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
County's net pension liability	\$ 27,304,233	\$ 20,570,292	\$ 14,879,309

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, 2024, the County recognized pension expense of \$2,278,879. 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	\$ 2,140,906	\$ -	\$ 2,140,906
Contributions subsequent to the measurement date	1,808,910	-	1,808,910
Total	<u>\$ 3,949,816</u>	<u>\$ -</u>	<u>\$ 3,949,816</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, 2025. 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
2025	\$ 347,865
2026	815,775
2027	1,285,188
2028	<u>(307,922)</u>
Total	<u>\$ 2,140,906</u>

Payable to the Pension Plan. At September 30, 2024, the County reported a payable of \$208,087 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2024.

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, 2024, there were 201 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, 2024, amounted to \$715,566 and employee contributions were \$217,031.

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, 2024, there were 88 plan members who contributed \$309,889 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, 2024, 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:

	Fiscal Year Ended September 30,	
	2024	2023
Estimated liability, beginning of year	\$ 130,508	\$ 52,493
Estimated claims incurred, including changes in estimates	4,774,584	4,602,638
Claim payments	<u>(4,756,964)</u>	<u>(4,524,623)</u>
Estimated liability, end of year	<u>\$ 148,128</u>	<u>\$ 130,508</u>

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, 2023, and July 1, 2024. 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 2024 taxable value of Isabella County amounted to \$2,566,426,523 on which ad valorem taxes levied for the County general operating purposes was 6.6100 mills. For the year ended September 30, 2024, the County levied 1.000 mills for the Medical Care Facilities, 1.000 mills 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, 2024, the federal aid received and expended by the Road Commission was \$967,525 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	Opioid Settlements	Nonmajor Governmental Funds	Total
Nonspendable					
Advance to component unit	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Inventories	17,449	10,157	-	-	27,606
Prepays	155,141	1,015	-	35,371	191,527
	<u>522,590</u>	<u>11,172</u>	<u>-</u>	<u>35,371</u>	<u>569,133</u>
Restricted					
Parks and recreation	-	-	-	1,822,931	1,822,931
Commission on aging	-	3,197,037	-	-	3,197,037
E-911	-	-	-	1,189,094	1,189,094
Child care	-	-	-	649,901	649,901
Tribal contribution	-	-	-	268,169	268,169
Opioid Remediation	-	-	1,151,860	-	1,151,860
Other:					
Friend of the Court	-	-	-	73,212	73,212
Register of Deeds Automation	-	-	-	143,069	143,069
Indigent defense	-	-	-	38,248	38,248
Drug law enforcement	-	-	-	21,595	21,595
Concealed pistol license	-	-	-	52,696	52,696
Community corrections	-	-	-	47,204	47,204
Housing assistance	-	-	-	185,945	185,945
Human Services	-	-	-	16,141	16,141
Corrections officers training	-	-	-	20,635	20,635
Debt service	-	-	-	1,356	1,356
Law library	-	-	-	798	798
	<u>-</u>	<u>3,197,037</u>	<u>1,151,860</u>	<u>4,530,994</u>	<u>8,879,891</u>
Committed					
Geographical information systems	-	-	-	138,851	138,851
Sheriff office/correctional facility	3,450,228	-	-	-	3,450,228
	<u>3,450,228</u>	<u>-</u>	<u>-</u>	<u>138,851</u>	<u>3,589,079</u>
Assigned					
Working capital	2,000,000	-	-	-	2,000,000
Vested benefits	1,171,564	-	-	-	1,171,564
District health capital	24,954	-	-	-	24,954
Central dispatch capital	9,852	-	-	-	9,852
Claims liability	134,089	-	-	-	134,089
Court technology	7,780	-	-	-	7,780
	<u>3,348,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,348,239</u>
Unassigned	<u>11,435,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,435,144</u>
Total fund balances - governmental funds	<u>\$ 18,756,201</u>	<u>\$ 3,208,209</u>	<u>\$ 1,151,860</u>	<u>\$ 4,705,216</u>	<u>\$ 27,821,486</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	\$ 3,208,209	\$ -	\$ -
Parks and recreation	1,822,931	-	-
E-911	1,224,465	-	-
Child care	649,901	-	-
Tribal contribution	268,169	-	-
Opioid remediation	3,515,225	-	-
County roads	-	-	18,293,939
Drain capital projects	-	-	4,121,091
Debt service:			
Drainage Districts bonds	-	-	12,759,749
Grant programs:			
CDBG housing assistance	1,044,960	-	-
Other:			
Legal restrictions:			
Register of Deeds automation	143,069	-	-
Drug law enforcement	21,595	-	-
Human services	16,141	-	-
Concealed pistol license	52,696	-	-
Corrections officer training	20,635	-	-
Law library	798	-	-
Grant programs:			
Indigent defense	38,248	-	-
Friend of the Court	73,212	-	-
Community corrections	47,204	-	-
Debt service:			
Building authority	1,356	-	-
Nonexpendable - Drayton & Millie Miley Trust	-	-	55,226
Capital acquisitions	-	-	241,912
Total other	414,954	-	297,138
	<u>\$ 12,148,814</u>	<u>\$ -</u>	<u>\$ 35,471,917</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/amortized	\$ 48,189,140	\$ 107,757	\$ 31,335,220
Capital assets being depreciated/amortized, net	12,165,461	863,667	121,572,232
Total capital assets	<u>60,354,601</u>	<u>971,424</u>	<u>152,907,452</u>
Related debt:			
Bonds and notes payable	35,592,892	-	18,050,578
Unexpended bond proceeds	-	-	(346,392)
Capital related payables and retainage	4,220,543	-	-
Subscription liability	218,500	-	-
Deferred charge on bond refunding	-	-	(29,003)
Non-capital related debt	-	-	(925,997)
Total related debt	<u>40,031,935</u>	<u>-</u>	<u>16,749,186</u>
	<u>\$ 20,322,666</u>	<u>\$ 971,424</u>	<u>\$ 136,158,266</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 2024 were as follows:

Governmental Entity	Abatement Amount
Broomfield Township	\$ 2,748
Union Township	2,946
City of Mt. Pleasant	6,960
City of Clare	5,106
	<u>\$ 17,760</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 early in 2023 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 early in 2023 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 \$1,814,828 and \$418,848 from the Distributors and Janssen, respectively.

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva, and the associated state-subdivision agreement was finalized in 2023. In 2023, additional settlements with Mallinckrodt and Meijer were announced. The term of the settlement varies by pharmacy and manufacturer; however, the County expects to receive installment payments beginning in 2024. The total amount of these settlements is expected to be \$1,707,276. Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of September 30, 2024, 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.

The receivable for the various settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2024 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2024 is \$2,364,440.

ISABELLA COUNTY, MICHIGAN

Notes to Financial Statements

25. REPORTING UNITS AFFECTED BY ADJUSTMENTS TO BEGINNING BALANCES

The County previously reported the Opioid Settlements Fund as a nonmajor special revenue fund. The Opioid Settlements Fund meets the quantitative threshold for major funds in accordance with GAAP, for the fiscal year ended September 30, 2024.

	Opioid Settlements	Nonmajor Governmental Funds
Fund balance, September 30, 2023, as previously reported	\$ -	\$ 5,196,843
Change from nonmajor to major fund	435,766	(435,766)
Fund balance, September 30, 2023, as adjusted	<u>\$ 435,766</u>	<u>\$ 4,761,077</u>

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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,				
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 370,746	\$ 406,991	\$ 419,959	\$ 426,558	\$ 404,017
Interest	4,229,162	4,217,479	4,127,040	3,804,224	3,771,714
Differences between expected and actual experience	(9,942)	(935,891)	550,004	1,024,856	155,322
Changes of assumptions	429,671	-	2,113,304	2,119,581	1,550,908
Benefit payments, including refunds of employee contributions	(3,551,308)	(3,467,314)	(3,202,317)	(3,046,443)	(2,921,711)
Other	-	-	-	-	-
Net change in total pension liability	1,468,329	221,265	4,007,990	4,328,776	2,960,250
Total pension liability, beginning of year	59,923,558	59,702,293	55,694,303	51,365,527	48,405,277
Total pension liability, end of year	61,391,887	59,923,558	59,702,293	55,694,303	51,365,527
Plan fiduciary net position					
Employer contributions	2,370,768	2,026,805	1,544,498	1,511,112	1,493,283
Employee contributions	107,158	113,537	127,829	131,845	128,252
Net investment income (loss)	4,234,293	(4,827,762)	5,344,190	5,068,148	4,500,770
Benefit payments, including refunds of employee contributions	(3,551,308)	(3,467,314)	(3,202,317)	(3,046,443)	(2,921,711)
Administrative expense	(88,110)	(79,736)	(63,424)	(72,969)	(77,523)
Net change in plan fiduciary net position	3,072,801	(6,234,470)	3,750,776	3,591,693	3,123,071
Plan fiduciary net position, beginning of year	37,748,794	43,983,264	40,232,488	36,640,795	33,517,724
Plan fiduciary net position, end of year	40,821,595	37,748,794	43,983,264	40,232,488	36,640,795
County's net pension liability	\$ 20,570,292	\$ 22,174,764	\$ 15,719,029	\$ 15,461,815	\$ 14,724,732
Plan fiduciary net position as a percentage of total pension liability	66.5%	63.0%	73.7%	72.2%	71.3%
Covered payroll	\$ 2,942,816	\$ 3,191,423	\$ 3,583,154	\$ 4,368,246	\$ 3,570,455
County's net pension liability as a percentage of covered payroll	699.0%	694.8%	438.7%	354.0%	412.4%

See notes to required supplementary information.



Year Ended September 30,				
2019	2018	2017	2016	2015
\$ 425,691	\$ 467,074	\$ 526,793	\$ 565,790	\$ 567,176
3,690,841	3,620,439	3,591,709	3,344,840	3,105,900
(285,204)	(638,087)	(1,425,910)	392,120	-
-	-	-	2,225,734	-
(2,697,401)	(2,400,087)	(2,207,091)	(2,105,195)	(1,994,155)
-	-	-	-	97,060
1,133,927	1,049,339	485,501	4,423,289	1,775,981
47,271,350	46,222,011	45,736,510	41,313,221	39,537,240
48,405,277	47,271,350	46,222,011	45,736,510	41,313,221
2,078,521	1,980,435	1,604,325	1,420,389	1,266,473
140,615	154,191	164,742	175,830	178,961
(1,393,793)	4,185,617	3,274,618	(447,563)	1,805,222
(2,697,401)	(2,400,087)	(2,207,091)	(2,105,195)	(1,994,155)
(68,840)	(66,220)	(64,626)	(65,245)	(66,306)
(1,940,898)	3,853,936	2,771,968	(1,021,784)	1,190,195
35,458,622	31,604,686	28,832,718	29,854,502	28,664,307
33,517,724	35,458,622	31,604,686	28,832,718	29,854,502
<u>\$ 14,887,553</u>	<u>\$ 11,812,728</u>	<u>\$ 14,617,325</u>	<u>\$ 16,903,792</u>	<u>\$ 11,458,719</u>

69.2% 75.0% 68.4% 63.0% 72.3%

\$ 3,774,098 \$ 4,143,120 \$ 4,660,171 \$ 4,915,260 \$ 5,344,166

394.5% 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
2024	\$ 2,411,880	\$ 2,411,880	\$ -	\$ 2,866,893	84.1%
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.

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%.

In 2024, amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

Notes to Required Supplementary Information

Notes to Schedule of Contributions

Methods and assumptions used to determine contribution rates (2024, based on the 12/31/2021 actuarial valuation):

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**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, 2024

	Special Revenue Funds	Jail Debt Service Fund	Totals
Assets			
Cash and cash equivalents	\$ 3,993,313	\$ 1,356	\$ 3,994,669
Investments	716,956	-	716,956
Receivables:			
Accounts	814,951	-	814,951
Loans	859,015	-	859,015
Due from other governments	166,138	-	166,138
Due from other funds	26,500	-	26,500
Prepays	35,371	-	35,371
Total assets	<u>\$ 6,612,244</u>	<u>\$ 1,356</u>	<u>\$ 6,613,600</u>
Liabilities			
Accounts payable	\$ 236,034	\$ -	\$ 236,034
Accrued payroll	83,122	-	83,122
Due to other funds	331,500	-	331,500
Due to other governments	161,431	-	161,431
Unearned revenue	237,282	-	237,282
Total liabilities	<u>1,049,369</u>	<u>-</u>	<u>1,049,369</u>
Deferred inflows of resources			
Unavailable revenue - loans	859,015	-	859,015
Fund balances			
Nonspendable	35,371	-	35,371
Restricted	4,529,638	1,356	4,530,994
Committed	138,851	-	138,851
Total fund balances	<u>4,703,860</u>	<u>1,356</u>	<u>4,705,216</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,612,244</u>	<u>\$ 1,356</u>	<u>\$ 6,613,600</u>

ISABELLA COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2024

	Special Revenue Funds	Jail Debt Service Fund	Totals
Revenues			
Property taxes	\$ 835,547	\$ -	\$ 835,547
Licenses and permits	590,686	-	590,686
Intergovernmental	3,449,880	-	3,449,880
Charges for services	1,885,315	-	1,885,315
Fines and forfeitures	6,500	-	6,500
Interest and rents	130,073	151	130,224
Other revenues	150,279	-	150,279
Total revenues	7,048,280	151	7,048,431
Expenditures			
Current expenditures:			
General government	71,962	-	71,962
Judicial	2,438,210	-	2,438,210
Public safety	2,500,708	-	2,500,708
Health and welfare	1,321,212	-	1,321,212
Recreation and culture	1,376,950	-	1,376,950
Community and economic development	434	-	434
Debt service:			
Principal	47,405	681,000	728,405
Interest	13,365	329,492	342,857
Total expenditures	7,770,246	1,010,492	8,780,738
Revenues over (under) expenditures	(721,966)	(1,010,341)	(1,732,307)
Other financing sources (uses)			
Transfers in	1,040,240	1,010,695	2,050,935
Transfers out	(374,489)	-	(374,489)
Total other financing sources (uses)	665,751	1,010,695	1,676,446
Net change in fund balances	(56,215)	354	(55,861)
Fund balances, beginning of year as previously reported	5,195,841	1,002	5,196,843
Change within financial reporting entity (nonmajor to major fund)	(435,766)	-	(435,766)
Fund balances, beginning of year as adjusted	4,760,075	1,002	4,761,077
Fund balances, end of year	\$ 4,703,860	\$ 1,356	\$ 4,705,216

ISABELLA COUNTY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
September 30, 2024

	Geographical Information System	Parks and Recreation	Friend of the Court	Register of Deeds Automation	Drug Law Enforcement	Community Corrections
Assets						
Cash and cash equivalents	\$ 141,134	\$ 1,833,167	\$ 116,483	\$ 145,519	\$ 21,595	\$ 54,204
Investments	-	-	-	-	-	-
Receivables:						
Accounts	1,270	6,031	-	-	-	-
Loans	-	-	-	-	-	-
Due from other governments	-	-	49,173	-	-	-
Due from other funds	-	26,500	-	-	-	-
Prepays	-	-	-	-	-	-
Total assets	<u>\$ 142,404</u>	<u>\$ 1,865,698</u>	<u>\$ 165,656</u>	<u>\$ 145,519</u>	<u>\$ 21,595</u>	<u>\$ 54,204</u>
Liabilities						
Accounts payable	\$ 3,322	\$ 22,571	\$ 1,725	\$ 2,450	\$ -	\$ 5,621
Accrued payroll	231	19,201	12,719	-	-	1,379
Due to other funds	-	-	78,000	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	995	-	-	-	-
Total liabilities	<u>3,553</u>	<u>42,767</u>	<u>92,444</u>	<u>2,450</u>	<u>-</u>	<u>7,000</u>
Deferred inflows of resources						
Unavailable revenue - loans	-	-	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,822,931	73,212	143,069	21,595	47,204
Committed	138,851	-	-	-	-	-
Total fund balances	<u>138,851</u>	<u>1,822,931</u>	<u>73,212</u>	<u>143,069</u>	<u>21,595</u>	<u>47,204</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 142,404</u>	<u>\$ 1,865,698</u>	<u>\$ 165,656</u>	<u>\$ 145,519</u>	<u>\$ 21,595</u>	<u>\$ 54,204</u>



Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	Department of Human Services	Child Care
\$ 328,984	\$ 52,696	\$ 20,635	\$ 2,838	\$ 182,166	\$ 186,867	\$ 16,141	\$ 72,769
-	-	-	-	-	94,229	-	622,727
-	-	-	-	3,779	397,342	-	-
-	-	-	-	859,015	-	-	-
-	-	-	-	-	-	-	73,708
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 328,984</u>	<u>\$ 52,696</u>	<u>\$ 20,635</u>	<u>\$ 2,838</u>	<u>\$ 1,044,960</u>	<u>\$ 678,438</u>	<u>\$ 16,141</u>	<u>\$ 769,204</u>
\$ 33,932	\$ -	\$ -	\$ 2,040	\$ -	\$ 1,743	\$ -	\$ 108,366
20,517	-	-	-	-	-	-	4,532
-	-	-	-	-	253,500	-	-
-	-	-	-	-	155,026	-	6,405
<u>236,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>290,736</u>	<u>-</u>	<u>-</u>	<u>2,040</u>	<u>-</u>	<u>410,269</u>	<u>-</u>	<u>119,303</u>
-	-	-	-	859,015	-	-	-
-	-	-	-	-	-	-	-
38,248	52,696	20,635	798	185,945	268,169	16,141	649,901
-	-	-	-	-	-	-	-
<u>38,248</u>	<u>52,696</u>	<u>20,635</u>	<u>798</u>	<u>185,945</u>	<u>268,169</u>	<u>16,141</u>	<u>649,901</u>
<u>\$ 328,984</u>	<u>\$ 52,696</u>	<u>\$ 20,635</u>	<u>\$ 2,838</u>	<u>\$ 1,044,960</u>	<u>\$ 678,438</u>	<u>\$ 16,141</u>	<u>\$ 769,204</u>

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ISABELLA COUNTY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
September 30, 2024

	Veterans' Activities	E-911	Totals
Assets			
Cash and cash equivalents	\$ -	\$ 818,115	\$ 3,993,313
Investments	-	-	716,956
Receivables:			
Accounts	-	406,529	814,951
Loans	-	-	859,015
Due from other governments	-	43,257	166,138
Due from other funds	-	-	26,500
Prepays	-	35,371	35,371
Total assets	<u>\$ -</u>	<u>\$ 1,303,272</u>	<u>\$ 6,612,244</u>
Liabilities			
Accounts payable	\$ -	\$ 54,264	\$ 236,034
Accrued payroll	-	24,543	83,122
Due to other funds	-	-	331,500
Due to other governments	-	-	161,431
Unearned revenue	-	-	237,282
Total liabilities	<u>-</u>	<u>78,807</u>	<u>1,049,369</u>
Deferred inflows of resources			
Unavailable revenue - loans	-	-	859,015
Fund balances			
Nonspendable	-	35,371	35,371
Restricted	-	1,189,094	4,529,638
Committed	-	-	138,851
Total fund balances	<u>-</u>	<u>1,224,465</u>	<u>4,703,860</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 1,303,272</u>	<u>\$ 6,612,244</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, 2024

	Geographical Information System	Parks and Recreation	Friend of the Court	Register of Deeds Automation	Drug Law Enforcement	Community Corrections
Revenues						
Property taxes	\$ -	\$ 835,547	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	561,436	-	-	-	-
Intergovernmental	-	26,500	594,308	-	-	92,610
Charges for services	319	-	45,696	44,663	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rents	1,270	79,200	-	3,809	63	-
Other revenues	34,601	18,928	-	-	-	-
Total revenues	36,190	1,521,611	640,004	48,472	63	92,610
Expenditures						
Current:						
General government	39,858	-	-	-	-	-
Judicial	-	-	903,938	-	-	-
Public safety	-	-	-	-	-	141,796
Health and welfare	-	-	-	-	-	-
Recreation and culture	-	1,376,950	-	-	-	-
Community and economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	25,033	-	-
Interest	-	-	-	9,167	-	-
Total expenditures	39,858	1,376,950	903,938	34,200	-	141,796
Revenues over (under) expenditures	(3,668)	144,661	(263,934)	14,272	63	(49,186)
Other financing sources (uses)						
Transfers in	28,034	-	265,000	-	-	33,000
Transfers out	-	(92,545)	-	-	-	-
Total other financing sources (uses)	28,034	(92,545)	265,000	-	-	33,000
Net change in fund balances	24,366	52,116	1,066	14,272	63	(16,186)
Fund balances, beginning of year as previously reported	114,485	1,770,815	72,146	128,797	21,532	63,390
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
Fund balances, beginning of year as adjusted	114,485	1,770,815	72,146	128,797	21,532	63,390
Fund balances, end of year	\$ 138,851	\$ 1,822,931	\$ 73,212	\$ 143,069	\$ 21,595	\$ 47,204

Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	(Formerly Nonmajor) Opioid Settlements	Department of Human Services	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
-	29,250	-	-	-	-		-	-
1,353,548	-	-	-	-	218,117		-	841,831
-	-	12,135	-	-	-		-	68,835
-	-	-	6,500	-	-		-	-
17,494	1,499	-	-	3,779	-		-	-
-	-	-	-	-	-		-	-
1,371,042	30,749	12,135	6,500	3,779	218,117		-	910,666
-	-	-	-	-	32,104		-	-
1,507,672	-	-	26,600	-	-		-	-
-	6,370	14,208	-	-	614,281		-	-
-	-	-	-	-	-		2,516	1,318,696
-	-	-	-	-	-		-	-
-	-	-	-	30	404		-	-
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
1,507,672	6,370	14,208	26,600	30	646,789		2,516	1,318,696
(136,630)	24,379	(2,073)	(20,100)	3,749	(428,672)		(2,516)	(408,030)
240,306	-	-	18,900	-	-		5,000	450,000
(103,676)	(27,215)	-	-	-	-		-	-
136,630	(27,215)	-	18,900	-	-		5,000	450,000
-	(2,836)	(2,073)	(1,200)	3,749	(428,672)		2,484	41,970
38,248	55,532	22,708	1,998	182,196	696,841	\$ 435,766	13,657	607,931
-	-	-	-	-	-	(435,766)	-	-
38,248	55,532	22,708	1,998	182,196	696,841	-	13,657	607,931
\$ 38,248	\$ 52,696	\$ 20,635	\$ 798	\$ 185,945	\$ 268,169	\$ -	\$ 16,141	\$ 649,901

continued...

ISABELLA COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2024

	Veterans' Activities	E-911	Totals
Revenues			
Property taxes	\$ -	\$ -	\$ 835,547
Licenses and permits	-	-	590,686
Intergovernmental	-	322,966	3,449,880
Charges for services	-	1,713,667	1,885,315
Fines and forfeitures	-	-	6,500
Interest and rents	-	22,959	130,073
Other revenues	-	96,750	150,279
Total revenues	-	2,156,342	7,048,280
Expenditures			
Current:			
General government	-	-	71,962
Judicial	-	-	2,438,210
Public safety	-	1,724,053	2,500,708
Health and welfare	-	-	1,321,212
Recreation and culture	-	-	1,376,950
Community and economic development	-	-	434
Debt service:			
Principal	-	22,372	47,405
Interest	-	4,198	13,365
Total expenditures	-	1,750,623	7,770,246
Revenues over (under) expenditures	-	405,719	(721,966)
Other financing sources (uses)			
Transfers in	-	-	1,040,240
Transfers out	(29,310)	(121,743)	(374,489)
Total other financing sources (uses)	(29,310)	(121,743)	665,751
Net change in fund balances	(29,310)	283,976	(56,215)
Fund balances, beginning of year as previously reported	29,310	940,489	5,195,841
Change within financial reporting entity (nonmajor to major fund)	-	-	(435,766)
Fund balances, beginning of year as adjusted	29,310	940,489	4,760,075
Fund balances, end of year	\$ -	\$ 1,224,465	\$ 4,703,860

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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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 4,500	\$ 4,500	\$ 319	\$ (4,181)
Interest and rents	3,000	-	1,270	1,270
Other revenues	25,000	25,000	34,601	9,601
Total revenues	32,500	29,500	36,190	6,690
Expenditures				
Current:				
General government	89,476	89,476	39,858	(49,618)
Revenues over (under) expenditures	(56,976)	(59,976)	(3,668)	56,308
Other financing sources				
Transfers in	28,033	28,033	28,034	1
Net change in fund balance	(28,943)	(31,943)	24,366	56,309
Fund balance, beginning of year	114,485	114,485	114,485	-
Fund balance, end of year	<u>\$ 85,542</u>	<u>\$ 82,542</u>	<u>\$ 138,851</u>	<u>\$ 56,309</u>

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 804,400	\$ 804,400	\$ 835,547	\$ 31,147
Licenses and permits	548,433	548,433	561,436	13,003
Intergovernmental	350,000	350,000	26,500	(323,500)
Interest and rents	3,000	3,000	79,200	76,200
Other revenues	5,510	5,510	18,928	13,418
Total revenues	<u>1,711,343</u>	<u>1,711,343</u>	<u>1,521,611</u>	<u>(189,732)</u>
Expenditures				
Current:				
Recreation and culture:				
Administration	1,248,935	1,248,935	610,143	(638,792)
Coldwater Lake County Park	185,602	185,602	150,098	(35,504)
Deerfield County Park	117,860	117,860	98,207	(19,653)
Herrick County Park	161,455	161,455	112,983	(48,472)
Meridian County Park	11,382	11,382	8,055	(3,327)
Pere Marquette Rail Trail	6,356	6,356	1,689	(4,667)
Maintenance shop	437,181	437,181	395,775	(41,406)
Total expenditures	<u>2,168,771</u>	<u>2,168,771</u>	<u>1,376,950</u>	<u>(791,821)</u>
Revenues over (under) expenditures	(457,428)	(457,428)	144,661	602,089
Other financing uses				
Transfers out	(92,545)	(92,545)	(92,545)	-
Net change in fund balance	<u>(549,973)</u>	<u>(549,973)</u>	<u>52,116</u>	<u>602,089</u>
Fund balance, beginning of year	<u>1,770,815</u>	<u>1,770,815</u>	<u>1,770,815</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,220,842</u>	<u>\$ 1,220,842</u>	<u>\$ 1,822,931</u>	<u>\$ 602,089</u>

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 564,000	\$ 564,000	\$ 594,308	\$ 30,308
Charges for services	50,500	50,500	45,696	(4,804)
Total revenues	614,500	614,500	640,004	25,504
Expenditures				
Current:				
Judicial	918,412	918,412	903,938	(14,474)
Revenues over (under) expenditures	(303,912)	(303,912)	(263,934)	39,978
Other financing sources				
Transfers in	265,000	265,000	265,000	-
Net change in fund balance	(38,912)	(38,912)	1,066	39,978
Fund balance, beginning of year	72,146	72,146	72,146	-
Fund balance, end of year	<u>\$ 33,234</u>	<u>\$ 33,234</u>	<u>\$ 73,212</u>	<u>\$ 39,978</u>

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 43,500	\$ 43,500	\$ 44,663	\$ 1,163
Interest and rents	200	200	3,809	3,609
Total revenues	<u>43,700</u>	<u>43,700</u>	<u>48,472</u>	<u>4,772</u>
Expenditures				
Current:				
General government	4,300	9,300	-	(9,300)
Debt service:				
Principal	25,033	25,033	25,033	-
Interest	9,167	9,167	9,167	-
Total expenditures	<u>38,500</u>	<u>43,500</u>	<u>34,200</u>	<u>(9,300)</u>
Net change in fund balance	5,200	200	14,272	14,072
Fund balance, beginning of year	<u>128,797</u>	<u>128,797</u>	<u>128,797</u>	<u>-</u>
Fund balance, end of year	<u>\$ 133,997</u>	<u>\$ 128,997</u>	<u>\$ 143,069</u>	<u>\$ 14,072</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest and rents	\$ -	\$ -	\$ 63	\$ 63
Net change in fund balance	-	-	63	63
Fund balance, beginning of year	21,532	21,532	21,532	-
Fund balance, end of year	<u>\$ 21,532</u>	<u>\$ 21,532</u>	<u>\$ 21,595</u>	<u>\$ 63</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 110,276	\$ 110,276	\$ 92,610	\$ (17,666)
Expenditures				
Current:				
Public safety	169,045	169,045	141,796	(27,249)
Revenues over (under) expenditures	(58,769)	(58,769)	(49,186)	9,583
Other financing sources				
Transfers in	33,000	33,000	33,000	-
Net change in fund balance	(25,769)	(25,769)	(16,186)	9,583
Fund balance, beginning of year	63,390	63,390	63,390	-
Fund balance, end of year	<u>\$ 37,621</u>	<u>\$ 37,621</u>	<u>\$ 47,204</u>	<u>\$ 9,583</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 1,589,835	\$ 1,589,835	\$ 1,353,548	\$ (236,287)
Interest and rents	-	-	17,494	17,494
Total revenues	1,589,835	1,589,835	1,371,042	(218,793)
Expenditures				
Current:				
Judicial	1,723,842	1,723,842	1,507,672	(216,170)
Revenues over (under) expenditures	(134,007)	(134,007)	(136,630)	(2,623)
Other financing sources (uses)				
Transfers in	240,306	240,306	240,306	-
Transfers out	(106,299)	(106,299)	(103,676)	(2,623)
Total other financing sources (uses)	134,007	134,007	136,630	(2,623)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	38,248	38,248	38,248	-
Fund balance, end of year	<u>\$ 38,248</u>	<u>\$ 38,248</u>	<u>\$ 38,248</u>	<u>\$ -</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 29,250	\$ (5,750)
Interest and rents	-	-	1,499	1,499
Total revenues	35,000	35,000	30,749	(4,251)
Expenditures				
Current:				
Public safety	9,400	9,400	6,370	(3,030)
Revenues over (under) expenditures	25,600	25,600	24,379	(1,221)
Other financing uses				
Transfers out	(27,215)	(27,215)	(27,215)	-
Net change in fund balance	(1,615)	(1,615)	(2,836)	(1,221)
Fund balance, beginning of year	55,532	55,532	55,532	-
Fund balance, end of year	<u>\$ 53,917</u>	<u>\$ 53,917</u>	<u>\$ 52,696</u>	<u>\$ (1,221)</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 12,135	\$ (2,865)
Expenditures				
Current:				
Public safety	15,000	15,000	14,208	(792)
Net change in fund balance	-	-	(2,073)	(2,073)
Fund balance, beginning of year	22,708	22,708	22,708	-
Fund balance, end of year	<u>\$ 22,708</u>	<u>\$ 22,708</u>	<u>\$ 20,635</u>	<u>\$ (2,073)</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures				
Current:				
Judicial	27,400	30,400	26,600	(3,800)
Revenues over (under) expenditures	(20,900)	(23,900)	(20,100)	3,800
Other financing sources				
Transfers in	18,900	21,900	18,900	(3,000)
Net change in fund balance	(2,000)	(2,000)	(1,200)	800
Fund balance, beginning of year	2,893	2,893	1,998	(895)
Fund balance, end of year	<u>\$ 893</u>	<u>\$ 893</u>	<u>\$ 798</u>	<u>\$ (95)</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest and rents	\$ -	\$ -	\$ 3,779	\$ 3,779
Other revenues	35,000	35,000	-	(35,000)
Total revenues	35,000	35,000	3,779	(31,221)
Expenditures				
Current:				
Community and economic development	100	100	30	(70)
Net change in fund balance	34,900	34,900	3,749	(31,151)
Fund balance, beginning of year	182,196	182,196	182,196	-
Fund balance, end of year	<u>\$ 217,096</u>	<u>\$ 217,096</u>	<u>\$ 185,945</u>	<u>\$ (31,151)</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 100,000	\$ 668,520	\$ 218,117	\$ (450,403)
Expenditures				
Current:				
General government	113,100	116,935	32,104	(84,831)
Public safety	-	564,685	614,281	49,596
Community and economic development	-	-	404	404
Total expenditures	<u>113,100</u>	<u>681,620</u>	<u>646,789</u>	<u>(34,831)</u>
Net change in fund balance	(13,100)	(13,100)	(428,672)	(415,572)
Fund balance, beginning of year	<u>696,841</u>	<u>696,841</u>	<u>696,841</u>	-
Fund balance, end of year	<u>\$ 683,741</u>	<u>\$ 683,741</u>	<u>\$ 268,169</u>	<u>\$ (415,572)</u>

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Health and welfare	\$ 5,000	\$ 5,000	\$ 2,516	\$ (2,484)
Other financing sources				
Transfers in	5,000	5,000	5,000	-
Net change in fund balance	-	-	2,484	2,484
Fund balance, beginning of year	13,657	13,657	13,657	-
Fund balance, end of year	<u>\$ 13,657</u>	<u>\$ 13,657</u>	<u>\$ 16,141</u>	<u>\$ 2,484</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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 725,831	\$ 725,831	\$ 841,831	\$ 116,000
Charges for services	85,000	85,000	68,835	(16,165)
Total revenues	810,831	810,831	910,666	99,835
Expenditures				
Current:				
Health and welfare	1,557,635	1,557,635	1,318,696	(238,939)
Revenues over (under) expenditures	(746,804)	(746,804)	(408,030)	338,774
Other financing sources				
Transfers in	450,000	450,000	450,000	-
Net change in fund balance	(296,804)	(296,804)	41,970	338,774
Fund balance, beginning of year	607,931	607,931	607,931	-
Fund balance, end of year	<u>\$ 311,127</u>	<u>\$ 311,127</u>	<u>\$ 649,901</u>	<u>\$ 338,774</u>

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing uses				
Transfers out	\$ -	\$ (29,310)	\$ (29,310)	\$ -
Fund balance, beginning of year	<u>29,310</u>	<u>29,310</u>	<u>29,310</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 29,310</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 322,966	\$ 102,966
Charges for services	1,678,000	1,678,000	1,713,667	35,667
Interest and rents	700	700	22,959	22,259
Other revenue	-	-	96,750	96,750
Total revenues	<u>1,898,700</u>	<u>1,898,700</u>	<u>2,156,342</u>	<u>257,642</u>
Expenditures				
Current:				
Public safety	2,071,653	2,071,653	1,724,053	(347,600)
Debt service:				
Principal	22,372	22,372	22,372	-
Interest	4,198	4,198	4,198	-
Total expenditures	<u>2,098,223</u>	<u>2,098,223</u>	<u>1,750,623</u>	<u>(347,600)</u>
Revenues over (under) expenditures	(199,523)	(199,523)	405,719	605,242
Other financing uses				
Transfers out	(121,743)	(121,743)	(121,743)	-
Net change in fund balance	(321,266)	(321,266)	283,976	605,242
Fund balance, beginning of year	<u>940,489</u>	<u>940,489</u>	<u>940,489</u>	<u>-</u>
Fund balance, end of year	<u>\$ 619,223</u>	<u>\$ 619,223</u>	<u>\$ 1,224,465</u>	<u>\$ 605,242</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, 2024

	Building Inspection	Concessions	PA 105	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 9,378	\$ 141,916	\$ 83,169	\$ 234,463
Investments	1,031,183	-	-	1,031,183
Accounts receivable	631	1,155	-	1,786
Inventories	-	2,980	-	2,980
Prepays	3,268	-	-	3,268
Total current assets	1,044,460	146,051	83,169	1,273,680
Noncurrent assets:				
Capital assets being depreciated, net	37,262	60,319	-	97,581
Total assets	1,081,722	206,370	83,169	1,371,261
Deferred outflows of resources				
Deferred pension amounts	79,786	-	-	79,786
Liabilities				
Current liabilities:				
Accounts payable	1,326	5,454	48	6,828
Accrued wages	8,915	-	-	8,915
Current portion of other long-term liabilities	5,238	-	-	5,238
Total current liabilities	15,479	5,454	48	20,981
Noncurrent liabilities:				
Other long-term liabilities, net of current portion	7,857	-	-	7,857
Net pension liability	415,520	-	-	415,520
Total noncurrent liabilities	423,377	-	-	423,377
Total liabilities	438,856	5,454	48	444,358
Net position				
Investment in capital assets	37,262	60,319	-	97,581
Unrestricted	685,390	140,597	83,121	909,108
Total net position	\$ 722,652	\$ 200,916	\$ 83,121	\$ 1,006,689

ISABELLA COUNTY, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2024

	Building Inspection	Concessions	PA 105	Totals
Operating revenues				
Charges for services	\$ 517,830	\$ 14,277	\$ 4,164	\$ 536,271
Sales	-	239,621	-	239,621
Total operating revenues	<u>517,830</u>	<u>253,898</u>	<u>4,164</u>	<u>775,892</u>
Operating expenses				
Personnel services	537,458	-	48	537,506
Supplies	10,508	-	796	11,304
Contractual services	7,222	6,506	-	13,728
Other services and charges	22,947	511	-	23,458
Cost of goods sold	-	122,864	-	122,864
Depreciation	13,398	3,490	-	16,888
Total operating expenses	<u>591,533</u>	<u>133,371</u>	<u>844</u>	<u>725,748</u>
Operating income (loss)	(73,703)	120,527	3,320	50,144
Nonoperating revenues				
Interest revenue	<u>54,412</u>	<u>1,947</u>	<u>2,072</u>	<u>58,431</u>
Income before transfers	(19,291)	122,474	5,392	108,575
Transfers out	<u>(40,287)</u>	<u>(156,090)</u>	<u>-</u>	<u>(196,377)</u>
Change in net position	<u>(59,578)</u>	<u>(33,616)</u>	<u>5,392</u>	<u>(87,802)</u>
Net position, beginning of year	<u>782,230</u>	<u>234,532</u>	<u>77,729</u>	<u>1,094,491</u>
Net position, end of year	<u>\$ 722,652</u>	<u>\$ 200,916</u>	<u>\$ 83,121</u>	<u>\$ 1,006,689</u>

ISABELLA COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2024

	Building Inspection	Concessions	PA 105	Totals
Cash flows from operating activities				
Cash received from customers	\$ 517,517	\$ 252,840	\$ 4,164	\$ 774,521
Cash payments for goods and services	(44,765)	(128,214)	(1,055)	(174,034)
Cash payments to employees	(479,373)	-	-	(479,373)
Net cash provided by (used in) operating activities	(6,621)	124,626	3,109	121,114
Cash flows from noncapital financing activities				
Transfers out	(40,287)	(156,090)	-	(196,377)
Cash flows from investing activities				
Interest and dividends received	54,412	1,947	2,072	58,431
Purchase of investments	(26,680)	-	-	(26,680)
Net cash provided by (used in) investing activities	27,732	1,947	2,072	31,751
Net change in cash and cash equivalents	(19,176)	(29,517)	5,181	(43,512)
Cash and cash equivalents:				
Beginning of year	28,554	171,433	77,988	277,975
End of year	\$ 9,378	\$ 141,916	\$ 83,169	\$ 234,463
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (73,703)	\$ 120,527	\$ 3,320	\$ 50,144
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	13,398	3,490	-	16,888
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(313)	(1,058)	-	(1,371)
Inventories	-	579	-	579
Prepays	(3,268)	-	-	(3,268)
Deferred outflows of resources related to pension	10,749	-	-	10,749
Accounts payable	(820)	1,088	(211)	57
Accrued wages	2,685	-	-	2,685
Compensated absences	(550)	-	-	(550)
Net pension liability	45,201	-	-	45,201
Net cash provided by (used in) operating activities	\$ (6,621)	\$ 124,626	\$ 3,109	\$ 121,114

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, 2024

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health Department	Totals
Assets					
Cash and cash equivalents	\$ 4,300,879	\$ 43,642	\$ 528,356	\$ 3,407,655	\$ 8,280,532
Investments	-	-	-	1,681,742	1,681,742
Accounts receivable	-	-	-	33,506	33,506
Total assets	<u>4,300,879</u>	<u>43,642</u>	<u>528,356</u>	<u>5,122,903</u>	<u>9,995,780</u>
Liabilities					
Due to other governmental units:					
Federal/State	4,113,273	-	-	-	4,113,273
Local	4,027	-	528,356	5,122,903	5,655,286
Due to individuals and agencies	<u>183,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,579</u>
Total liabilities	<u>4,300,879</u>	<u>-</u>	<u>528,356</u>	<u>5,122,903</u>	<u>9,952,138</u>
Net position					
Restricted for:					
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 43,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,642</u>

ISABELLA COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2024

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health Department	Totals
Additions					
Real estate transfer tax collected for other governments	\$ 1,641,938	\$ -	\$ -	\$ -	\$ 1,641,938
Fees and fines collected on behalf of other governments	1,463,068	-	180,341	-	1,643,409
Collections from or on behalf of inmates	-	509,457	-	-	509,457
Collections on behalf of the Central Michigan District Health Department	-	-	-	17,651,284	17,651,284
Other taxes collected for other governments	21,219,842	-	-	-	21,219,842
Total additions	<u>24,324,848</u>	<u>509,457</u>	<u>180,341</u>	<u>17,651,284</u>	<u>42,665,930</u>
Deductions					
Payments of real estate transfer tax to other governments	1,641,938	-	-	-	1,641,938
Fees and fines remitted to other governments	1,463,068	-	180,341	-	1,643,409
Payments to or on behalf of inmates	-	503,123	-	-	503,123
Payments to the Central Michigan District Health Department	-	-	-	17,651,284	17,651,284
Payments of other taxes to other governments	21,219,842	-	-	-	21,219,842
Total deductions	<u>24,324,848</u>	<u>503,123</u>	<u>180,341</u>	<u>17,651,284</u>	<u>42,659,596</u>
Change in net position	-	6,334	-	-	6,334
Net position, beginning of year	-	37,308	-	-	37,308
Net position, end of year	<u>\$ -</u>	<u>\$ 43,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,642</u>

ISABELLA COUNTY, MICHIGAN

Combining Balance Sheet

Drainage Districts

September 30, 2024

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelder Drain Debt
Assets					
Cash and cash equivalents	\$ 33,885	\$ 84,888	\$ 83,091	\$ 174,871	\$ 84,687
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	155,742	195,306	1,381,803	-	267,237
Prepays	-	-	-	-	-
Total assets	<u>\$ 189,627</u>	<u>\$ 280,194</u>	<u>\$ 1,464,894</u>	<u>\$ 174,871</u>	<u>\$ 351,924</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	<u>155,742</u>	<u>195,306</u>	<u>1,381,803</u>	<u>-</u>	<u>267,237</u>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted:					
Debt service	33,885	84,888	83,090	174,871	84,687
Capital projects	-	-	-	-	-
Total fund balances	<u>33,885</u>	<u>84,888</u>	<u>83,090</u>	<u>174,871</u>	<u>84,687</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 189,627</u>	<u>\$ 280,194</u>	<u>\$ 1,464,894</u>	<u>\$ 174,871</u>	<u>\$ 351,924</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
\$ 294,735	\$ 461,028	\$ 35,329	\$ 68,584	\$ 89,338	\$ 22,383	\$ 62,010	\$ 37,265
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
729,135	843,874	336,723	142,352	294,350	457,589	229,258	377,574
-	-	-	-	-	-	-	-
<u>\$ 1,023,870</u>	<u>\$ 1,304,902</u>	<u>\$ 372,052</u>	<u>\$ 210,936</u>	<u>\$ 383,688</u>	<u>\$ 479,972</u>	<u>\$ 291,268</u>	<u>\$ 414,839</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389	\$ 1,358	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	389	1,358	-
729,135	843,874	336,723	142,352	294,350	457,589	229,258	377,574
-	-	-	-	-	-	-	-
294,735	461,028	35,329	68,584	89,338	21,994	60,652	37,265
-	-	-	-	-	-	-	-
294,735	461,028	35,329	68,584	89,338	21,994	60,652	37,265
<u>\$ 1,023,870</u>	<u>\$ 1,304,902</u>	<u>\$ 372,052</u>	<u>\$ 210,936</u>	<u>\$ 383,688</u>	<u>\$ 479,972</u>	<u>\$ 291,268</u>	<u>\$ 414,839</u>

continued...

ISABELLA COUNTY, MICHIGAN

Combining Balance Sheet

Drainage Districts

September 30, 2024

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
Assets					
Cash and cash equivalents	\$ 6,833	\$ 46,925	\$ 169,652	\$ 21,321	\$ 10,074
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	73,679	317,596	768,714	-	1,985,896
Prepays	-	-	-	-	219,901
Total assets	<u>\$ 80,512</u>	<u>\$ 364,521</u>	<u>\$ 938,366</u>	<u>\$ 21,321</u>	<u>\$ 2,215,871</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 287
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	<u>73,679</u>	<u>317,596</u>	<u>768,714</u>	<u>-</u>	<u>1,985,896</u>
Fund balances					
Nonspendable	-	-	-	-	219,901
Restricted:					
Debt service	6,833	46,925	169,652	21,321	9,787
Capital projects	-	-	-	-	-
Total fund balances	<u>6,833</u>	<u>46,925</u>	<u>169,652</u>	<u>21,321</u>	<u>229,688</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 80,512</u>	<u>\$ 364,521</u>	<u>\$ 938,366</u>	<u>\$ 21,321</u>	<u>\$ 2,215,871</u>



Debt Service Funds		Capital Project Funds		
Mission Creek	Barnes & Willoughby	County Drain Revolving	County Drain Construction & Maintenance	
\$ 117,178	\$ -	\$ 19,147	\$ 2,809,233	\$ 4,732,457
-	-	-	1,697,154	1,697,154
-	-	-	18,732	18,732
-	-	794,241	100,000	894,241
2,451,354	-	-	-	11,008,182
-	23	-	-	219,924
<hr/>				
\$ 2,568,532	\$ 23	\$ 813,388	\$ 4,625,119	\$ 18,570,690
<hr/>				
\$ 474	\$ -	\$ -	\$ 25,653	\$ 28,162
-	-	147,522	794,241	941,763
-	-	350,000	-	350,000
<hr/>				
474	-	497,522	819,894	1,319,925
<hr/>				
2,451,354	-	-	-	11,008,182
<hr/>				
-	23	-	-	219,924
116,704	-	-	-	1,901,568
-	-	315,866	3,805,225	4,121,091
<hr/>				
116,704	23	315,866	3,805,225	6,242,583
<hr/>				
\$ 2,568,532	\$ 23	\$ 813,388	\$ 4,625,119	\$ 18,570,690
<hr/>				

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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, 2024

Fund balances - drain component unit	\$ 6,242,583
---	---------------------

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	206,595
Capital assets being depreciated, net	29,787,790

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	11,008,182
--------------------------------	------------

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.

	110,017
--	---------

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	(12,474,578)
Accrued interest on bonds and notes payable	(150,001)

Net position of drains component unit	<u>\$ 34,730,588</u>
--	-----------------------------

ISABELLA COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drainage Districts

For the Year Ended September 30, 2024

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelder Drain Debt
Revenues					
Special assessments	\$ 35,709	\$ 50,533	\$ 160,666	\$ -	\$ 53,586
Interest	1,087	2,854	2,965	4,748	2,557
Other	-	-	-	-	-
Total revenues	36,796	53,387	163,631	4,748	56,143
Expenditures					
Debt service:					
Principal	33,500	61,160	92,500	-	55,000
Interest and fiscal charges	6,909	11,466	54,020	-	22,433
Capital outlay	-	-	-	-	-
Total expenditures	40,409	72,626	146,520	-	77,433
Net change in fund balances	(3,613)	(19,239)	17,111	4,748	(21,290)
Fund balances, beginning of year	37,498	104,127	65,979	170,123	105,977
Fund balances, end of year	\$ 33,885	\$ 84,888	\$ 83,090	\$ 174,871	\$ 84,687



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
\$ 112,362 8,772 -	\$ 131,803 14,036 -	\$ 52,341 1,831 -	\$ 20,481 2,027 -	\$ 39,484 2,518 -	\$ 50,899 678 -	\$ 37,719 6,129 -	\$ 45,831 1,046 -
121,134	145,839	54,172	22,508	42,002	51,577	43,848	46,877
100,000 26,235 -	120,000 52,199 -	34,750 15,389 -	16,882 6,486 -	30,950 14,847 -	39,931 12,926 -	33,750 11,765 -	29,137 12,646 -
126,235	172,199	50,139	23,368	45,797	52,857	45,515	41,783
(5,101)	(26,360)	4,033	(860)	(3,795)	(1,280)	(1,667)	5,094
299,836	487,388	31,296	69,444	93,133	23,274	62,319	32,171
\$ 294,735	\$ 461,028	\$ 35,329	\$ 68,584	\$ 89,338	\$ 21,994	\$ 60,652	\$ 37,265

continued...

ISABELLA COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drainage Districts

For the Year Ended September 30, 2024

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
Revenues					
Special assessments	\$ 9,282	\$ 39,913	\$ 93,357	\$ -	\$ 188,819
Interest	185	1,313	4,285	528	9,425
Other	-	-	-	-	-
Total revenues	<u>9,467</u>	<u>41,226</u>	<u>97,642</u>	<u>528</u>	<u>198,244</u>
Expenditures					
Debt service:					
Principal	5,850	25,000	59,000	-	133,500
Interest and fiscal charges	2,826	14,063	32,875	-	54,943
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,676</u>	<u>39,063</u>	<u>91,875</u>	<u>-</u>	<u>188,443</u>
Net change in fund balances	791	2,163	5,767	528	9,801
Fund balances, beginning of year	<u>6,042</u>	<u>44,762</u>	<u>163,885</u>	<u>20,793</u>	<u>219,887</u>
Fund balances, end of year	<u>\$ 6,833</u>	<u>\$ 46,925</u>	<u>\$ 169,652</u>	<u>\$ 21,321</u>	<u>\$ 229,688</u>



Debt Service Fund		Capital Project Funds		
Mission Creek	Barnes & Willoughby	County Drain Revolving	County Drain Construction & Maintenance	Totals
\$ 221,713	\$ -	\$ -	\$ 862,771	\$ 2,207,269
3,844	-	2,362	217,614	290,804
-	-	-	393,840	393,840
225,557	-	2,362	1,474,225	2,891,913
148,000	700	-	-	1,019,610
66,490	462	-	-	418,980
-	13,300	-	1,375,037	1,388,337
214,490	14,462	-	1,375,037	2,826,927
11,067	23	2,362	98,003	78,286
105,637	-	313,504	3,707,222	6,164,297
\$ 116,704	\$ 23	\$ 315,866	\$ 3,805,225	\$ 6,242,583

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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, 2024

Net change in fund balances - drains component unit	\$ 78,286
--	------------------

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	374,406
Depreciation expense	(732,364)

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	(877,004)
--	-----------

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	7,614
---	-------

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	1,019,610
--------------------------------------	-----------

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	12,164
--	--------

Change in net position of drains component unit	\$ (130,588)
--	---------------------

ISABELLA COUNTY, MICHIGAN

Statement of Net Position

Drainage District - Drain Tile Internal Service Fund
September 30, 2024

Assets

Cash and cash equivalents	\$ 32,534
Inventories	29,961
Due from other funds	<u>47,522</u>

Total assets	110,017
---------------------	---------

Net position

Unrestricted	<u><u>\$ 110,017</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, 2024

Revenues	
Sales	\$ 66,040
Expenses	
Materials	<u>57,426</u>
Operating income/change in net position	7,614
Net position, beginning of year	<u>102,403</u>
Net position, end of year	<u><u>\$ 110,017</u></u>

ISABELLA COUNTY, MICHIGAN

Statement of Cash Flows

Drainage District - Drain Tile Internal Service Fund

For the Year Ended September 30, 2024

Cash flows from operating activities

Cash received from customers	\$ 66,040
Cash payments for goods and services	<u>(38,677)</u>

Net change in cash and cash equivalents	27,363
--	---------------

Cash and cash equivalents:

Beginning of year	<u>5,171</u>
-------------------	--------------

End of year	<u>\$ 32,534</u>
--------------------	-------------------------

Reconciliation of operating income to net cash

used in operating activities

Operating income	\$ 7,614
------------------	----------

Adjustments to reconcile operating income to net cash

used in operating activities:

Changes in operating assets and liabilities

that provided (used) cash:

Inventories	<u>19,749</u>
-------------	---------------

Net cash provided by (used in) operating activities	<u>\$ 27,363</u>
--	-------------------------

ISABELLA COUNTY, MICHIGAN

Statement of Net Position

Board of Public Works

September 30, 2024

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	\$ -	\$ 23,126	\$ 23,126
Cash at fiscal agent	140,578	-	140,578
Receivables	835,000	90,891	925,891
Capital assets not being depreciated	-	16,000	16,000
Capital assets being depreciated, net	-	87,545	87,545
Total assets	<u>975,578</u>	<u>217,562</u>	<u>1,193,140</u>
Deferred outflows of resources			
Deferred charge on bond refunding	29,003	-	29,003
Liabilities			
Accounts payable and accrued liabilities	19,752	37,909	57,661
Unearned revenue	140,578	-	140,578
Long-term liabilities:			
Due within one year	120,000	-	120,000
Due in more than one year	835,000	-	835,000
Total liabilities	<u>1,115,330</u>	<u>37,909</u>	<u>1,153,239</u>
Net position			
Investment in capital assets	-	103,545	103,545
Unrestricted (deficit)	(110,749)	76,108	(34,641)
Total net position	<u>\$ (110,749)</u>	<u>\$ 179,653</u>	<u>\$ 68,904</u>

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ISABELLA COUNTY, MICHIGAN

Statement of Activities

Board of Public Works

For the Year Ended September 30, 2024

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	\$ 47,504	\$ -	\$ 37,411	\$ (10,093)	\$ -	\$ (10,093)
Business-type activities:						
Board of public works	123,444	23,790	-	-	(99,654)	(99,654)
Net program (expense) revenue	<u>\$ 170,948</u>	<u>\$ 23,790</u>	<u>\$ 37,411</u>	(10,093)	(99,654)	(109,747)
General revenues						
Unrestricted investment earnings				-	365	365
Change in net position				(10,093)	(99,289)	(109,382)
Net position (deficit), beginning of year				(100,656)	278,942	178,286
Net position (deficit), end of year				<u>\$ (110,749)</u>	<u>\$ 179,653</u>	<u>\$ 68,904</u>

ISABELLA COUNTY, MICHIGAN

Balance Sheet

Board of Public Works - Governmental Fund
Union Township Water System Debt Service
September 30, 2024

Assets

Cash held by fiscal agent	\$ 140,578
Installment sales agreement receivable	<u>835,000</u>

Total assets	<u>\$ 975,578</u>
---------------------	--------------------------

Liabilities

Unearned revenue	\$ 140,578
------------------	------------

Deferred inflows of resources

Unavailable revenue - installment sales agreement receivable	<u>835,000</u>
---	----------------

Total liabilities, deferred inflows of resources and fund balance	<u>\$ 975,578</u>
--	--------------------------

ISABELLA COUNTY, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund 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, 2024

Fund balance - 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 835,000

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 payable (955,000)
Deferred charge on refunding 29,003
Accrued interest on bonds and notes payable (19,752)

Net position of governmental activities - Board of Public Works \$ (110,749)

ISABELLA COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Board of Public Works - Governmental Fund
Union Township Water System Debt Service
For the Year Ended September 30, 2024

Revenues

Intergovernmental - local	\$ 157,411
---------------------------	------------

Expenditures

Debt service:	
Principal	115,000
Interest and fiscal charges	42,411

Total expenditures	157,411
---------------------------	----------------

Net change in fund balance	-
-----------------------------------	----------

Fund balance, beginning of year	-
---------------------------------	---

Fund balance, end of year	\$ -
----------------------------------	-------------

ISABELLA COUNTY, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund 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, 2024

Net change in fund balance of governmental funds - Board of Public Works	\$	-
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		(120,000)
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		115,000
Some expenses reported in the statement of activates 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		(7,251)
Change in accrued interest payable on long-term debt		2,158
Change in net position of governmental activities - Board of Public Works	\$	<u>(10,093)</u>

ISABELLA COUNTY, MICHIGAN

Statement of Net Position

Board of Public Works - Enterprise Fund
Lake Isabella Water Supply System
September 30, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 23,126
Accounts receivable	90,891
Total current assets	<u>114,017</u>

Noncurrent assets:

Capital assets not being depreciated	16,000
Capital assets being depreciated, net	87,545
Total noncurrent assets	<u>103,545</u>

Total assets

217,562

Liabilities

Accounts payable	
and accrued liabilities	198
Due to primary government	<u>37,711</u>

Total liabilities

37,909

Net position

Investment in capital assets	103,545
Unrestricted	<u>76,108</u>

Total net position

\$ 179,653

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, 2024

Revenues

Charges for services	\$ 23,790
----------------------	-----------

Expenses

Personnel services	4,907
Supplies	456
Utilities	3,978
Contractual services	93,536
Depreciation	4,987
Interest	778
Other	14,802

Total expenses	123,444
-----------------------	----------------

Operating income (loss)	(99,654)
-------------------------	----------

Nonoperating revenues

Interest income	365
-----------------	-----

Change in net position	(99,289)
-------------------------------	-----------------

Net position, beginning of year	278,942
---------------------------------	---------

Net position, end of year	\$ 179,653
----------------------------------	-------------------

ISABELLA COUNTY, MICHIGAN

Statement of Cash Flows

Board of Public Works - Enterprise Fund
Lake Isabella Water Supply System
For the Year Ended September 30, 2024

Cash flows from operating activities

Cash received from customers	\$ 57,860
Cash payments for goods and services	<u>(100,648)</u>

Net cash provided by (used in) operating activities (42,788)

Cash flows from investing activities

Interest received	<u>365</u>
-------------------	------------

Net change in cash and cash equivalents (42,423)

Cash and cash equivalents:

Beginning of year	<u>65,549</u>
-------------------	---------------

End of year	<u><u>\$ 23,126</u></u>
--------------------	-------------------------

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities

Operating income (loss)	\$ (99,654)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	4,987
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	34,070
Accounts payable	(462)
Due to other funds	<u>18,271</u>

Net cash provided by (used in) operating activities \$ (42,788)

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>
Financial Trends	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)	178
Revenue Capacity	These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. (Tables 5-9)	189
Debt Capacity	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)	196
Demographic and Economic Information	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)	202
Operating Information	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)	206

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

	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	\$ 20,322,666	\$11,336,524	\$14,329,044	\$14,054,394
Restricted	12,148,814	10,464,672	8,221,822	8,009,100
Unrestricted (deficit)	5,831,116	9,465,477	(5,313,039)	(4,736,503)
Total governmental activities	<u>\$ 38,302,596</u>	<u>\$31,266,673</u>	<u>\$17,237,827</u>	<u>\$17,326,991</u>
Business-type activities				
Net investment in capital assets	\$ 971,424	\$1,125,334	\$1,246,504	\$1,156,803
Restricted	-	-	-	-
Unrestricted	10,179,429	9,442,176	9,132,342	8,300,699
Total business-type activities	<u>\$ 11,150,853</u>	<u>\$10,567,510</u>	<u>\$10,378,846</u>	<u>\$9,457,502</u>
Primary government				
Net investment in capital assets	\$ 21,294,090	\$12,461,858	\$15,575,548	\$15,211,197
Restricted	12,148,814	10,464,672	8,221,822	8,009,100
Unrestricted	16,010,545	18,907,653	3,819,303	3,564,196
Total primary government	<u>\$ 49,453,449</u>	<u>\$41,834,183</u>	<u>\$27,616,673</u>	<u>\$26,784,493</u>

Table 1 - Unaudited

2020	2019	2018	2017	2016	2015
\$14,662,825	\$13,679,396	\$13,669,179	\$13,481,108	\$13,621,811	\$13,030,558
7,061,626	5,915,564	5,269,315	4,872,321	3,528,717	2,903,804
(4,358,039)	(1,221,220)	(1,578,584)	(1,725,563)	1,096,840	3,743,803
<u>\$17,366,412</u>	<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>
\$1,150,698	\$1,155,991	\$1,108,106	\$1,286,733	\$1,423,200	\$1,455,010
-	-	-	-	350,000	350,000
<u>8,017,065</u>	<u>8,218,891</u>	<u>8,534,022</u>	<u>8,573,804</u>	<u>7,675,320</u>	<u>9,403,965</u>
<u>\$9,167,763</u>	<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>
\$15,813,523	\$14,835,387	\$14,777,285	\$14,767,841	\$15,045,011	\$14,485,568
7,061,626	5,915,564	5,269,315	4,872,321	3,878,717	3,253,804
<u>3,659,026</u>	<u>6,997,671</u>	<u>6,955,438</u>	<u>6,848,241</u>	<u>8,772,160</u>	<u>13,147,768</u>
<u>\$26,534,175</u>	<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>

ISABELLA COUNTY, MICHIGAN

Change in Net Position

Last Ten Fiscal Years

	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government	\$ 5,863,455	\$4,789,520	\$5,723,726	\$6,539,913
Judicial	8,343,893	8,150,473	7,681,864	7,578,874
Public safety	12,845,972	10,043,753	10,238,276	10,167,940
Public works	817,642	774,704	771,477	823,855
Health and welfare	5,594,698	5,371,071	4,795,180	4,880,071
Culture and recreation	1,201,314	1,138,509	1,063,815	982,754
Community and economic development	393,063	256,424	476,778	315,788
Interest on long-term debt	560,164	60,747	69,300	-
	<u>35,620,201</u>	<u>30,585,201</u>	<u>30,820,416</u>	<u>31,289,195</u>
Business-type activities:				
Delinquent tax	387,250	306,114	321,109	254,546
Building inspections	593,987	499,012	394,725	408,748
Recycling facility	1,307,017	1,451,241	1,413,057	1,264,817
Concessions	133,371	164,831	123,439	151,752
	<u>2,421,625</u>	<u>2,421,198</u>	<u>2,252,330</u>	<u>2,079,863</u>
Total primary government expenses	<u>38,041,826</u>	<u>33,006,399</u>	<u>33,072,746</u>	<u>33,369,058</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	709,421	701,272	778,912	943,009
Judicial	861,356	737,102	779,875	717,686
Public safety	3,958,184	4,190,149	2,218,365	3,228,860
Health and welfare	207,971	240,262	262,074	212,001
Culture and recreation	580,364	630,071	605,060	618,382
Community and economic development	227,431	66,502	148,619	68,552
Operating grants and contributions	6,790,073	6,387,796	5,738,647	5,469,723
Capital grants and contributions	-	-	-	-
	<u>13,334,800</u>	<u>12,953,154</u>	<u>10,531,552</u>	<u>11,258,213</u>
Business-type activities:				
Charges for services:				
Delinquent tax	956,814	663,567	818,087	1,150,257
Building inspections	517,830	494,492	490,550	484,234
Recycling facility	713,000	452,886	894,858	772,449
Concessions	253,898	302,073	301,804	293,827
Operating grants and contributions	286,565	394,446	459,879	381,438
	<u>2,728,107</u>	<u>2,307,464</u>	<u>2,965,178</u>	<u>3,082,205</u>
Total primary government program revenues	<u>16,062,907</u>	<u>15,260,618</u>	<u>13,496,730</u>	<u>14,340,418</u>

Table 2 - Unaudited

2020	2019	2018	2017	2016	2015
\$7,370,269	\$4,927,863	\$10,430,062	\$11,863,489	\$12,092,262	\$10,870,079
6,962,886	6,675,082	-	-	-	-
8,366,130	7,808,136	7,787,004	7,660,384	7,831,619	7,120,091
728,169	665,041	622,151	680,225	626,388	497,128
5,121,962	4,911,239	5,434,018	297,673	485,698	423,975
826,908	881,766	1,060,491	5,796,511	6,478,989	6,346,368
332,245	439,750	263,314	937,252	963,879	904,810
1,667	15,025	29,097	41,126	42,997	98,065
<u>29,710,236</u>	<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>
107,518	302,994	219,381	363,633	569,796	379,153
572,322	402,858	366,529	369,458	384,258	352,828
1,090,829	1,237,073	1,210,634	1,161,993	1,069,899	1,040,113
146,193	198,240	234,868	221,673	201,812	231,245
<u>1,916,862</u>	<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>31,627,098</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>
780,083	947,765	2,257,527	2,518,550	2,872,758	2,706,910
745,987	1,090,374	-	-	-	-
2,142,596	2,053,413	2,243,496	1,844,867	1,947,806	1,741,185
192,194	187,605	231,115	31,752	26,636	17,484
405,054	455,032	421,983	259,719	353,901	274,621
116,622	277,318	44,396	401,626	412,195	389,947
5,364,758	5,249,472	4,960,741	4,147,196	4,464,476	4,950,360
-	-	6,500	89,607	38,920	13,040
<u>9,747,294</u>	<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>
677,153	913,501	772,058	821,178	814,021	720,086
718,524	589,597	476,658	405,426	352,600	346,840
423,877	512,344	633,117	764,538	572,053	531,197
232,779	339,225	313,651	369,171	320,894	342,860
387,966	327,123	206,197	399,268	271,930	165,300
<u>2,440,299</u>	<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>12,187,593</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>

ISABELLA COUNTY, MICHIGAN

Change in Net Position

Last Ten Fiscal Years

	2024	2023	2022	2021
Net (expenses) revenues				
Governmental activities	\$ (22,285,401)	\$ (17,632,047)	\$ (20,288,864)	\$ (20,030,982)
Business-type activities	306,482	(113,734)	712,848	1,002,342
Total primary government net expense	<u>(21,978,919)</u>	<u>(17,745,781)</u>	<u>(19,576,016)</u>	<u>(19,028,640)</u>
General revenues and other changes in net position				
Governmental activities:				
Property taxes	19,639,569	18,549,100	17,750,046	15,949,317
State shared revenue	1,498,417	1,420,694	1,336,889	1,306,336
Unrestricted grants and contributions	6,985,765	11,001,357	1,141,210	1,948,195
Unrestricted investment earnings	1,164,046	779,205	149,974	65,445
Other revenues	-	-	-	-
Transfers	33,527	(89,463)	(178,419)	722,268
Total governmental activities	<u>29,321,324</u>	<u>31,660,893</u>	<u>20,199,700</u>	<u>19,991,561</u>
Business-type activities:				
Unrestricted grants and contributions	-	15,000	-	-
Unrestricted investment earnings	310,388	197,935	30,077	9,665
Other revenues	-	-	-	-
Transfers	(33,527)	89,463	178,419	(722,268)
Total business-type activities	<u>276,861</u>	<u>302,398</u>	<u>208,496</u>	<u>(712,603)</u>
Total primary government	<u>29,598,185</u>	<u>31,963,291</u>	<u>20,408,196</u>	<u>19,278,958</u>
Changes in net position				
Governmental activities	7,035,923	14,028,846	(89,164)	(39,421)
Business-type activities	583,343	188,664	921,344	289,739
Total primary government changes in net position	<u>\$ 7,619,266</u>	<u>\$14,217,510</u>	<u>\$832,180</u>	<u>\$250,318</u>

Table 2 - Unaudited

2020	2019	2018	2017	2016	2015
\$ (19,962,942)	\$ (16,062,923)	\$ (15,460,379)	\$ (17,983,343)	\$ (18,405,140)	\$ (16,166,969)
523,437	540,625	370,269	642,824	105,733	102,944
(19,439,505)	(15,522,298)	(15,090,110)	(17,340,519)	(18,299,407)	(16,064,025)
14,825,715	14,020,126	13,454,955	13,096,866	12,933,132	12,640,166
1,004,609	1,274,111	1,268,181	1,255,625	1,243,491	1,241,312
2,177,899	703,409	495,729	520,942	494,694	829,107
151,722	183,438	125,013	97,377	74,993	70,725
-	-	200,802	217,407	334,083	167,374
795,669	895,669	647,743	740,000	1,893,950	550,000
18,955,614	17,076,753	16,192,423	15,928,217	16,974,343	15,498,684
-	-	-	-	-	-
65,113	87,798	59,065	31,466	22,674	90,673
-	-	-	-	5,088	3,551
(795,669)	(895,669)	(647,743)	(740,000)	(1,893,950)	(550,000)
(730,556)	(807,871)	(588,678)	(708,534)	(1,866,188)	(455,776)
18,225,058	16,268,882	15,603,745	15,219,683	15,108,155	15,042,908
(1,007,328)	1,013,830	732,044	(2,055,126)	(1,430,797)	(668,285)
(207,119)	(267,246)	(218,409)	(65,710)	(1,760,455)	(352,832)
\$ (1,214,447)	\$ 746,584	\$ 513,635	\$ (2,120,836)	\$ (3,191,252)	\$ (1,021,117)

ISABELLA COUNTY, MICHIGAN

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021
General fund				
Nonspendable	\$ 522,590	\$527,619	\$280,771	\$268,621
Committed	3,450,228	3,450,228	1,214,978	-
Assigned	3,348,239	10,284,459	6,401,154	5,985,723
Unassigned	11,435,144	6,224,877	4,455,813	5,387,449
Total general fund	<u>18,756,201</u>	<u>20,487,183</u>	<u>12,352,716</u>	<u>11,641,793</u>
All other governmental funds				
Nonspendable	46,543	29,256	43,803	10,468
Restricted	8,879,891	8,074,623	9,629,717	10,613,000
Committed	138,851	177,875	196,378	142,606
Assigned	-	-	-	-
Total all other governmental funds	<u>9,065,285</u>	<u>8,281,754</u>	<u>9,869,898</u>	<u>10,766,074</u>
Total all governmental funds	<u>\$ 27,821,486</u>	<u>\$28,768,937</u>	<u>\$22,222,614</u>	<u>\$22,407,867</u>

Table 3 - Unaudited

2020	2019	2018	2017	2016	2015
\$249,043	\$74,279	\$70,672	\$54,375	\$57,833	\$48,774
-	-	-	-	-	-
3,095,284	3,120,819	3,331,980	4,788,096	5,082,391	3,073,275
5,635,570	5,795,821	5,300,917	4,764,319	5,611,774	7,970,365
8,979,897	8,990,919	8,703,569	9,606,790	10,751,998	11,092,414
8,423	14,337	7,873	46,734	47,238	82,140
6,031,877	5,906,204	5,271,702	4,842,045	3,501,036	2,858,438
62,248	56,753	38,683	54,925	81,573	669,741
46,689	46,655	46,614	46,843	-	-
6,149,237	6,023,949	5,364,872	4,990,547	3,629,847	3,610,319
\$15,129,134	\$15,014,868	\$14,068,441	\$14,597,337	\$14,381,845	\$14,702,733

ISABELLA COUNTY, MICHIGAN

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021
Revenues				
Property taxes	\$ 19,509,482	\$18,487,698	\$17,637,185	\$16,006,000
Licenses and permits	934,969	761,439	867,785	749,843
Intergovernmental	14,649,270	18,213,158	7,461,607	8,108,980
Charges for services	3,828,829	3,848,193	3,990,159	4,034,798
Fines and forfeitures	106,434	100,579	84,181	92,553
Interest and rent	1,340,903	963,698	363,757	280,051
Contributions	293,411	178,416	152,729	109,001
Other revenue	960,621	635,979	323,651	343,410
Total revenues	41,623,919	43,189,160	30,881,054	29,724,636
Expenditures				
General government	5,970,613	5,220,401	5,358,425	5,175,608
Judicial	8,414,482	8,040,233	7,685,399	7,425,434
Public safety	15,426,309	10,905,352	9,781,758	9,849,856
Public works	466,992	421,553	395,108	451,758
Health and welfare	6,129,963	5,341,071	4,763,106	4,560,678
Recreation and culture	1,376,950	1,350,501	1,175,606	889,863
Community and economic development	384,405	252,634	478,203	309,710
Capital outlay	23,518,977	14,617,707	1,250,283	1,393,182
Debt service:				
Principal	740,200	6,063,657	-	-
Interest and fiscal charges	343,476	149,340	-	-
Total expenditures	62,772,367	52,362,449	30,887,888	30,056,089
Revenues over (under) expenditures	(21,148,448)	(9,173,289)	(6,834)	(331,453)
Other financing sources (uses)				
Issuance of debt	20,297,317	15,976,575	-	6,000,000
Insurance proceeds	-	-	-	887,918
Transfers in	6,314,588	4,354,846	2,212,938	3,881,833
Transfers out	(6,410,908)	(4,611,809)	(2,391,357)	(3,159,565)
Total other financing sources (uses)	20,200,997	15,719,612	(178,419)	7,610,186
Net change in fund balance	\$ (947,451)	\$ 6,546,323	\$ (185,253)	\$7,278,733
Debt service as a percentage of noncapital expenditures	3.1%	17.2%	0.0%	0.0%

Table 4 - Unaudited

2020	2019	2018	2017	2016	2015
\$14,981,259	\$13,962,571	\$13,341,536	\$13,256,738	\$12,984,397	\$12,892,823
584,448	816,321	569,366	519,329	539,884	491,750
7,663,098	6,595,533	5,844,499	5,381,666	6,010,487	6,164,258
3,640,373	3,995,521	4,303,766	4,203,003	4,291,135	4,006,683
102,941	130,874	149,042	173,908	166,783	208,841
368,216	442,004	478,359	418,106	701,525	661,330
129,594	217,492	239,796	197,923	212,634	657,714
608,650	341,716	755,294	619,474	341,506	211,489
28,078,579	26,502,032	25,681,658	24,770,147	25,248,351	25,294,888
6,127,302	5,199,394	11,051,966	10,588,359	10,751,157	10,265,973
7,026,471	6,675,082	-	-	-	-
8,768,377	7,678,254	7,933,236	7,019,442	6,904,261	6,730,652
377,654	334,681	309,515	311,051	565,096	478,372
4,904,195	4,901,173	5,428,675	5,592,663	5,889,326	6,159,223
973,896	850,584	1,066,790	842,038	881,414	881,966
325,993	443,671	684,963	782,796	975,074	778,566
-	-	280	495,854	411,957	283,250
250,000	350,000	350,000	350,000	791,729	754,102
6,094	18,435	32,872	47,747	293,175	293,174
28,759,982	26,451,274	26,858,297	26,029,950	27,463,189	26,625,278
(681,403)	50,758	(1,176,639)	(1,259,803)	(2,214,838)	(1,330,390)
-	-	-	-	-	-
-	-	-	-	-	-
3,301,699	3,277,712	2,289,963	3,576,294	4,410,252	2,396,938
(2,506,030)	(2,382,043)	(1,642,220)	(2,836,294)	(2,516,302)	(1,746,938)
795,669	895,669	647,743	740,000	1,893,950	650,000
\$114,266	\$946,427	\$ (528,896)	\$ (519,803)	\$ (320,888)	\$ (680,390)
0.9%	1.4%	1.5%	1.6%	4.0%	4.0%

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Governmental Activities Tax Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Property Tax
2024	\$ 19,639,569
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

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			
2024	\$ 2,422,667,538	\$ 654,000,025	\$ 436,941,835	\$ 3,513,609,398	9.9529
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

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

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Total Taxable Value	Estimated Actual Value	Taxable Value as a Percentage of True Cash Value
\$ 2,566,426,523	\$ 7,027,218,796	36.52%
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%

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 ⁽¹⁾ Millage	Special Millage	Total County Millage	State Education Tax ⁽²⁾	Local School Districts	Intermediate Schools
2024	6.6100	3.3429	9.9529	6.0000	20.8000 - 26.6000	2.9905 - 5.4640
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

(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	1.2175	2.6464	0.9739 - 4.4600	16.2500	22.1788	3.0000 - 11.5000
.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

Ten Largest Ad Valorem Taxpayers

Current Year and Nine Years Ago

Taxpayer	2024			2015		
	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)	\$ 284,711,086	1	11.57%			
Consumers Energy	70,001,567	2	2.84%	\$ 15,399,708	1	0.90%
SZ Mount Pleasant Townhomes LLC	17,734,756	3	0.72%			
Tallgrass Apartments LLC	7,410,563	4	0.30%			
Consumers Power Co - Reg Contro	7,334,283	5	0.30%			
Mount Pleasant Hospitality	7,230,064	6	0.29%			
Westpoint Village LLC	6,975,655	7	0.28%			
Mount Pleasant Shopping Cent LLC	4,937,511	8	0.20%			
Olivieri Management Inc	5,038,443	9	0.20%			
FC Country LLC	4,793,700	10	0.19%			
Campus Crest at Mount Pleasant II LLC				15,399,708	2	0.90%
Copper Beech Townhome				13,159,206	3	0.77%
PEP-CMU LLC (Formerly GFII)				8,928,592	4	0.52%
Deerfield Village LLC				8,455,568	5	0.49%
American Mitsuba Corp (Formerly) CME Corp)				8,378,174	6	0.49%
Morbark LLC (Formerly Morbark Inc.)				7,530,669	7	0.44%
Jamestown Mt Pleasant Apt LLC				6,499,011	8	0.38%
Lexington Ridge Apts LLC				6,482,959	9	0.38%
Wal-mart Real Estate Business				6,037,673	10	0.35%

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
2024	(2)	(2)	(2)	(2)	(2)	(2)	(2)
2023	\$ 98,096,612	\$ 94,006,851	95.830%	\$ 4,089,761	\$ 2,187,351	\$ 96,194,202	98.061%
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%

(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 ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	SBITA ⁽²⁾				
2024	\$ 35,592,892	\$ 218,500	\$ -	\$ 35,811,392	0.54%	\$ 555
2023	15,976,575	277,700	-	15,976,575	0.57%	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

(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.

(2) The County implemented GASB 96, *Subscription-based information technology arrangements*, in 2023.

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 ⁽¹⁾	Per Capita ⁽²⁾
2024	\$ 35,592,892	\$ -	\$ 35,592,892	1.39%	\$ 552
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

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

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

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Direct and Overlapping Governmental Activities Debt

As of September 30, 2024

Name of Governmental Unit	Debt Outstanding	% Applicable to County	Amount Applicable to County
Net direct - County	\$ 35,811,392	100.00%	\$ 35,811,392
Overlapping debt			
Cities:			
City of Clare	3,383,938	15.07%	509,959
City of Mt. Pleasant	26,175,000	100.00%	26,175,000
			<u>26,684,959</u>
Townships:			
Lincoln	26,550	100.00%	26,550
Nottawa	1,376,000	100.00%	1,376,000
Union	1,336,903	100.00%	1,336,903
			<u>2,739,453</u>
Village:			
Lake Isabella	600,000	100.00%	600,000
Shepherd	2,725,000	100.00%	2,725,000
			<u>3,325,000</u>
School districts:			
Alma	19,669,709	0.02%	3,934
Beal City	7,491,149	100.00%	7,491,149
Chippewa Hills	17,150,000	29.59%	5,074,685
Clare	1,500,000	27.40%	411,000
Coleman	5,615,000	14.23%	799,015
Farwell	15,490,000	10.37%	1,606,313
Montabella	17,830,000	32.70%	5,830,410
Mt. Pleasant	43,760,000	100.00%	43,760,000
Shepherd	22,578,984	93.83%	21,185,861
St. Louis	19,267,429	4.23%	815,012
Vestaburg	12,111,148	17.25%	2,089,173
			<u>89,066,552</u>
Intermediate School districts:			
Clare-Gladwin ISD	620,000	5.82%	36,084
Midland ISD	14,180,000	0.86%	121,948
Montcalm ISD	153,000	3.64%	5,569
			<u>163,601</u>
Community colleges:			
Mid-Michigan Community College	5,255,000	5.82%	305,841
Montcalm Community College	6,310,000	3.64%	229,684
			<u>535,525</u>
Total overlapping debt			<u>122,515,090</u>
Total direct and overlapping debt			<u>\$ 158,326,482</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.

ISABELLA COUNTY, MICHIGAN

Legal Debt Margin

Last Ten Fiscal Years

	2024	2023	2022	2021
Debt limit	\$ 256,642,652	\$ 246,167,764	\$ 238,309,166	\$ 214,258,341
Total net debt applicable to limit	<u>35,811,392</u>	<u>16,254,275</u>	<u>6,000,000</u>	<u>6,590,000</u>
Legal debt margin	<u>\$ 220,831,260</u>	<u>\$ 230,191,189</u>	<u>\$ 232,309,166</u>	<u>\$ 207,668,341</u>
Total net debt applicable to the limit as a percentage of debt limit	13.95%	6.49%	2.52%	3.08%

Legal Debt Margin Calculation for Fiscal Year 2024

Taxable value	\$ 2,566,426,523
Debt limitation - 10 percent of total taxable value in County	<u>256,642,652</u>
Debt applicable to limit	35,811,392
Less:	
Assets in debt service funds	<u>-</u>
Total amount of debt applicable to debt limit	<u>35,811,392</u>
Legal debt margin	<u>\$ 220,831,260</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

2020	2019	2018	2017	2016	2015
\$ 197,639,722	\$ 188,783,830	\$ 180,614,613	\$ 175,837,969	\$ 172,033,525	\$ 171,180,577
1,160,000	1,960,000	2,845,946	3,711,894	4,491,560	5,466,126
<u>\$ 196,479,722</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>
0.59%	1.04%	1.58%	2.11%	2.61%	3.19%

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2024	(1)	(1)	(1)	(1)	5.20%
2023	(1)	(1)	(1)	(1)	4.40%
2022	64,513	2,790,960,000	43,262	23,022	4.60%
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%

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 ⁽¹⁾			2014 ⁽²⁾		
	Employees	Rank	Percentage of Total County Employment	Employees	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

(1) 2024 data not available.

(2) 2015 data not available.

ISABELLA COUNTY, MICHIGAN

Full-Time Equivalent County Governmental Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
General service administration	128.0	125.5	122.4	122.4
Legislative	7.0	7.0	1.9	7.0
Law enforcement and corrections	52.8	51.8	51.9	51.9
Public safety and emergency services	22.3	21.5	21.5	22.3
Health and welfare	31.3	30.5	26.8	26.8
Culture and recreation	23.0	22.0	18.3	6.8
Planning and development	2.9	2.5	2.5	2.5
Other agencies	10.9	10.9	11.1	10.9
	<u>278.2</u>	<u>271.7</u>	<u>256.4</u>	<u>250.6</u>

Source: Isabella County Administration Office

Table 16 - Unaudited

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2020	2019	2018	2017	2016	2015
119.5	115.3	108.9	108.5	112.9	110.1
7.0	7.0	7.0	7.0	7.0	7.0
52.9	51.4	53.8	48.4	53.7	50.8
19.8	18.8	20.8	21.3	21.0	22.1
26.8	27.9	27.9	11.6	26.5	25.3
6.8	6.8	6.9	6.6	8.2	7.9
3.8	3.8	3.8	3.8	2.5	3.6
10.9	10.9	10.9	10.9	7.5	15.0
<u>247.5</u>	<u>241.9</u>	<u>239.9</u>	<u>218.1</u>	<u>239.3</u>	<u>241.8</u>

ISABELLA COUNTY, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
General government activities				
Trial Court total caseload	10,725	10,889	10,656	10,399
Law enforcement and corrections:				
Number of incarcerated offenders	1,993	1,971	2,049	1,764
Public safety and emergency services:				
Animal control:				
Complaints	642	520	1,051	1,155
Animal adoptions	676	624	544	458
Health and welfare:				
Health Department:				
Immunizations administered	3,436	3,405	7,965	24,575
House numbering:				
House numbers issued	123	73	85	88
Housing:				
Mortgages granted	-	-	-	-
Recreation and culture:				
Annual vehicle park passes	2,641	2,725	2,849	3,189
Daily vehicle park passes	13,942	13,704	13,031	15,469
Annual boat passes	1,006	1,094	886	1,016

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

2020	2019	2018	2017	2016	2015
9,167	11,337	12,577	14,737	14,857	13,459
2,496	3,482	3,803	4,092	4,064	4,331
834	885	1,304	1,711	1,449	1,455
439	470	567	595	560	972
3,048	4,250	3,646	5,496	3,586	3,495
195	106	84	62	61	47
-	-	-	-	7	4
2,082	2,213	2,177	2,109	2,089	1,782
12,318	12,258	11,972	12,577	13,390	12,248
834	1,012	1,057	941	1,001	739

ISABELLA COUNTY, MICHIGAN

Capital Assets Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
General government:				
Juvenile detention:				
Facilities	2	2	2	2
Law enforcement and corrections:				
Sheriff:				
Vehicles	22	22	21	20
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	8	9	8

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

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2020	2019	2018	2017	2016	2015
2	2	2	2	2	2
21	21	26	23	18	19
1	1	1	1	1	1
1	1	1	1	1	1
1	3	3	2	2	2
1	1	1	2	2	2
3	3	3	1	1	1
5	5	5	5	5	5
10	8	8	7	7	7

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