

County of Shiawassee, Michigan

BASIC FINANCIAL STATEMENTS

December 31, 2024

COUNTY OF SHIAWASSEE, MICHIGAN

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Sheriff

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Prosecuting Attorney

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	17
Reconciliation of Governmental Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Proprietary Funds:	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Net Position	20
Statement of Cash Flows	21
Fiduciary Funds:	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
COMBINING COMPONENT UNITS:	
Statement of Net Position	24
Statement of Activities	25
NOTES TO FINANCIAL STATEMENTS	26
REQUIRED SUPPLEMENTARY INFORMATION:	
Employee Retirement System:	
Schedule of Changes in the Net Pension Liability and Related Ratios	82
Schedule of Contributions	83
Other Post-Employment Benefits (OPEB):	
Schedule of Changes in the OPEB Liability and Related Ratios	84
Major Funds:	
Budgetary Comparison Schedule – General Fund	85
Budgetary Comparison Schedule – Central Dispatch Fund	87
Budgetary Comparison Schedule – Health Department Fund	88
Budgetary Comparison Schedule – A.R.P.A Fund	89
SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	96

TABLE OF CONTENTS (Continued)

SUPPLEMENTARY INFORMATION: (Continued)

Combining Statement of Net Position – Fiduciary Funds	102
Combining Statement of Changes in Net Position – Fiduciary Funds.....	103
Statement of Net Position – Component Unit – Medical Care Facility.....	104
Statement of Revenues, Expenses and Changes in Net Position – Component Unit – Medical Care Facility.....	105
Statement of Cash Flows – Component Unit - Medical Care Facility.....	106
Combining Balance Sheet – Component Unit – Drainage Districts	107
Reconciliation of the Combining Balance Sheet to the Statement of Net Position – Component Unit – Drainage Districts	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – Drainage Districts.....	109
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Component Unit – Drainage Districts.....	110
Combining Balance Sheet – Component Unit – County Airport.....	111
Reconciliation of the Combining Balance Sheet to the Statement of Net Position – Component Unit – County Airport.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – County Airport.....	113
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Component Unit – County Airport.....	114

REPORTS ON COMPLIANCE:

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	115
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	117
Schedule of Expenditures of Federal Awards	120
Notes to Schedule of Expenditures of Federal Awards	122
Schedule of Findings and Questioned Costs:	
Section I – Summary of Auditor’s Results.....	123
Section II – Financial Statement Findings.....	124
Section III – Federal Award Findings	124
Summary Schedule of Prior Audit Findings:	
Section III – Federal Award Findings	125



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INDEPENDENT AUDITOR'S REPORT

To Chairman Brodeur
and the Board of Commissioners
County of Shiawassee, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shiawassee, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County of Shiawassee, Michigan's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Shiawassee, Michigan, as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Shiawassee County Road Commission, which represents 56 percent, 64 percent, and 36 percent, respectively, of the assets, net position, and revenues of the discretely presented component units and the Shiawassee County Medical Care Facility, which represents 33 percent, 27 percent, and 62 percent, respectively, of the assets, net position, and revenues of the discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Shiawassee Road Commission and Medical Care Facility, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Shiawassee County Medical Care Facility were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Shiawassee, Michigan 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.

To Chairman Brodeur and the Board of Commissioners
County of Shiawassee, Michigan

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 of Shiawassee, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Shiawassee, Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Shiawassee, Michigan'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.

To Chairman Brodeur and the Board of Commissioners
Shiawassee County, Michigan

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, employee retirement and benefit systems, and budgetary comparison information on pages 4 through 13, pages 82 through 84 and pages 85 through 89 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 and other auditors 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Shiawassee, Michigan’s basic financial statements. The combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the combining nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, on our consideration of the County of Shiawassee, Michigan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Shiawassee, Michigan’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Shiawassee, Michigan’s internal control over financial reporting and compliance.


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

June 16, 2025

Management's Discussion and Analysis

These financial statements are the responsibility of Shiawassee County's management. We offer readers this narrative overview and analysis for the fiscal year ended December 31, 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	\$ (1,944,400)
• Change in total net position	(1,954,552)
• Fund balances, governmental funds	7,950,889
• Change in fund balance, government funds	(1,191,565)
• Unassigned fund balance, general fund	2,334,418
• Change in fund balance, general fund	168,154
• Bond debt outstanding	37,419,044
• Installment debt outstanding	268,000
• Net change in long-term debt	(3,456,721)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County’s basic financial statements. The County’s basic financial statements are comprised of five components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements, 4) required supplementary information, and 5) supplementary information.

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

The *statement of net position* presents information on all of the County’s assets, 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 County’s net position changed during the most recent 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 periods (e.g., earned but unused vested employee benefits).

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 & economic development. The business-type activities of the County include delinquent tax collections and concessions.

The government-wide financial statements include not only Shiawassee 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.

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. Shiawassee 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, Central Dispatch, Health Department and ARPA are special revenue funds, and the Medical Care Facility and Mental Health are debt service funds, 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 comparison schedules for each of the major funds have been provided herein to demonstrate compliance with those budgets.

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 delinquent tax operations (major fund) and jail commissary operations (nonmajor fund).

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.

Required Supplementary 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 and other postemployment benefit plans.

Supplementary Information. The *combining statements* referred to earlier in connection with nonmajor governmental 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 the County’s financial position. As the following table demonstrates, the County’s net position was \$(1,944,400) as of December 31, 2024.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 22,233,564	\$ 25,613,214	\$ 11,930,346	\$ 11,971,338	\$ 34,163,910	\$ 37,584,552
Capital Assets	17,183,077	17,245,551	-	-	17,183,077	17,245,551
Total Assets	39,416,641	42,858,765	11,930,346	11,971,338	51,346,987	54,830,103
Deferred Outflows of Resources	3,840,071	8,161,075	-	-	3,840,071	8,161,075
Current Liabilities	9,954,249	10,423,027	212,383	194,328	10,166,632	10,617,355
Noncurrent Liabilities	44,022,377	50,002,659	-	-	44,022,377	50,002,659
Total Liabilities	53,976,626	60,425,686	212,383	194,328	54,189,009	60,620,014
Deferred Inflows of Resources	2,942,449	2,361,012	-	-	2,942,449	2,361,012
Net Position						
Net Investment in Capital Assets	20,951,037	17,556,790	-	-	20,951,037	17,556,790
Restricted	4,553,812	5,816,795	168,617	168,617	4,722,429	5,985,412
Unrestricted	(39,167,212)	(35,140,443)	11,549,346	11,608,393	(27,617,866)	(23,532,050)
Total Net Position	\$ (13,662,363)	\$ (11,766,858)	\$ 11,717,963	\$ 11,777,010	\$ (1,944,400)	\$ 10,152

The second largest portion of the County’s net position, \$4,722,429, represents resources that are subject to external restrictions on how they may be spent. An additional portion of net position, \$20,951,037 reflects the County’s investment in capital assets (i.e., land, buildings and improvements, vehicles and boats, and equipment and furniture); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining net position, (\$27,617,866) is considered unrestricted.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, with the exception of unrestricted and total net position in the governmental activities, which is mainly attributable to the net pension and OPEB liabilities.

Shiawassee County’s Changes in Net Position

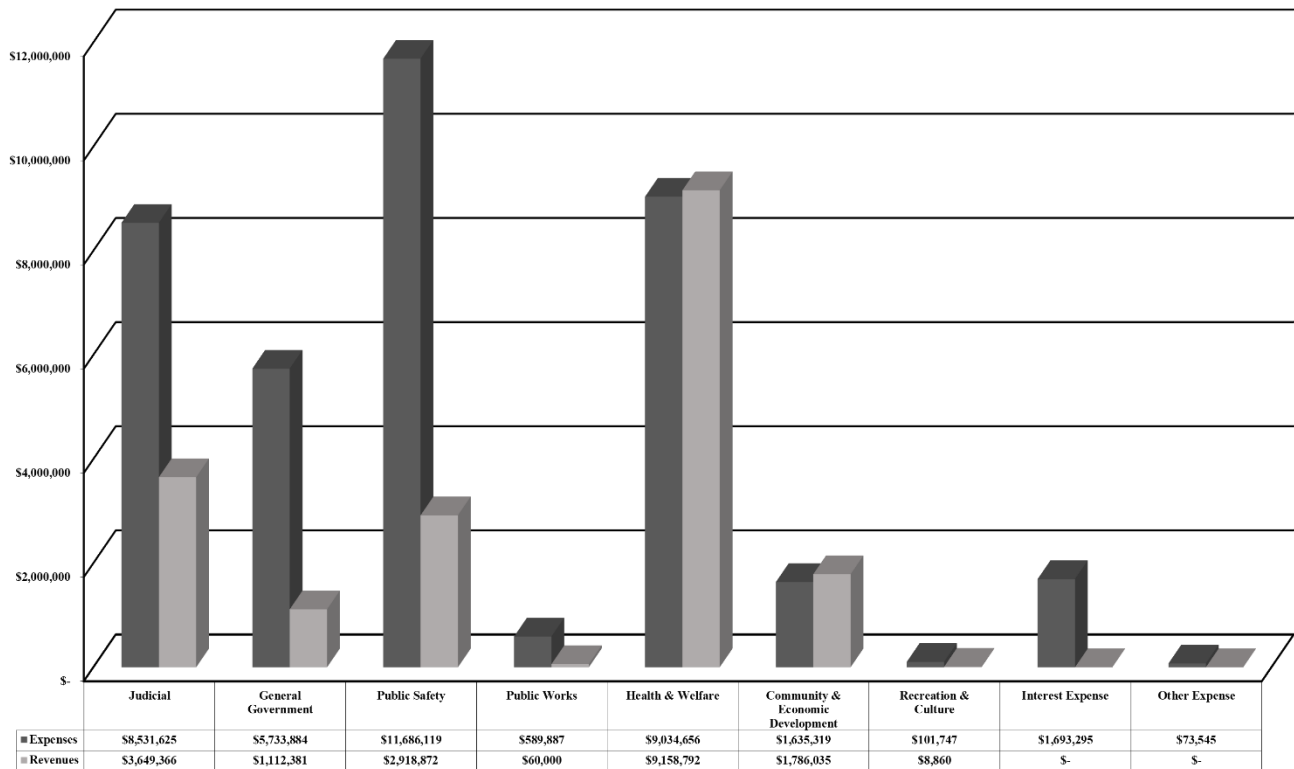
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges for Services	\$ 9,295,979	\$ 5,857,173	\$ 1,661,327	\$ 1,379,573	\$ 10,957,306	\$ 7,236,746
Operating Grants and Contributions	9,398,327	15,657,050	-	-	9,398,327	15,657,050
General Revenues						
Taxes	14,619,354	15,115,767	-	-	14,619,354	15,115,767
State Revenue Sharing	1,757,196	1,643,995	-	-	1,757,196	1,643,995
Investment Earnings	566,729	637,713	165,833	144,862	732,562	782,575
Extraordinary Item	-	36,880,000	-	-	-	36,880,000
Gain on Disposal of Assets	334,987	3,268,134	-	-	334,987	3,268,134
Total Revenues	35,972,572	79,059,832	1,827,160	1,524,435	37,799,732	80,584,267
Program Expenses						
General Government	5,733,884	5,409,732	-	-	5,733,884	5,409,732
Judicial	8,531,625	9,302,794	-	-	8,531,625	9,302,794
Public Safety	11,686,119	13,564,520	-	-	11,686,119	13,564,520
Public Works	589,887	696,874	-	-	589,887	696,874
Health and Welfare	9,034,656	8,211,172	-	-	9,034,656	8,211,172
Community and Economic Development	1,635,319	1,550,942	-	-	1,635,319	1,550,942
Recreation and Culture	101,747	73,344	-	-	101,747	73,344
Interest Expense	1,693,295	1,790,595	-	-	1,693,295	1,790,595
Other Expense	73,545	-	-	-	73,545	-
Delinquent Tax	-	-	354,867	237,145	354,867	237,145
Jail Commissary	-	-	319,340	290,588	319,340	290,588
Total Expenses	39,080,077	40,599,973	674,207	527,733	39,754,284	41,127,706
Excess (Deficiency)	(3,107,505)	38,459,859	1,152,953	996,702	(1,954,552)	39,456,561
Transfers	1,212,000	18,444	(1,212,000)	(18,444)	-	-
Changes in Net Position	(1,895,505)	38,478,303	(59,047)	978,258	(1,954,552)	39,456,561
Net Position - Beginning	(11,766,858)	(50,245,161)	11,777,010	10,798,752	10,152	(39,446,409)
Net Position - Ending	\$ (13,662,363)	\$ (11,766,858)	\$ 11,717,963	\$ 11,777,010	\$ (1,944,400)	\$ 10,152

The government's net position decreased by \$1,954,552 during the current fiscal year. This decrease was the result of an increase in Health and Welfare expenses of \$823,484 and a decrease in operating grants of \$6,258,723.

Governmental activities. The County had a decrease in governmental activities net position totaling \$1,895,505 in fiscal year 2024. This was mainly due to issuing bonds in 2023 to fund the unfunded pension liability. Because the actuarial is a year behind the contribution to fund the pension liability will not be reported until 2024.

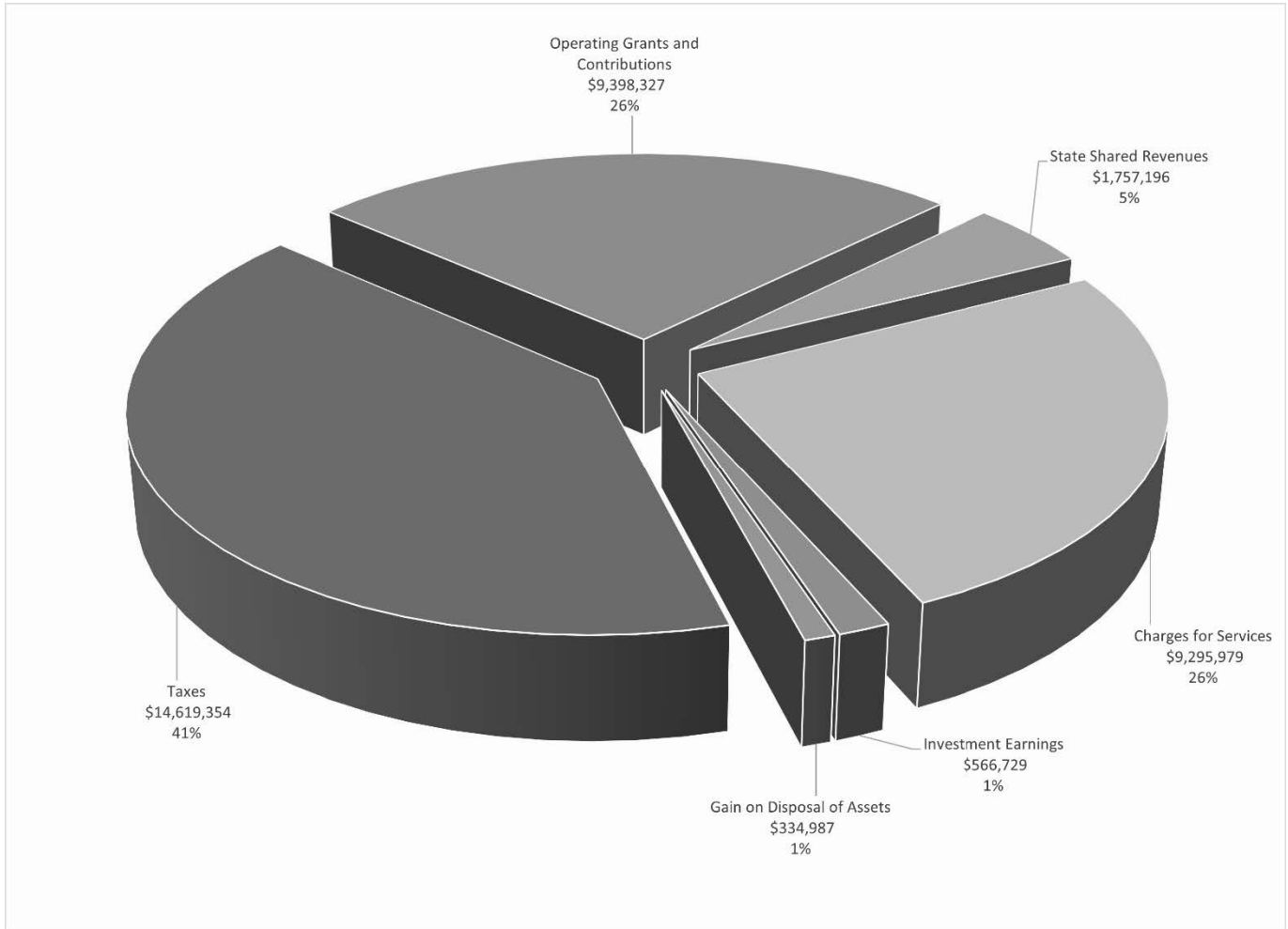
The following chart presents program revenues and expenses of the governmental activities for the fiscal year:

Expenses and Program Revenues – Governmental Activities



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

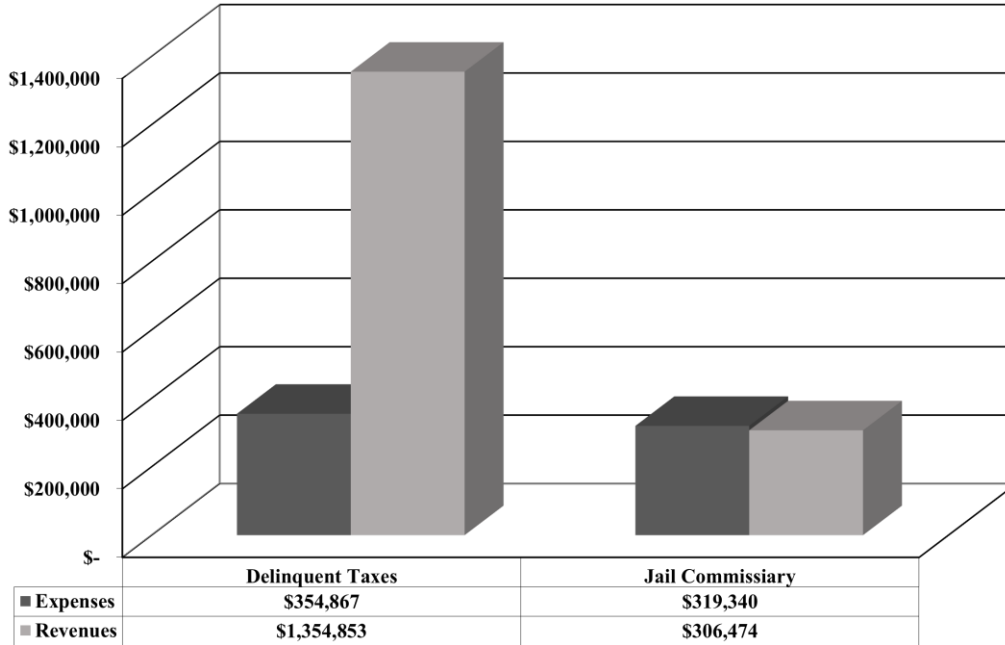
Revenues by Source – Governmental Activities



Business-type Activities. Business-type activities decreased the County's net position by \$59,047. This change was mainly the result of a decrease in charges for services. Further, expenses increased by \$146,474 due to prior year tax bill adjustments by the state and increased expenses to support the jail.

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

Expenses and Program Revenues – Business-type Activities



Financial Analysis of the County’s Funds. As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$7,950,889, a decrease of (\$1,191,565) over the prior year. Approximately 29 percent or \$2,344,418 of total fund balance constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is restricted, committed or nonspendable to indicate that it is not available for new spending because it has already been spent for items such as inventory and prepaid items, or is restricted for specific purposes by external third parties or requires formal board action.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$2,344,418 while total fund balance was \$2,761,017. 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 12 percent of total general fund expenditures and transfers out.

The fund balance in the general fund had an increase of \$168,154 in the current fiscal year. Total revenue decreased \$306,895 from the previous year related to an increase in property taxes due to an increase in taxable value. Total expenditures increased by \$347,355. This increase is related to significant increases in Judicial and Public Safety expenditures in the current fiscal year.

The Central Dispatch special revenue fund balance had a decrease of (\$183,669) in the current fiscal year. This decrease is mostly due to an increase in health and welfare expenses of \$216,923.

The Health Department special revenue fund, which is used to report activities related to various personal and environmental health services provided to County residents, fund balance was \$496,019 which decreased \$301,562 from the prior year balance. This change is due to an increase in Health and Welfare expenditures.

The Medical Care Facility debt service fund, which is used to account for the financial resources related to the repayment of general obligation bonds issued by the County on behalf of the Medical Care Facility, has no fund balance as it reports a receivable from the Medical Care Facility equal to the current accrued interest and outstanding principal on these bonds.

The Mental Health debt service fund, which is used to account for the financial resources related to the repayment of general obligation bonds issued by the County on behalf of the Mental Health Authority, usually has no fund balance as it reports a receivable from the Mental Health Authority equal to the current accrued interest and outstanding principal on these bonds. Currently, there is a small fund balance of \$1,791 due to the timing of the bond interest refund.

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

Delinquent Tax Revolving Fund

The delinquent tax revolving fund net position decreased \$46,181, from \$10,593,554 to \$11,547,373. This increase was attributable a large increase in charges for services and interest and penalties on taxes.

General Fund Budgetary Highlights

General fund revenues were less than the budgetary estimates by \$1,419,471. This variance was mainly related to reductions in taxes and charges for services.

General fund expenditures were under budget by \$791,689 and other financing sources and uses were more than the budgetary estimates by \$802,688. This was the result of transfers in being more than budgeted.

Capital Asset and Debt Administration

Capital Assets. The County’s investment in capital assets for its governmental activities as of year-end amounted to \$17,183,077 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles.

Capital Assets
(net of depreciation, where applicable)

	Governmental Activities	
	2024	2023
Land	\$ 668,840	\$ 668,840
Construction in Progress	366,772	366,772
Land Improvements	31,828	31,828
Buildings and Improvements	14,340,144	14,340,144
Equipment	1,346,175	1,346,175
Vehicles	491,792	491,792
	<u>17,245,551</u>	<u>17,245,551</u>
Total Capital Assets, Net	<u>\$ 17,245,551</u>	<u>\$ 17,245,551</u>

Additional information on the County’s capital assets can be found in Note 5 of this report.

Debt Administration. At the end of the current fiscal year, the County had total debt outstanding of \$39,238,262. Of this amount, \$37,687,044 comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents vested employee benefits.

	Governmental Activities	
	2024	2023
Bonds Payable	\$ 37,419,044	\$ 40,815,765
Installment Payable	268,000	328,000
Capital Leases	-	-
Vested Employee Benefits	1,551,218	1,461,382
	<u>39,238,262</u>	<u>42,605,147</u>
Total Long-Term Debt	<u>\$ 39,238,262</u>	<u>\$ 42,605,147</u>

The County's total governmental activity bond and installment debt decreased by \$3,363,239 during the current fiscal year, while vested employee benefits increased by \$907,763. The capital improvement and general obligation bonds were issued on behalf of the Shiawassee County Medical Care Facility and the Shiawassee County Community Mental Health Authority, respectively. These bonds are the responsibility and will be repaid by these entities; however, the County has pledged its full faith and credit.

In addition to the above debt obligations, the County has also pledged its full faith and credit on the Drainage District's outstanding bonds and notes payable of \$2,018,498. These debt obligations are payable out of assessments against the respective drainage districts or by contractual agreements with local units of government.

A more detailed discussion of the County's long-term debt obligations is presented in Note 6 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2025 based on a variety of economic conditions and plans:

- Continued concern over the uncertainty of the State's economy and how it will impact future State revenue sharing
- Continued concern regarding County costs for current employees and retirees in addition to the added costs of continued retirement related costs for current employees and the payment of our annual required contributions;
- With these continued concerns, in 2022 the County bonded its MERS debt before interest rates rose – this accounted for \$39 million. These effects have greatly supported county stability for managing debt and meeting obligations.
- Employment market trends have taken a toll on safe retention – as a result, the county undertook a new wage study and it was implemented for non-represented units and bargaining agreements requiring renewal on Jan. 1, 2024;
- In an effort to increase economic development in the County, the County has created and begun operating a county land bank and has received over \$1 million in blight remediation grants.
- Furthering the need for economic development, the County reconstituted the Brownfield Redevelopment Board as well as partnered with the Shiawassee Economic Development Corporation on this and the land bank, which now see several projects a year;
- The ever increasing need for better technology which could be very costly to the County.
- Continued monitoring of other capital improvement needs and the implementation of a systematic replacement plan of capital assets – including jail improvements as well as a district court remodel with the remaining APRA funds;
- Finished renovation of underutilized county building, which is serving as the County Veteran's center.
- Completed \$6.5 million historic courthouse renovation project.
- Planned for pre-trial services program creation and reconstituted the Community Corrections Advisory Board for alternatives to incarceration.

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 Shiawassee County Commissioners' Office, 201 N. Shiawassee Street, Corunna, Michigan 48817 or (989) 743-2233.

Basic Financial Statements

Statement of Net Position
December 31, 2024

	Primary Government		Totals	Component Units
	Governmental Activities	Business-type Activities		
ASSETS:				
Cash and Investments - Unrestricted	\$ 12,189,274	\$ 8,759,421	\$ 20,948,695	\$ 25,962,829
Accounts Receivable	589,212	7,445	596,657	14,820,005
Special Assessments Receivable	-	-	-	1,736,419
Taxes Receivable	2,660,339	3,163,480	5,823,819	-
Leases Receivable	2,853,833	-	2,853,833	-
Due from Other Governmental Units	3,140,016	-	3,140,016	2,675,257
Inventories	53,685	-	53,685	2,003,188
Prepaid Items	228,580	-	228,580	485,205
Advance to Component Unit	518,625	-	518,625	-
Net OPEB Asset	-	-	-	1,044,727
Net Pension Asset	-	-	-	1,898,787
Capital Assets (Not Depreciated)	870,094	-	870,094	6,909,699
Capital Assets (Net of Accumulated Depreciation)	16,312,983	-	16,312,983	80,354,677
TOTAL ASSETS	39,416,641	11,930,346	51,346,987	137,890,793
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Related Items	3,212,417	-	3,212,417	8,674,698
OPEB Related Items	627,654	-	627,654	91,632
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,840,071	-	3,840,071	8,766,330
LIABILITIES:				
Accounts Payable	1,340,742	43,766	1,384,508	1,040,134
Accrued Liabilities	1,395,163	-	1,395,163	652,222
Accrued Interest Payable	377,156	-	377,156	3,167
Due to Other Governmental Units	-	-	-	5,992
Unearned Revenue	3,293,201	168,617	3,461,818	132,361
Advance from Other Governmental Units	-	-	-	938,269
Vested Employee Benefits - Due within one year	-	-	-	1,103,243
Vested Employee Benefits - Due in more than one year	1,551,218	-	1,551,218	57,626
Installment Loan Payable - Due within one year	63,000	-	63,000	1,409,987
Installment Loan Payable - Due in more than one year	205,000	-	205,000	1,443,846
Bonds Payable - Due within one year	3,484,987	-	3,484,987	173,009
Bonds Payable - Due in more than one year	33,934,057	-	33,934,057	1,672,480
Net Pension Liability - Due in more than one year	7,247,243	-	7,247,243	7,780,671
Net OPEB Liability - Due in more than one year	1,084,859	-	1,084,859	304,735
TOTAL LIABILITIES	53,976,626	212,383	54,189,009	16,717,742
DEFERRED INFLOWS OF RESOURCES:				
Pension Related Items	-	-	-	620,384
OPEB Related Items	689,747	-	689,747	70,228
Gain on Refunding	11,057	-	11,057	-
Property Taxes Levied for Subsequent Period	2,241,645	-	2,241,645	4,900,000
TOTAL DEFERRED INFLOWS OF RESOURCES	2,942,449	-	2,942,449	5,590,612
NET POSITION:				
Net Investment in Capital Assets	20,951,037	-	20,951,037	82,300,054
Restricted	4,553,812	168,617	4,722,429	2,943,514
Unrestricted	(39,167,212)	11,549,346	(27,617,866)	39,105,201
TOTAL NET POSITION	\$ (13,662,363)	\$ 11,717,963	\$ (1,944,400)	\$ 124,348,769

County of Shiawassee, Michigan

Statement of Activities For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 5,733,884	\$ 404,019	\$ 708,362	\$ -	\$ (4,621,503)	\$ -	\$ (4,621,503)	\$ -
Judicial	8,531,625	1,031,136	2,618,230	-	(4,882,259)	-	(4,882,259)	-
Public Safety	11,686,119	2,574,112	344,760	-	(8,767,247)	-	(8,767,247)	-
Public Works	589,887	60,000	-	-	(529,887)	-	(529,887)	-
Health and Welfare	9,034,656	3,920,985	5,237,807	-	124,136	-	124,136	-
Community and Economic Development	1,635,319	1,296,867	489,168	-	150,716	-	150,716	-
Recreation and Culture	101,747	8,860	-	-	(92,887)	-	(92,887)	-
Interest Expense	1,693,295	-	-	-	(1,693,295)	-	(1,693,295)	-
Other Expenses	73,545	-	-	-	(73,545)	-	(73,545)	-
Total Governmental Activities	39,080,077	9,295,979	9,398,327	-	(20,385,771)	-	(20,385,771)	-
Business-type Activities:								
Delinquent Tax	354,867	1,354,853	-	-	-	999,986	999,986	-
Jail Commissary	319,340	306,474	-	-	-	(12,866)	(12,866)	-
Total Business-type Activities	674,207	1,661,327	-	-	-	987,120	987,120	-
Total Primary Government	\$ 39,754,284	\$ 10,957,306	\$ 9,398,327	\$ -	(20,385,771)	987,120	(19,398,651)	-
Component Units:								
Road Commission	\$ 12,544,949	\$ 2,475,552	\$ 8,885,483	\$ 6,571,794				5,387,880
Medical Care Facility	29,116,477	26,464,224	941,746	-				(1,710,507)
Drain Commission	1,556,932	864,801	-	-				(692,131)
County Airport	434,235	326,652	72,715	-				(34,868)
Total Component Units	\$ 43,652,593	\$ 30,131,229	\$ 9,899,944	\$ 6,571,794				2,950,374
General Revenues and Transfers:								
Taxes					14,619,354	-	14,619,354	4,547,519
State Revenue Sharing					1,757,196	-	1,757,196	-
Investment Earnings					566,729	165,833	732,562	617,115
Gain on Disposal of Capital Assets					334,987	-	334,987	352,761
Transfers					1,212,000	(1,212,000)	-	-
Total General Revenues and Transfers					18,490,266	(1,046,167)	17,444,099	5,517,395
Change in Net Position					(1,895,505)	(59,047)	(1,954,552)	8,467,769
Net Position - Beginning					(11,766,858)	11,777,010	10,152	115,881,000
Net Position - Ending					\$ (13,662,363)	\$ 11,717,963	\$ (1,944,400)	\$ 124,348,769

See accompanying notes to financial statements.

County of Shiawassee, Michigan

Balance Sheet Governmental Funds December 31, 2024

	Special Revenue Funds				Debt Service Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Central Dispatch	Health Department	ARPA	Pension Bonds	Medical Care Facility	Mental Health Debt		
ASSETS:									
Cash and Investments - Unrestricted	\$ 1,566,821	\$ 663,318	\$ 2,085,949	\$ 83,877	\$ 4,458	\$ -	\$ -	\$ 6,219,781	\$ 10,624,204
Receivables:									
Accounts	72,395	471,632	-	-	-	-	6,753	15,527	566,307
Taxes	561,080	-	-	-	-	-	-	2,099,259	2,660,339
Leases	-	-	-	-	-	2,853,833	-	-	2,853,833
Due from Other Governmental Units	203,516	-	49,848	-	-	-	1,792,146	1,094,506	3,140,016
Due from Other Funds	907,857	-	-	-	-	-	-	-	907,857
Inventories	-	-	53,685	-	-	-	-	-	53,685
Prepays	228,580	-	-	-	-	-	-	-	228,580
Advance to Component Unit	518,625	-	-	-	-	-	-	-	518,625
TOTAL ASSETS	\$ 4,058,874	\$ 1,134,950	\$ 2,189,482	\$ 83,877	\$ 4,458	\$ 2,853,833	\$ 1,798,899	\$ 9,429,073	\$ 21,553,446
LIABILITIES:									
Accounts Payable	\$ 295,545	\$ 14,802	\$ 482,211	\$ -	\$ -	\$ -	\$ -	\$ 327,945	\$ 1,120,503
Accrued Liabilities	987,312	101,710	161,180	-	-	-	-	144,961	1,395,163
Due to Other Funds	-	-	-	83,877	-	-	6,753	817,227	907,857
Unearned Revenue	15,000	-	1,050,072	-	-	-	-	2,228,129	3,293,201
TOTAL LIABILITIES	1,297,857	116,512	1,693,463	83,877	-	-	6,753	3,518,262	6,716,724
DEFERRED INFLOWS OF RESOURCES:									
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-	2,241,645	2,241,645
Unavailable Revenue	-	-	-	-	-	2,853,833	1,790,355	-	4,644,188
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	2,853,833	1,790,355	2,241,645	6,885,833
FUND BALANCES:									
Nonspendable	228,580	-	53,685	-	-	-	1,791	-	284,056
Restricted	188,019	1,018,438	442,334	-	4,458	-	-	2,900,563	4,553,812
Committed	-	-	-	-	-	-	-	768,603	768,603
Unassigned	2,344,418	-	-	-	-	-	-	-	2,344,418
TOTAL FUND BALANCES	2,761,017	1,018,438	496,019	-	4,458	-	1,791	3,669,166	7,950,889
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,058,874	\$ 1,134,950	\$ 2,189,482	\$ 83,877	\$ 4,458	\$ 2,853,833	\$ 1,798,899	\$ 9,429,073	
Reconciliation to amounts reported for governmental activities in the statement of net position:									
Capital Assets used by Governmental Activities									17,183,077
Unavailable Revenue from Inflows									4,644,188
Internal Service Funds									1,367,736
Vested Employee Benefits									(1,551,218)
Installment Loan Payable									(268,000)
Bonds Payable									(37,419,044)
Deferred Gain on Refunding									(11,057)
Accrued Interest Payable									(377,156)
Pension and OPEB Obligations and Deferred items									(5,181,778)
Net position of governmental activities									\$ (13,662,363)

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2024**

	Special Revenue Funds				Debt Service Funds			Nonmajor Governmental Funds	Totals Governmental Funds
	General	Central Dispatch	Health Department	ARPA	Pension Bonds	Medical Care Facility	Mental Health Debt		
REVENUES:									
Taxes	\$ 12,610,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,008,500	\$ 14,619,354
Licenses and Permits	67,852	-	460,109	-	-	-	-	-	527,961
Intergovernmental	3,675,007	-	3,867,431	354,588	-	1,462,820	289,195	3,140,822	12,789,863
Charges for Services	1,804,984	2,111,987	33,704	-	-	-	-	537,585	4,488,260
Fines and Forfeitures	403,935	-	-	-	-	-	-	3,480	407,415
Interest and Rents	390,327	14,468	11,250	106,340	-	-	-	44,344	566,729
Other Revenue	669,547	2,178	6,393	-	3,235,626	-	-	295,807	4,209,551
TOTAL REVENUES	19,622,506	2,128,633	4,378,887	460,928	3,235,626	1,462,820	289,195	6,030,538	37,609,133
EXPENDITURES:									
General Government	4,464,397	-	-	-	-	-	-	579,977	5,044,374
Judicial	6,069,472	-	-	-	-	-	-	1,341,270	7,410,742
Public Safety	7,682,820	2,137,902	-	-	-	-	-	289,093	10,109,815
Public Works	545,867	-	-	-	-	-	-	-	545,867
Health and Welfare	404,108	-	4,824,099	-	-	-	-	3,737,309	8,965,516
Community and Economic Development	546,062	-	-	-	-	-	-	1,067,476	1,613,538
Recreation and Culture	98,387	-	-	-	-	-	-	-	98,387
Debt Service	-	-	73,350	-	3,236,126	1,462,820	289,195	48,173	5,109,664
Capital Outlay	361,547	174,400	-	509,728	-	-	-	69,120	1,114,795
TOTAL EXPENDITURES	20,172,660	2,312,302	4,897,449	509,728	3,236,126	1,462,820	289,195	7,132,418	40,012,698
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(550,154)	(183,669)	(518,562)	(48,800)	(500)	-	-	(1,101,880)	(2,403,565)
OTHER FINANCING SOURCES (USES):									
Transfers In	1,808,237	-	217,000	-	-	-	-	892,448	2,917,685
Transfers Out	(1,089,929)	-	-	(396,877)	-	-	-	(218,879)	(1,705,685)
TOTAL OTHER FINANCING SOURCES (USES)	718,308	-	217,000	(396,877)	-	-	-	673,569	1,212,000
NET CHANGE IN FUND BALANCES	168,154	(183,669)	(301,562)	(445,677)	(500)	-	-	(428,311)	(1,191,565)
FUND BALANCES BEGINNING OF YEAR	2,592,863	1,202,107	797,581	445,677	4,958	-	1,791	4,097,477	9,142,454
FUND BALANCES END OF YEAR	\$ 2,761,017	\$ 1,018,438	\$ 496,019	\$ -	\$ 4,458	\$ -	\$ 1,791	\$ 3,669,166	\$ 7,950,889

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2024**

Net changes in fund balances - total governmental funds \$ (1,191,565)

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

Governmental funds reported capital outlays as expenditures.

However, in the statement of activities the cost of those assets is capitalized and is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$1,041,250 exceeded depreciation expense of (\$1,103,724).

(62,474)

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 until the following year.

Change in unavailable revenue

(1,638,140)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Issuance of debt is an other financing source in the governmental funds, but it is an increase in long-term liabilities in the statement of net position.

Principal payments

3,456,721

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:

Pension

(2,207,496)

OPEB

29,529

Accrued Interest

19,648

Deferred Gain on Refunding

1,579

Vested employee benefits

(89,836)

Internal service funds included in governmental activities

(213,471)

Change in net position of governmental activities

\$ (1,895,505)

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-type Activities Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Jail Commissary	Totals	Internal Service Fund Self Insurance
ASSETS:				
Cash and Investments - Unrestricted	\$ 8,568,661	\$ 190,760	\$ 8,759,421	\$ 1,565,070
Accounts Receivable	-	7,445	7,445	22,905
Taxes Receivable	3,163,480	-	3,163,480	-
TOTAL ASSETS	<u>\$ 11,732,141</u>	<u>\$ 198,205</u>	<u>\$ 11,930,346</u>	<u>\$ 1,587,975</u>
LIABILITIES:				
Accounts Payable	\$ 16,151	\$ 27,615	\$ 43,766	\$ 220,239
Excess Funds from Delinquent Tax Sales	168,617	-	168,617	-
TOTAL LIABILITIES	<u>184,768</u>	<u>27,615</u>	<u>212,383</u>	<u>220,239</u>
NET POSITION:				
Restricted	168,617	-	168,617	-
Unrestricted	11,378,756	170,590	11,549,346	1,367,736
TOTAL NET POSITION	<u>\$ 11,547,373</u>	<u>\$ 170,590</u>	<u>\$ 11,717,963</u>	<u>\$ 1,367,736</u>

County of Shiawassee, Michigan

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2024

	Business-type Activities Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Jail Commissary	Total	Internal Service Fund Self Insurance
OPERATING REVENUES:				
Charges for Services	\$ 344,692	\$ 306,474	\$ 651,166	\$ 2,689,699
Interest and Penalties on Taxes	1,010,161	-	1,010,161	-
Total Operating Revenues	<u>1,354,853</u>	<u>306,474</u>	<u>1,661,327</u>	<u>2,689,699</u>
OPERATING EXPENSES:				
Personnel Services	-	319,340	319,340	2,903,170
Other	354,867	-	354,867	-
Total Operating Expenses	<u>354,867</u>	<u>319,340</u>	<u>674,207</u>	<u>2,903,170</u>
OPERATING INCOME (LOSS)	<u>999,986</u>	<u>(12,866)</u>	<u>987,120</u>	<u>(213,471)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	165,833	-	165,833	-
Transfers Out	(1,212,000)	-	(1,212,000)	-
Total Non-Operating Revenues (Expenses)	<u>(1,046,167)</u>	<u>-</u>	<u>(1,046,167)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(46,181)</u>	<u>(12,866)</u>	<u>(59,047)</u>	<u>(213,471)</u>
NET POSITION, BEGINNING OF YEAR	<u>11,593,554</u>	<u>183,456</u>	<u>11,777,010</u>	<u>1,581,207</u>
NET POSITION, END OF YEAR	<u>\$ 11,547,373</u>	<u>\$ 170,590</u>	<u>\$ 11,717,963</u>	<u>\$ 1,367,736</u>

**Statement of Cash Flows
Proprietary Fund Types
For the Year Ended December 31, 2024**

	Business-type Activities Enterprise Funds		Governmental Activities	
	Delinquent Tax Revolving	Nonmajor fund Jail Commissary	Totals	Internal Service Fund Self Insurance
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 4,150,760	\$ 322,211	\$ 4,472,971	\$ 2,684,592
Cash Payments for Goods and Services	(3,646,570)	(299,464)	(3,946,034)	(2,862,923)
Net Cash Provided (Used) by Operating Activities	504,190	22,747	526,937	(178,331)
Cash Flows From Non-Capital Activities:				
Transfers Out	(1,212,000)	-	(1,212,000)	-
Net Cash Provided (Used) by Non-Capital Activities	(1,212,000)	-	(1,212,000)	-
Cash Flows From Investing Activities:				
Interest and Dividends Received	165,833	-	165,833	-
Net Cash Provided (Used) by Investing Activities	165,833	-	165,833	-
Net Increase (Decrease) in Cash and Equivalents	(541,977)	22,747	(519,230)	(178,331)
Cash and Equivalents - Beginning of the Year	9,110,638	168,013	9,278,651	1,743,401
Cash and Equivalents - End of the Year	<u>\$ 8,568,661</u>	<u>\$ 190,760</u>	<u>\$ 8,759,421</u>	<u>\$ 1,565,070</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 999,986	\$ (12,866)	\$ 987,120	\$ (213,471)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in operating assets and liabilities: that provided (used) cash:				
Accounts Receivable	-	15,737	15,737	(5,107)
Taxes Receivable	(493,975)	-	(493,975)	-
Excess Funds from Delinquent Tax Sales	-	-	-	-
Accounts Payable	(1,821)	19,876	18,055	40,247
Net Cash Provided (Used) by Operating Activities	<u>\$ 504,190</u>	<u>\$ 22,747</u>	<u>\$ 526,937</u>	<u>\$ (178,331)</u>

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024**

	<u>Custodial Fund</u>
ASSETS:	
Cash and Equivalents	<u>\$ 1,818,953</u>
LIABILITIES:	
Undistributed Receipts	<u>\$ 1,818,953</u>
NET POSITION:	
Restricted for:	
Individuals, Organizations and Other Governments	<u>\$ -</u>

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
December 31, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Property Tax Collections for other Governments	\$ 26,478,349
Miscellaneous	<u>3,097,494</u>
Total Additions	<u>29,575,843</u>
DEDUCTIONS	
Administrative Expenses	3,097,494
Payments of Property Taxes to other Governments	<u>26,478,349</u>
Total Deductions	<u>29,575,843</u>
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>

Component Units

**Statement of Net Position
Combining Component Units
December 31, 2024**

	Road Commission	Medical Care Facility	Drainage District	County Airport	Totals
ASSETS:					
Cash and Investments - Unrestricted	\$ 7,636,976	\$ 13,037,242	\$ 5,190,228	\$ 98,383	\$ 25,962,829
Receivables - Net	191,612	14,539,744	-	88,649	14,820,005
Special Assessments Receivable	-	-	1,736,419	-	1,736,419
Due from Governmental Units	2,328,914	-	346,343	-	2,675,257
Inventories	1,995,279	-	-	7,909	2,003,188
Prepaid Items	-	485,205	-	-	485,205
Net OPEB Asset	1,044,727	-	-	-	1,044,727
Net Pension Asset	1,898,787	-	-	-	1,898,787
Capital Assets (Not Depreciated)	4,557,478	2,087,221	265,000	-	6,909,699
Capital Assets (Net of Accumulated Depreciation)	58,241,204	15,681,317	4,974,839	1,457,317	80,354,677
TOTAL ASSETS	77,894,977	45,830,729	12,512,829	1,652,258	137,890,793
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Related Items	\$ 2,862,493	\$ 5,812,205	\$ -	\$ -	8,674,698
OPEB Related Items	53,054	38,578	-	-	91,632
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,915,547	5,850,783	-	-	8,766,330
LIABILITIES:					
Accounts Payable	99,311	806,465	106,568	27,790	1,040,134
Accrued Liabilities	69,335	580,662	-	2,225	652,222
Accrued Interest Payable	-	-	3,167	-	3,167
Advances from Governmental Units	437,544	-	500,725	-	938,269
Due to Other Governmental Units	5,992	-	-	-	5,992
Unearned Revenue	132,361	-	-	-	132,361
Net OPEB Liability - Due in more than one year	-	304,735	-	-	304,735
Net Pension Liability - Due in more than one year	-	7,780,671	-	-	7,780,671
Vested Employee Benefits - Due within one year	284,464	818,779	-	-	1,103,243
Vested Employee Benefits - Due in more than one year	57,626	-	-	-	57,626
Installment Loan Payable - Due within one year	-	1,409,987	-	-	1,409,987
Installment Loan Payable - Due in more than one year	-	1,443,846	-	-	1,443,846
Bonds Payable - Due within one year	-	-	173,009	-	173,009
Bonds Payable - Due in more than one year	-	-	1,672,480	-	1,672,480
TOTAL LIABILITIES	1,086,633	13,145,145	2,455,949	30,015	16,717,742
DEFERRED INFLOWS OF RESOURCES:					
Taxes Levied for Subsequent Period	-	4,900,000	-	-	4,900,000
Pension Related Items	26,061	594,323	-	-	620,384
OPEB Related Items	-	70,228	-	-	70,228
TOTAL DEFERRED INFLOWS OF RESOURCES	26,061	5,564,551	-	-	5,590,612
NET POSITION:					
Net Investment in Capital Assets	62,798,682	14,914,705	3,129,350	1,457,317	82,300,054
Restricted for Other Purposes	2,943,514	-	-	-	2,943,514
Unrestricted	13,955,634	18,057,111	6,927,530	164,926	39,105,201
TOTAL NET POSITION	\$ 79,697,830	\$ 32,971,816	\$ 10,056,880	\$ 1,622,243	\$ 124,348,769

**Statement of Activities
Component Units
For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position					Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Medical Care Facility	Drainage District	County Airport	
Road Commission:									
Public Works	\$ 12,544,949	\$ 2,475,552	\$ 8,885,483	\$ 6,571,794	\$ 5,387,880	\$ -	\$ -	\$ -	\$ 5,387,880
Medical Care Facility:									
Health and Welfare	29,031,748	26,464,224	941,746	-	-	(1,625,778)	-	-	(1,625,778)
Drainage District:									
Public Works	1,556,932	864,801	-	-	-	(692,131)	-	-	(692,131)
County Airport:									
Public Works	434,235	326,652	72,715	-	-	-	-	(34,868)	(34,868)
Total Component Unit	<u>\$ 43,567,864</u>	<u>\$ 30,131,229</u>	<u>\$ 9,899,944</u>	<u>\$ 6,571,794</u>	<u>5,387,880</u>	<u>(1,625,778)</u>	<u>(692,131)</u>	<u>(34,868)</u>	<u>3,035,103</u>
General Revenues:									
Taxes					-	4,547,519	-	-	4,547,519
Investment Earnings					294,516	322,599	-	-	617,115
Interest Expense					-	(84,729)	-	-	(84,729)
Other					352,761	-	-	-	352,761
Total General Revenues					<u>647,277</u>	<u>4,785,389</u>	<u>-</u>	<u>-</u>	<u>5,432,666</u>
Change in Net Position					6,035,157	3,159,611	(692,131)	(34,868)	8,467,769
Net Position - Beginning , as Restated (see Note 13)					<u>73,662,673</u>	<u>29,812,205</u>	<u>10,749,011</u>	<u>1,657,111</u>	<u>115,881,000</u>
Net Position - Ending					<u>\$ 79,697,830</u>	<u>\$ 32,971,816</u>	<u>\$ 10,056,880</u>	<u>\$ 1,622,243</u>	<u>\$ 124,348,769</u>

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Shiawassee County, Michigan (the “County”) was incorporated in 1822 and covers an area of 541 square miles with the County seat located in the City of Corunna. The County operates under an elected board of commissioners and provides services to its approximately 70,000 residents in many areas including law enforcement, administration or 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 applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County’s 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 two blended component units, the Building Authority and the Economic Development Corporation. These component units provide services primarily to benefit the County. The blended units are described as follows:

The **Building Authority** (the “Authority”) was established to finance and construct the County's public buildings. The Shiawassee County Building Authority currently does not have any active projects in the County.

The **Economic Development Corporation** (the “EDC”) was established to provide community and economic development services. The EDC administered a significant amount of economic development grant money that was received by the County in the past. Currently the EDC does not have any active projects in the County.

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:

The **Shiawassee 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 three-member Board of County Road Commissioners elected by Shiawassee County voters. A copy of the Road Commission’s separately issued audited financial statements can be obtained at its administrative offices.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The **Shiawassee County Medical Care Facility (Pleasant View)** – The Medical Care Facility is governed by the Shiawassee 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. The Medical Care Facility issues separate audited financial statements.

The **Shiawassee County Drainage Districts** – The Drainage Districts come under the jurisdiction of the Shiawassee County Drain Commissioner. This includes planning, developing, and maintaining surface water drainage systems. A complete file of finance, construction, and maintenance is maintained for each of the drains. The Drain Commissioner has authority to spend up to \$5,000 per mile on drain maintenance and may borrow up to \$300,000 from any source to provide for maintenance of a drain without Board of Commissioner approval and without going through the Municipal Finance Division, State of Michigan. The Drain Commissioner has authority to levy special assessments on properties benefiting from maintenance. The Drainage Districts are financially accountable to and fiscally dependent on the County because bond issuances greater than \$300,000 require County authorization and are backed by the full faith and credit of the County. The Drainage Districts do not issue separate audited financial statements.

Shiawassee County Airport – The County, along with the cities of Owosso and Corunna and Owosso and Caledonia townships have entered into an agreement which created the Shiawassee Airport Board. The Airport Board is composed of one member from each of the member municipalities. The Airport is expected to be self-sufficient but based on a “10 Year Funding Model” approved by the Board each participating municipality shall make a direct appropriation to cover operations and development costs. The percentage share for the funding model for each municipality is Shiawassee County and the City of Owosso 33%, Owosso and Caledonia townships 13%, and the City of Corunna 8%.

The financial activities of the Airport Board are reported in the County’s audited financial statements as a discretely presented component unit due to the County being responsible for the receipt and disbursement of the Board’s funds. This relationship makes the Board fiscally dependent on the County. The Airport does not issue separate audited financial statements.

Joint Governed Organizations

Genesee-Lapeer-Shiawassee Planning Commission – The County, in conjunction with Lapeer and Genesee counties, has entered into an agreement which created the Genesee-Lapeer-Shiawassee Planning Commission. This organization’s Board is composed of 16 members, of which one is appointed by the County. The County has no ongoing financial responsibility.

Genesee-Shiawassee Workforce Development Board – The County, in conjunction with two other municipalities, has entered into an agreement which created the Genesee-Shiawassee Workforce Development Board. This organization’s Board is composed of 35 members, of which five are appointed by The County. The County has no ongoing financial responsibility other than the potential liability related to inappropriate use of funds.

Valley Area Agency on Aging – The County, in conjunction with the counties of Lapeer and Genesee and the City of Flint, which administers grant revenue for the Shiawassee Council on Aging, created the Valley Area Agency on Aging. The Board is composed of 21 members of which five are appointed by the County. The County has no ongoing financial responsibility. The Organization provides comprehensive services to senior citizens residing in the member counties.

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

The **Shiawassee County Community Mental Health Authority** operates under the provisions of PA 258 of 1974, as amended. The Authority provides funding for services in the area of mental illness, development disabilities, and other related mental health needs for the residents of the County of Shiawassee. For the year ended December 31, 2024, the County's contribution to Mental Health Services was \$200,000. In a prior year, the County issued bonds on behalf of the Mental Health Authority. These bonds are general obligation limited tax bonds of the County but there is a contractual agreement between the Authority and the County obligating the Authority to pay the County the amounts of the annual bond principal and interest obligations as they come due until the bonds are paid off.

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 governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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 cannot be said to have a measurement focus. They do, however, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 financial resources of the County, except those required to be accounted for in another fund.

The *Central Dispatch Fund* is used for funds received to operate Central Dispatch services to County citizens.

The *Health Department Fund* is used to report activities related to various personal and environmental health services provided to County residents. These activities are financed primarily by Federal and State grants, user charges, and other local revenues restricted to use on health and welfare related activities.

The *ARPA Fund* is used for funds received from the American Rescue Plan Act.

The *Pension Bonds Debt Service Fund* is used to issue bonds for the purpose of funding unfunded pension liability.

The *Medical Care Facility Debt Service Fund* is used to account for the restricted financial resources related to the repayment of general obligation bonds issued by the County on behalf of the Medical Care Facility.

The *Mental Health Debt Service Fund* is used to account for the restricted financial resources related to the repayment of general obligation bonds issued by the County on behalf of the Mental Health Authority.

The County reports the following major proprietary funds:

The *Delinquent Tax Revolving Fund* accounts for money advanced by the County to other local taxing units and various county funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties, and interest.

Additionally, the County reports the following fund types:

Custodial funds account for resources held in a trustee or agent capacity for the benefit of other governments or individuals.

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.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 self-insurance services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 Net Position/Fund Balance***Cash & Equivalents***

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 (generally certificate of deposits) 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 is utilized by the general fund and most of the special revenue funds, capital project funds, debt service fund, enterprise funds, agency 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.

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."

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

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

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

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.

Inventory and Prepaid Items

Inventories consist of food and office supplies in the primary government, road materials and equipment parts in the Road Commission and fuel for the Airport component units. Inventories 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 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 prepaids 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.

Leases Receivable

The County has entered into contracts with the Shiawassee County Medical Care Facility component unit and the Shiawassee County Community Mental Health Authority for the purposes of constructing and/or improving buildings and the financing of the same through the issuance of bonds. The agreements specify that the County enter into lease agreements for the buildings with the other entities. The County in turn leases the building to the ultimate user and that lease is at a rate sufficient to retire the bonds and pay all other necessary and proper expenses of the project. The future minimum lease payments to be received under each lease agreement are equal to the outstanding principal and interest on the bond issue. Once all the bonds have been retired, the County shall convey to the medical care facility and mental health authority all of its rights, title, and interest in the project.

The aggregate future lease payments necessary for retirement of outstanding bond principal have been recorded as a lease receivable. Unavailable revenue is shown on the balance sheet in the same amount as the lease receivable as revenue is not recognized until lease payments are received. There is no provision for any contingent rentals in the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets include land, buildings and improvements, equipment, vehicles, drain infrastructure, and other assets and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more (\$50,000 for drain infrastructure) and an estimated useful life of more than two years. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the date of donation.

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

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

Building and Improvements	30 to 50 years
Land Improvements	15 to 20 years
Equipment and Furniture	3 to 10 years
Vehicles	3 to 5 years
Drain Infrastructure	60 years

Pensions

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

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.

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.

Fund Balance Classification

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

- **Nonspendable**: This classification includes amounts that cannot be spent because they are either (a) not spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories and Prepaid items as being Nonspendable as these items are not expected to be converted to cash within the next year.
- **Restricted**: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed**: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County. These amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The County has committed capital project monies.
- **Assigned**: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Unearned revenue

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

Interfund Transfers

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

Use of Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

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

- Annually, after receiving input from the individual departments, the Board of Commissioners prepares a proposed operating budget for the fiscal period commencing January 1st and lapses on December 31st. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to January 1st, the budget is legally enacted through a resolution passed by the Board of Commissioners.
- Budgetary control is exercised at the department or activity level of the General Fund and fund level for Special Revenue Funds. Any revisions that alter the total expenditures of any department or fund (i.e., budget amendments) require approval by the Board of Commissioners. Such amendments are made in accordance with the procedures prescribed under Public Act 621 of 1978.
- The budget and approved appropriations lapse at the end of the fiscal year.

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

f. The County does not record encumbrances in the accounting records during the year as normal practice and, therefore, no outstanding encumbrances exist at year end.

Budgeted amounts are as originally adopted or amended by the Board of Commissioners during the year. Individual amendments were material in relation to the original appropriations which were amended. The modified accrual basis of accounting is used for budgetary purposes.

The General Fund revenue budget was adopted on the basis of activities or programs financed by the General Fund.

Michigan Public Act 621 of 1978 requires that budgets be adopted for Governmental Funds. U.S. generally accepted accounting principles require that the financial statements present budgetary comparisons for the Governmental Fund Types for which budgets were legally adopted. The original budget adopted for the General fund was modified throughout the year through various budget amendments.

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

NOTE 3 - CASH AND INVESTMENTS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Cash and Investments	\$ 12,189,274	\$ 8,759,421	\$ 20,948,695	\$ 1,818,953	\$ 25,962,829
			<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Bank Deposits (checking and savings accounts, money markets, & certificates of deposit)		\$ 13,846,431	\$ 1,818,953	\$ 19,431,561	
Petty Cash and Cash on Hand		22,419	-	-	550
Investments		<u>7,079,845</u>	<u>-</u>	<u>-</u>	<u>6,530,718</u>
Total		<u>\$ 20,948,695</u>	<u>\$ 1,818,953</u>	<u>\$ 25,962,829</u>	

	<u>Fair Value</u>	<u>Years to Maturity</u>			<u>S&P Ratings</u>
		<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	
Investments:					
MI CLASS**	\$ 13,610,563	\$ 13,610,563	\$ -	\$ -	AAAm
Total	<u>\$ 13,610,563</u>	<u>\$ 13,610,563</u>	<u>\$ -</u>	<u>\$ -</u>	

NOTE 3 - CASH AND INVESTMENTS (Continued)

Credit risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County's investments all meet State statutes.

Interest rate risk. The County has not adopted a policy that indicates how the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Custodial deposit credit risk. Custodial deposit credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for custodial deposit credit risk. As of year-end, \$23,297,657 of the County's bank balance of \$24,504,711 was exposed to credit risk because it was uninsured and uncollateralized.

In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Custodial credit risk. The County has not adopted a policy that indicates how the County will minimize custodial credit risk, which 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 of collateral securities that are in possession of an outside party.

Custodial investment credit risk. For 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 securities that are in the possession of an outside party. None of the County's investments are in the name of the County. Credit quality ratings of public money funds were not available from the financial institutions or are unrated.

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

**Michigan CLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in Michigan Class is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements required judgment and considers factors specific to each asset or liability.

NOTE 3 - CASH, EQUIVALENTS AND INVESTMENTS (Continued)

Statutory Authority:

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

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

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2); certificates of deposit obtained through a financial institution as provided in subsection (5); or deposit accounts of a financial institution as provided in subsection (6).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers’ acceptances of United States banks.
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- g. Mutual funds registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 - (i) The purchase of securities on a when-issued or delayed delivery basis.
 - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - (iii) The limited ability to borrow and pledge a like portion of the portfolio’s assets for temporary or emergency purposes.
- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- i. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
- j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

NOTE 4 - 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 Summer 2024 ad valorem taxes were levied and collectible on 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. As a result, the County’s summer 2024 tax levy for general operating purposes has been recognized as revenue in the current fiscal year in the general fund. The 2024 adjusted taxable value of Shiawassee County amounted to approximately \$2,544,727,252 on which ad valorem taxes levied for County general operating purposes consisted of 5.3840 mills. The 2023 tax levy was recognized as revenue in the special revenue funds and component units. The 2023 adjusted taxable value of Shiawassee County amounted to approximately \$2,356,910,608 on which the Veterans Relief Fund levied 0.1000 mills, the Veteran Services Fund levied 0.1956 mills, the MSU Extension Fund levied 0.0760 mills, the Senior services Fund levied 0.5000 mills, and the Medical Care Facility levied 1.9679 mills.

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2024. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving Fund. This activity is accounted for in the Delinquent Tax Revolving enterprise fund.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the primary government for the current year was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 668,840	\$ -	\$ -	\$ 668,840
Construction in Progress	<u>366,772</u>	<u>-</u>	<u>(165,518)</u>	<u>201,254</u>
Subtotal	<u>1,035,612</u>	<u>-</u>	<u>(165,518)</u>	<u>870,094</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	19,507,373	709,294	-	20,216,667
Land Improvements	156,732	204,330	-	361,062
Equipment	6,157,786	152,618	-	6,310,404
Vehicles	<u>1,522,410</u>	<u>140,526</u>	<u>-</u>	<u>1,662,936</u>
Subtotal	<u>27,344,301</u>	<u>1,206,768</u>	<u>-</u>	<u>28,551,069</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Improvements	(5,167,229)	(701,130)	-	(5,868,359)
Land Improvements	(124,904)	(11,619)	-	(136,523)
Equipment	(4,811,611)	(193,704)	-	(5,005,315)
Vehicles	<u>(1,030,618)</u>	<u>(197,271)</u>	<u>-</u>	<u>(1,227,889)</u>
Subtotal	<u>(11,134,362)</u>	<u>(1,103,724)</u>	<u>-</u>	<u>(12,238,086)</u>
Net Capital Assets Being Depreciated	<u>16,209,939</u>	<u>103,044</u>	<u>-</u>	<u>16,312,983</u>
Capital Assets, Net	<u>\$ 17,245,551</u>	<u>\$ 103,044</u>	<u>\$ (165,518)</u>	<u>\$ 17,183,077</u>

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General Government	345,361
Judicial	\$ 358,596
Public Safety	375,705
Health and Welfare	20,242
Recreation and Culture	<u>3,820</u>
Total Depreciation – Governmental Activities	<u>\$ 1,103,724</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Ending Balances</u>
Business-type Activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 31,023	\$ -	\$ -	\$ 31,023
<i>Less accumulated depreciation for:</i>				
Equipment	<u>(31,023)</u>	<u>-</u>	<u>-</u>	<u>(31,023)</u>
Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Business-type Activities:	
Jail Commissary	<u>\$ -</u>

Capital asset activity for the Medical Care Facility for the current year was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Ending Balances</u>
Medical Care Facility:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,000,919	\$ 945,655	\$ -	\$ 1,946,574
Construction in Progress	<u>5,000</u>	<u>140,647</u>	<u>(5,000)</u>	<u>140,647</u>
Subtotal	<u>1,005,919</u>	<u>1,086,302</u>	<u>(5,000)</u>	<u>2,087,221</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	1,659,975	-	-	1,659,975
Buildings and Improvements	23,587,477	-	-	23,587,477
Equipment and Furniture	<u>3,616,179</u>	<u>387,218</u>	<u>-</u>	<u>4,003,397</u>
Subtotal	<u>28,863,631</u>	<u>387,218</u>	<u>-</u>	<u>29,250,849</u>
<i>Less accumulated depreciation</i>	<u>(11,769,508)</u>	<u>(1,800,024)</u>	<u>-</u>	<u>(13,569,532)</u>
Net Capital Assets Being Depreciated	<u>17,094,123</u>	<u>(1,412,806)</u>	<u>0</u>	<u>15,681,317</u>
Capital Assets, Net	<u>\$ 18,100,042</u>	<u>\$ (326,504)</u>	<u>\$ (5,000)</u>	<u>\$ 17,768,538</u>

Depreciation expense was charged to the Medical Care Facility in the amount of \$1,800,024.

NOTE 5 - CAPITAL ASSETS (Continued)

A summary of changes in the Drainage Districts capital assets are as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Ending Balances</u>
Drainage Districts:				
<i>Capital assets not being depreciated:</i>				
Construction in Progress	\$ 265,000	\$ -	\$ -	\$ 265,000
<i>Capital assets being depreciated:</i>				
Infrastructure - drains	11,577,808	-	-	11,577,808
<i>Less accumulated depreciation for:</i>				
Infrastructure - drains	(6,371,751)	(231,218)	-	(6,602,969)
Net Capital Assets Being Depreciated	5,206,057	(231,218)	-	4,974,839
Capital Assets, Net	<u>\$ 5,471,057</u>	<u>\$ (231,218)</u>	<u>\$ -</u>	<u>\$ 5,239,839</u>

Depreciation expense was charged to Drainage Districts in the amount of \$231,218.

Capital asset activity for the County Airport for the current year was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Ending Balances</u>
County Airport:				
<i>Capital assets being depreciated:</i>				
Land Improvements	\$ 2,464,695	\$ -	\$ -	\$ 2,464,695
Buildings and Improvements	102,619	-	-	102,619
Equipment	126,358	-	-	126,358
Vehicles	63,764	-	-	63,764
Subtotal	<u>2,757,436</u>	<u>-</u>	<u>-</u>	<u>2,757,436</u>
<i>Less accumulated depreciation for:</i>				
Land Improvements	(1,032,893)	(60,618)	-	(1,093,511)
Buildings and Improvements	(74,720)	(2,291)	-	(77,011)
Equipment	(63,961)	(1,872)	-	(65,833)
Vehicles	(63,764)	-	-	(63,764)
Subtotal	<u>(1,235,338)</u>	<u>(64,781)</u>	<u>-</u>	<u>(1,300,119)</u>
Capital Assets, Net	<u>\$ 1,522,098</u>	<u>\$ (64,781)</u>	<u>\$ -</u>	<u>\$ 1,457,317</u>

Depreciation expense was charged to the County Airport in the amount of \$64,781.

NOTE 5 - CAPITAL ASSETS (Continued)

A summary of changes in the Road Commission’s capital assets are as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Ending Balances</u>
<i>Capital assets not being depreciated:</i>				
Land and Improvements	\$ 227,645	\$ -	\$ -	\$ 227,645
Construction in Progress	<u>3,733,567</u>	<u>650,700</u>	<u>(54,434)</u>	<u>4,329,833</u>
Subtotal	<u>3,961,212</u>	<u>650,700</u>	<u>(54,434)</u>	<u>4,557,478</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	3,653,767	146,241	(12,136)	3,787,872
Land Improvements	427,722	-	-	427,722
Road Equipment	12,316,527	915,347	(66,223)	13,165,651
Shop Equipment	274,464	-	-	274,464
Sign Shop	10,505	-	-	10,505
Office Equipment	226,420	6,028	-	232,448
Engineers’ Equipment	69,954	-	-	69,954
Infrastructure – Roads	64,377,999	5,492,651	(2,678,409)	67,192,241
Infrastructure – Bridges	27,301,797	1,079,143	-	28,380,940
Infrastructure – Traffic Signals	<u>5,186</u>	<u>-</u>	<u>-</u>	<u>5,186</u>
Subtotal	<u>108,664,341</u>	<u>7,639,410</u>	<u>(2,756,768)</u>	<u>113,546,983</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(2,932,885)	(140,505)	12,136	(3,061,254)
Land Improvements	(342,178)	(42,772)	-	(384,950)
Road Equipment	(9,830,978)	(777,051)	66,223	(10,541,806)
Shop Equipment	(176,836)	(18,368)	-	(195,204)
Sign Shop	(10,505)	-	-	(10,505)
Office Equipment	(187,492)	(9,912)	-	(197,404)
Engineers’ Equipment	(64,805)	(1,307)	-	(66,112)
Infrastructure – Roads	(27,800,577)	(3,736,116)	2,678,409	(28,858,284)
Infrastructure – Bridges	(11,420,566)	(567,619)	-	(11,988,185)
Infrastructure – Traffic Signals	<u>(1,729)</u>	<u>(346)</u>	<u>-</u>	<u>(2,075)</u>
Subtotal	<u>(52,768,551)</u>	<u>(5,293,996)</u>	<u>2,756,768</u>	<u>(55,305,779)</u>
Net Capital Assets Being Depreciated	<u>55,895,790</u>	<u>2,345,414</u>	<u>-</u>	<u>58,241,204</u>
Capital Assets - Net	<u>\$ 59,857,002</u>	<u>\$ 2,996,114</u>	<u>\$ (54,434)</u>	<u>\$ 62,798,682</u>

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

Total Depreciation Expense – Public Works	<u>\$ 5,293,996</u>
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NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS			
	ARPA	Mental Health Debt	Nonmajor Governmental	Total
General Fund	\$ 83,877	\$ 6,753	\$ 817,227	\$ 907,857

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

TRANSFERS IN	TRANSFERS OUT				
	General	ARPA	Nonmajor Governmental	Delinquent Tax Revolving	Total
General Fund	\$ -	\$ 396,877	\$ 199,360	\$ 1,212,000	\$ 1,808,237
Health Department	217,000	-	-	-	217,000
Nonmajor Governmental	872,929	-	19,519	-	892,448
Total	\$ 1,089,929	\$ 396,877	\$ 218,879	\$ 1,212,000	\$ 2,917,685

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

NOTE 7 - LONG-TERM DEBT

Primary Government

General obligation and revenue bonds and notes are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation and revenue bonds and notes currently outstanding are as follows:

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
\$600,000 Health Department installment Purchase agreement, dated 12/03/18, due in Annual principal and interest payments ranging From \$71,214 to 74,750, including interest Charged at 4.07% through October 11, 2028.	\$ 328,000	\$ -	\$ 60,000	\$ 268,000	\$ 63,000
\$13,000,000 Capital Improvement Bonds, dated 12/15/16, due in monthly installments of \$121,902 through December 15, 2026 including interest charged at 2.39%.	4,230,765	-	1,376,721	2,854,044	1,409,987
\$2,240,000 Limited Tax General Obligation Refunding Bonds, Series 2021A, due in annual installments ranging from \$105,000 to \$225,000 through October 1, 2032, interest at 1.58%.	1,790,000	-	235,000	1,555,000	235,000
\$710,000 Limited Tax General Obligation Refunding Bonds, Series 2021B, due in annual installments ranging from \$35,000 to \$60,000 through October 1, 2032, interest at 2.24%.	585,000	-	65,000	520,000	65,000
\$36,880,000 Limited Tax General Obligation Bonds, Series 2022, due in semi-annual installments through October 1, 2038, including interest from 2.80% to 5.22%.	<u>34,210,000</u>	<u>-</u>	<u>1,720,000</u>	<u>32,490,000</u>	<u>1,775,000</u>
Subtotal	<u>41,143,765</u>	<u>-</u>	<u>3,456,721</u>	<u>37,687,044</u>	<u>3,547,987</u>
Vested Employee Benefits	<u>1,461,382</u>	<u>89,836</u>	<u>-</u>	<u>1,551,218</u>	<u>-</u>
Total Long-Term Debt – Governmental Activities	<u>\$ 42,605,147</u>	<u>\$ 89,836</u>	<u>\$ 3,456,721</u>	<u>\$ 39,238,262</u>	<u>\$ 3,547,987</u>

NOTE 7 - LONG-TERM DEBT (Continued)

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

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,547,987	\$ 1,561,456
2026	3,650,057	1,458,786
2027	2,288,000	1,366,581
2028	2,291,000	1,288,566
2029	2,295,000	1,205,812
2030-2034	12,210,000	4,634,159
2035-2038	<u>11,405,000</u>	<u>1,511,727</u>
Total	<u>\$ 37,687,044</u>	<u>\$ 13,027,087</u>

Component Units

The long-term debt and other long-term obligations of the County’s component units, and the changes therein, are summarized as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Medical Care Facility Component Unit:					
\$13,000,000 Loan payable, due to Shiawassee County, dated 12/15/16, due in monthly installments of \$121,902 through December 15, 2026, including interest Charged at 2.39%.	\$ 4,230,554	\$ -	\$ 1,376,721	\$ 2,853,833	\$ 1,409,987
Compensated Absences	<u>755,294</u>	<u>753,004</u>	<u>689,519</u>	<u>818,779</u>	<u>818,779</u>
Total Long-Term Debt - MCF	<u>\$ 4,985,848</u>	<u>\$ 753,004</u>	<u>\$ 2,066,240</u>	<u>\$ 3,672,612</u>	<u>\$ 2,228,766</u>

Annual debt service requirements to maturity for the loan payable for the Medical Care Facility is as follows:

<u>Year End December 31</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,409,987	\$ 52,832
2026	<u>1,443,846</u>	<u>18,763</u>
Total	<u>\$ 2,853,833</u>	<u>\$ 71,595</u>

NOTE 7 - LONG-TERM DEBT (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Drainage District Component Unit:					
\$2,243,656 Misteguay Creek Intercounty Drain Bonds, Series 2019, dated 09/24/19, due in annual installments ranging from \$230,000 to \$375,000 through June 1, 2039, with interest ranging from 2.0% to 3.0%, payable semi-annually.	\$ 1,793,468	\$ -	\$ 116,428	\$ 1,677,040	\$ 116,428
\$850,000 Byron Water Project Bonds, dated 01/06/06, due in annual installments ranging from \$39,470 to \$50,000 through October 1, 2026, with interest of 2.125%, payable semi-annually.	139,470	-	50,000	89,470	50,000
\$98,722 Case #2 Drain Drainage District, 2021 Drain Note, dated 08/26/2021, due the 1 st day of June annually in the amount of \$6,581 through 2036, with interest of 1.79%	<u>85,560</u>	<u>-</u>	<u>6,581</u>	<u>78,979</u>	<u>6,581</u>
Total Long-Term Debt – Drainage District	<u>\$ 2,018,498</u>	<u>\$ -</u>	<u>\$ 173,009</u>	<u>\$ 1,845,489</u>	<u>\$ 173,009</u>

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

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 173,009	\$ 41,489
2026	162,479	37,980
2027	123,009	34,695
2028	123,009	32,248
2029	123,009	29,802
2030-2034	615,742	107,491
2035-2039	<u>525,232</u>	<u>37,348</u>
Total	<u>\$ 1,845,489</u>	<u>\$ 321,053</u>

NOTE 7 - LONG-TERM DEBT (Continued)

Road Commission Component Unit:

Vested Employee Benefits – Vacation and Sick Leave

In accordance with Road Commission personnel policies and/or contracts negotiated with various employee groups of the Road Commission, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts.

Accumulated vacation and sick leave and related payroll taxes represents a liability to the Road Commission, which is presented as current liability in the current year because management estimates that usage in any given year will be the same percentage as the usage of the outstanding balance from the previous year.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Vested Employee Benefits	\$ 312,902	\$ 29,188	\$ -	\$ 342,090	\$ 284,464

NOTE 8 - DEFINED CONTRIBUTION PENSION PLAN

PRIMARY GOVERNMENT

Plan Description. Effective January 1, 2021, The Primary Government created a defined contribution pension plan (the “Plan”) administered by Ameritas Blue Star Retirement Services, LLC. (Blue Star). All employees hired on or after January 1, 2021 are required to participate in the defined contribution plan. The County Board of Commissioners has the authority to make changes to the plan. The Primary Government will contribute on behalf of each participant 3% of earnings each payroll period. Participants are required to contribute 3% - 7%+ of their earnings each payroll period. Employees are fully vested after 3 years.

Primary Government contributions to the Plan for the year ended December 31, 2024, amounted to \$308,720.66. The number of active participants as of December 31, 2024, was 74. A stand-alone pension plan report has not been issued for the defined contribution plan.

MEDICAL CARE FACILITY – COMPONENT UNIT

Plan Description. Effective January 1, 2019, the Medical Care Facility created a defined contribution pension plan (the “Plan”) administered by the Michigan Municipal Employee's Retirement System (MERS). All employees hired on or after January 1, 2019, are required to participate in the defined contribution plan. The Medical Care Facility Board has the authority to make changes to the plan. The Medical Care Facility will contribute on behalf of each participant 3% of earnings each payroll period. Participants are required to contribute 1%-10+% of their earnings each payroll period. Employees are fully vested after 3 years.

Facility contributions to the Plan, for the year ended December 31, 2024, amounted to \$142,936. The number of active participants as of December 31, 2024, was 106. A stand-alone pension plan report has not been issued for the defined contribution plan.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

PRIMARY GOVERNMENT

Plan Description. The County participates in the Michigan Municipal Employees' Retirement System (MERS) which is an agent multiple-employer public employee retirement system that is administered by the Retirement Board of MERS. 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. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits Provided. The charts below summarize the County’s benefit provisions for its covered groups.

01 – AFSCME Unit: Closed to new hires	
	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Employee Contributions	1.00%
Act 88:	Yes (Adopted 6/12/1973)

10 – Empl/Trning: Closed to new hires	
	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	2.50% (Non-Compound)
Employee Contributions	0.00%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

11 – Elected officials prior 5/98: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2014
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

12 – Non Represented prior 5/95: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2014
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

13 – Probate Court prior 6/95: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.25% Multiplier (80% max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Employee Contributions	4.00%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

15 – Circuit Court prior 4/95: Closed to new hires, linked to Division 80

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	1/31/2016
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

16 – Hlth Clerical: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier paid to Social Security Age, 1.70% Multiplier paid after Social Security Age (no max) Frozen FAC; 1.50% Multiplier (80% max)
Bridged Benefit Date:	6/30/2016
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

17 – Hlth Nurses: Open Division

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier paid to Social Security Age, 1.70% Multiplier paid after Social Security Age (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

18 – NonRep Elec Officials af 5/95: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2014
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

19 – Tmstr NonSup pr 9/96-non 911/Sh: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	0.00%
Act 88:	Yes (Adopted 6/12/1973)

20 – Tmstr NonSup af 9/96-non 911/Shf: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	2.50%%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

21 – Teamsters – Com Unit prior 9/96: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	2.96%
RS50% Percentage:	50%
Act 88:	Yes (Adopted 6/12/1973)

22 – Teamsters – Com Unit aft 9/96: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	3.27%
RS50% Percentage:	50%
Act 88:	Yes (Adopted 6/12/1973)

23 – New Hires div 20 aft 11/09: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (85% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

24 – New Hires div 22: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
Employee Contributions	5.00%
RS50% Percentage:	50%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

26 – POLC before 2009: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	2.50%
Act 88:	Yes (Adopted 6/12/1973)
27 – POLC aft 2009: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (802% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)
28 – 911 Disp prior 11/2009: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (802% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	2.50%
Act 88:	Yes (Adopted 6/12/1973)
29 – 911 Command: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retires	2.50% (Non-Compound)
Employee Contributions	3.27%
RS50% Percentage:	50%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

30 – 911 Disp aft 11/2009: Closed to new hires

	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (802% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retirees	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

80 – Circ Crt 4/96: Closed to new hires

	2023 Valuation
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	1/31/2016
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
COLA for Future Retirees	2.50% (Non-Compound)
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

81 – Probate af 6/95: Closed to new hires

	2023 Valuation
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Employee Contributions	4.00%
DC Plan for New Hires:	1/1/2021
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

82 – Probate court Assoc aft 1/1/09: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Employee Contributions	4.00%
Act 88:	Yes (Adopted 6/12/1973)

90 – AFSCME aft 1/1/09: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2015
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Employee Contributions	1.00%
Act 88:	Yes (Adopted 6/12/1973)

91 – Non-Rep Elec Offic aft 10/1/11: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	Bridged Benefit: 2.00% Multiplier (no max) Frozen FAC; 1.50% Multiplier (no max)
Bridged Benefit Date:	12/31/2014
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

HA – 25 POLC aft 3/1/17: Closed to new hires	
	<u>2023 Valuation</u>
Benefit Multiplier:	1.50% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0.00%
Act 88:	Yes (Adopted 6/12/1973)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	274
Inactive employees entitled to but not yet receiving benefits	187
Active employees	<u>127</u>
	588

Funding Policy

The plan provides that the employer contributes 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.

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 December 31, 2023, employer contributions ranged from 0% to 68.37% of annual payroll depending on division/bargaining unit. In addition, the employer may establish contribution rates to be paid by its covered employees. For the year ended December 31, 2023, members were required to contribute 1% to 5% of their annual salary, depending on the division.

Actuarial Assumptions

The total pension liability in the December 31, 2023, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.5%
- Salary Increases: 3.00% in the long-term
- Investment rate of return: 7.00%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of January 1, 2014 through December 31, 2018.

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

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

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

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2022	\$ 88,102,986	\$ 78,354,643	\$ 9,748,343
Service cost	787,807	-	787,807
Interest on total pension liability	6,207,844	-	6,207,844
Changes in benefits	(6,358)	-	(6,358)
Difference between expected and actual experience	62,723	-	62,723
Changes in assumptions	645,839	-	645,839
Employer contributions	-	1,268,781	(1,268,781)
Employee contributions	-	324,716	(324,716)
Net investment income	-	8,786,489	(8,786,489)
Benefit payments, including employee refunds	(5,742,899)	(5,742,899)	-
Administrative expense	-	(181,027)	181,027
Other charges	4	-	4
Net changes	1,954,960	4,456,060	(2,501,100)
Balances as of December 31, 2023	\$ 90,057,946	\$ 82,810,703	\$ 7,247,243

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 17,413,224	\$ 7,247,243	\$ (1,276,669)

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

For the year ended December 31, 2023 the County recognized pension expense of \$3,268,264. The County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 31,361	\$ -
Differences in assumptions	322,919	-
Excess (deficit) investment returns	1,947,771	-
Contributions subsequent to measurement date*	910,366	-
Total	\$ 3,212,417	\$ -

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2024.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

<u>Year Ended December 31:</u>	
2025	745,808
2026	793,918
2027	1,414,875
2028	<u>(652,550)</u>
	<u>\$ 2,302,051</u>

COMPONENT UNIT – SHIAWASSEE COUNTY MEDICAL CARE FACILITY

Plan Description. The Facility participates in the Michigan Municipal Employees’ Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the Facility. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits Provided. Benefits provided for each division of the Facility included in the Plan are as follows.

04 – MCF: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	2.50% (Non-Compound)
Employee Contributions	5.00%
DC Plan for New Hires	1/1/2019
Act 88:	Yes (Adopted 6/12/1973)
40 – MCF Dpt Hds: Closed to new hires	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	2.50% (Non-Compound)
Employee Contributions	5.00%
DC Plan for New Hires	1/1/2019
Act 88:	Yes (Adopted 6/12/1973)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

41 – Part Time: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.00% Multiplier paid to Social Security Age, 1.70% Multiplier paid after Social Security Age (no max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
DC Plan for New Hires	1/1/2019
Act 88:	Yes (Adopted 6/12/1973)

42 – AFSCME 5/96: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.00% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions	5.00%
DC Plan for New Hires	1/1/2019
Act 88:	Yes (Adopted 6/12/1973)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	177
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>112</u>
	333

Contributions

The Facility is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Facility has established contribution rates to be paid by its covered employees. Those rates are disclosed by the divisions above. Facility contributions were \$1,189,316 for the year ended December 31, 2024.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Net pension liability

The Facility’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date for fiscal year ended December 31, 2024. The Facility’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date for fiscal year ended December 31, 2023.

Actuarial Assumptions

The total pension liability in the December 31, 2023, annual actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates were based on the Pub-2010 and fully generational MP-2019 based upon the experience study dated February 14, 2020.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of the most recent actuarial experience study of February 14, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	2.70%
Global Fixed Income	20.0%	0.43%
Private Investments	20.0%	1.30%

Discount Rate. The discount rate used to measure the total pension liability is 6.93%. 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.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2023	\$ 57,148,787	\$ 46,425,154	\$ 10,723,633
Service cost	657,421	-	657,421
Interest on total pension liability	3,863,683	-	3,863,683
Difference between expected and actual experience	1,186,592	-	1,186,592
Changes in assumptions	465,789	-	465,789
Employer contributions	-	3,807,569	(3,807,569)
Employee contributions	-	331,380	(331,380)
Net investment income	-	5,070,121	(5,070,121)
Benefit payments, including employee refunds	(3,448,983)	(3,433,983)	(15,000)
Administrative expense	-	(107,623)	107,623
Net changes	<u>2,724,502</u>	<u>5,667,464</u>	<u>(2,942,962)</u>
Balances as of December 31, 2024	<u>\$ 59,873,289</u>	<u>\$ 52,092,618</u>	<u>\$ 7,780,671</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the employer, calculated using the discount rate of 6.93%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (5.93%) or 1% higher (7.293) than the current rate.

	1% Decrease (5.93%)	Current Discount Rate (6.93%)	1% Increase (7.93%)
Net Pension Liability	\$ 15,087,405	\$ 7,780,671	\$ 1,711,731

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

For the year ended December 31, 2024, the Medical Care Facility recognized pension expense of \$1,490,415. The Medical Care Facility reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 1,391,248	\$ (227,995)
Differences in assumptions	467,736	-
Excess (deficit) investment returns	2,763,905	(366,328)
Contributions subsequent to measurement date*	1,189,316	-
Total	<u>\$ 5,812,205</u>	<u>\$ (594,323)</u>

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

- * The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability in subsequent years.

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

<u>Year Ended December 31:</u>		
2025	\$	1,165,736
2026		1,416,617
2027		1,725,594
2028		<u>(279,381)</u>
Total	\$	<u>4,028,566</u>

COMPONENT UNIT – SHIAWASSEE COUNTY ROAD COMMISSION

Plan Description

The Road Commission participates in the Municipal Employees Retirement System (MERS) of Michigan, an agent multiple employer statewide public employee pension plan established by the Michigan’s Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

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

10 – Closed Division	
	2022 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	2.50% (Non-Compound)
Employee Contributions	7.00%
Act 88:	Yes

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

11 – Closed Division	
	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	2.50% (Non-Compound)
Employee Contributions	7.00%
Act 88:	Yes
13 – Closed Division	
	2023 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	8 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	-
Employee Contributions	5.00%
Act 88:	Yes
14 – Closed Division	
	2023 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Cola for Future Retirees:	-
Employee Contributions	5.00%
Act 88:	Yes

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

15 – Open Division	
	2023 Valuation
Benefit Multiplier:	1.50% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	3 years
Cola for Future Retirees:	-
Employee Contributions	5.00%
Act 88:	Yes

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Board of County Road Commissioners. Benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	13
Active employees	28
	91

Contribution Requirements

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

During the year ended December 31, 2024, the Commission’s annual contributions were \$2,148,400 based on annual payroll for open divisions.

Actuarial Assumptions

The total pension liability in the December 31, 2023 annual 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 plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.
Investment rate of return:	7.18%, net of investment expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00-4.00%.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.15%
Private Investments	20.00%	6.50%

Discount Rate. The discount rate used to measure the total pension liability is 7.18%. 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.

Net Pension Asset

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

Changes in Net Pension (Asset):

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2022	\$ 23,985,043	\$ 22,997,425	\$ 987,618
Service cost	152,968	-	152,968
Interest on total pension liability	1,685,735	-	1,685,735
Difference between expected and actual experience	(39,091)	-	(39,091)
Changes in assumptions	168,999	-	168,999
Employer contributions	-	2,148,400	(2,148,400)
Employee contributions	-	88,556	(88,556)
Net investment income (loss)	-	2,673,375	(2,673,375)
Benefit payments, including employee refunds	(1,619,988)	(1,619,988)	-
Administrative expense	-	(55,314)	55,314
Other changes	1	-	1
Net changes	348,624	3,235,029	(2,886,405)
Balances as of December 31, 2023	\$ 24,333,667	\$ 26,232,454	\$ (1,898,787)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension asset of the Road Commission, calculated using the discount rate of 7.18 percent, as well as what the Road Commission’s net pension asset would be using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate.

	<u>1% Decrease (6.18%)</u>	<u>Current Discount Rate (7.18%)</u>	<u>1% Increase (8.18%)</u>
Net Pension Asset	\$ 753,912	\$ (1,898,787)	\$ (4,122,299)

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

For the year ended December 31, 2024, the County recognized a pension expense of \$503,913. The Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 98,877	\$ 26,061
Differences in assumptions	112,666	-
Excess (deficit) investment returns	1,271,958	-
Contributions subsequent to measurement date*	<u>1,378,992</u>	<u>-</u>
Total	<u>\$ 2,862,493</u>	<u>\$ 26,061</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 Net Pension Liability for the year ending December 31, 2025.

The Amount reported as deferred outflows resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31:</u>	
2025	\$ 379,475
2026	531,252
2027	743,854
2028	(197,141)

NOTE 10- OTHER POST EMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Shiawassee County Retiree Health Care Plan and additions to/deductions from the County’s fiduciary net position have been determined on the same basis as they are reported by the Shiawassee County. 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.

Plan Description

Shiawassee County Retiree Health Care Plan is a single employer plan established and administered by *Shiawassee County* and can be amended at its discretion.

Summary of Plan Participants

The Retirement Plan membership was determined by an actuarial valuation as of December 31, 2024, and consisted of the following:

Active member	149
Retirees and beneficiaries	<u>55</u>
Total members	<u><u>204</u></u>

Contributions

The Shiawassee County Retiree Health Care Plan was established and is being funded under the authority of the County. The plan's funding policy is the employer will contribute any required amounts as determined by an annual actuarial valuation as a reference but not as a definitive requirement. Currently, benefit payments are made from general operating funds. There are no long-term contracts for contributions to the plan.

Total OPEB Liability

The Shiawassee County’s OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	2.50%
Salary increases	5.00% (for purpose of allocating liability)
Investment rate of return	6.93% (including inflation)
20-year Aa Municipal bond rate	4.28%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.16%
Private Investments	20.00%	6.50%

The sum of each target allocation times its long-term expected real rate, plus inflation, is 6.93%.

Discount Rate

The discount rate used to measure the total OPEB liability for the County was **5.24%**. The projection of cash flows used to determine the discount rate assumes that the County will make the minimum required contribution to the OPEB trust and pay retiree benefits from general operating funds, prorated on the basis of current active participants as they decrement from employment with the County. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members through 2039 – the crossover point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2024, the discount rate used to value OPEB liabilities was 4.51%.

Changes in Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at December 31, 2023	\$ 1,414,625	\$ 308,735	\$ 1,105,890
Service cost	45,697	-	45,697
Interest	63,578	-	63,578
Experience (Gains)/Losses	584,496	-	584,496
Change in actuarial assumptions	(590,534)	-	(590,534)
Contributions to OPEB trust	-	-	-
Contributions/benefit from general operating funds	-	101,240	(101,240)
Net investment income	-	23,712	(23,712)
Benefit payments	(101,240)	(101,240)	-
Administrative expense	-	(684)	684
Net changes	<u>1,997</u>	<u>23,028</u>	<u>(21,031)</u>
Balances as December 31, 2024	<u>\$ 1,416,622</u>	<u>\$ 331,763</u>	<u>\$ 1,084,859</u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the County, calculated using trend and discount rates 1% higher and lower than base assumptions:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Discount</u>			
Total OPEB Liability	\$ 1,517,746	\$ 1,416,622	\$ 1,322,514
Plan Fiduciary Net Position	331,763	331,763	331,763
Net OPEB Liability	\$ 1,185,983	\$ 1,084,859	\$ 990,751

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Trend</u>			
Total OPEB Liability	\$ 1,297,698	\$ 1,416,622	\$ 1,553,322
Plan Fiduciary Net Position	331,763	331,763	331,763
Net OPEB Liability	\$ 965,935	\$ 1,084,859	\$ 1,221,559

OPEB Expense

Below are the components of the Total OPEB Expense for fiscal year ending December 31, 2024:

Service Cost	\$ 45,697
Interest on total OPEB liability	63,578
Experience (Gains)/Losses	102,949
Changes in Plan Terms	-
Changes of Assumptions	(118,617)
Projected Earnings on OPEB Plan Investments	(21,587)
Investment Earnings (Gains)/Losses	(994)
Administrative Expenses	<u>684</u>
Total OPEB Expense	<u>\$ 71,710</u>

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2024, is \$331,763.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plan

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience (Gains)/Losses	\$ 572,146	\$ 36,697
Change in Assumptions	46,989	653,050
Investment Earnings (Gains)/Losses	8,519	-
Total	<u>\$ 627,654</u>	<u>\$ 689,747</u>

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

<u>Year Ended December 31:</u>	
2025	\$ (13,856)
2026	(10,776)
2027	(21,075)
2028	(16,694)
2029	790
Thereafter	(482)

Reconciliation of Net OPEB Liability

Net OPEB Liability December 31, 2023	<u>\$ 1,105,890</u>
Total OPEB expense	71,710
Contributions	(101,240)
Change in deferred outflows of resources	461,561
Change in deferred inflows of resources	<u>(453,062)</u>
Net OPEB Liability December 31, 2024	<u>\$ 1,084,859</u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability by Participant Status

	<u>Total OPEB Liability</u>
Active participants	\$ 1,097,629
Inactive participants	-
Retirees and beneficiaries	<u>318,993</u>
Total OPEB Liability	<u><u>\$ 1,416,622</u></u>

COMPONENT UNIT – MEDICAL CARE FACILITY

Plan Description

The Pleasant View County Medical Care Facility Retiree Health Care Plan (the Plan) is a single employer plan established and administered by the Facility and can be amended at its discretion.

Benefits Provided

The Plan provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is paid for by the retirees.

Summary of Plan Participants

As of December 31, 2024, Retirement Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	1
Active employees	<u>187</u>
Total members covered by OPEB Plan	<u><u>188</u></u>

Contributions

The Plan was established and is being funded under the authority of the Facility. The plan sponsor is considering an appropriate way to fund the plan. Until an alternative policy is adopted, the Facility will continue to fund the plan on a pay-as-you-go basis – that is, pay benefits from general operating funds. The Facility has the authority to establish and amend the obligations of the Facility and plan members to contribute to the plan. Active plan members are currently not obliged to make contributions to the plan.

Total OPEB Liability

The total OPEB liability was measured as of December 31, 2024.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions:

Inflation	Not applicable
Salary increases	3.00% (for purpose of allocating liability)
Investment rate of return	N/A – this plan is not pre-funded
20-year Aa Municipal bond rate	4.28%
Mortality	Public General 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	MP-2021

The Plan is not pre-funded, no long-term expected rate of return on Plan investments was determined as there are no Plan investments.

Discount Rate

The discount rate used to measure the total OPEB liability for fiscal year 2024 was 4.28%. Because the Plan does not have a dedicated OPEB trust, there are no assets projected to be sufficient to make projected future benefit payments of current plan members. The discount rate is reflective of the 20-year AA/Aa tax-exempt municipal bond yield. The discount rate is used to determine the total OPEB liability.

Changes in Net OPEB Liability

	<u>Liability</u>
Balances at December 31, 2023	<u>\$ 180,185</u>
Service cost	6,729
Interest on total OPEB liability	7,095
Experience differences	10,273
Changes in actuarial assumptions	(961)
Other changes	136,955
Benefit payments and refunds	<u>(35,541)</u>
Net changes	<u>124,550</u>
Balances as December 31, 2024	<u><u>\$ 304,735</u></u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Facility, as well as what the Facility's total OPEB liability would be if it were calculated using discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Discount</u>			
Total OPEB Liability	\$ 320,600	\$ 304,735	\$ 290,181

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Trend</u>			
Total OPEB Liability	\$ 286,876	\$ 304,735	\$ 325,142

OPEB Expense

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2024, the Facility recognized OPEB expense of \$110,101. The Facility reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 23,180	\$ (50,739)
Differences in assumptions	15,398	(19,489)
Total	<u>\$ 38,578</u>	<u>\$ (70,228)</u>

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

<u>Year Ended December 31:</u>	
2025	\$ (5,138)
2026	(5,138)
2027	(5,780)
2028	(11,344)
2029	(6,308)
Thereafter	<u>2,058</u>
Total	<u>\$ (31,650)</u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

COMPONENT UNIT – SHIAWASSEE COUNTY ROAD COMMISSION

Plan Description

Shiawassee County Road Commission Post-Employment Medical Plan (“the Plan”) is a single employer plan established and administered by Shiawassee County Road Commission (Employer). The Plan can be amended at the discretion of the Commission. The Commission provides hospitalization and medical coverage, as other post-employment benefits (OPEB), on a complimentary basis for all applicable employees, in accordance with the union agreements and/or personnel policies.

The Plan does not issue a separate stand-alone financial statement.

Plan Membership

Members in the plan at December 31, 2024, (the last actuarial report) is as follows:

Retirees and beneficiaries	31
Active employees	<u> -</u>
Total participants covered by OPEB Plan	<u> 31</u>

Benefits Provided

The Commission provided certain retiree health care benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personal policies. Benefits are provided to all eligible union and administrative employees.

- Employees retiring between January 1, 1975, and December 31, 1991, will receive employer paid coverage for the retiree only. Coverage will be the same as the coverage for active employees.
- Employees retiring between January 1, 1992, and December 31, 1998, will receive employer paid coverage for the retiree and his or her spouse. Spouse shall be the person the employee was married to at the time of retirement. Coverage will be the same as the coverage for active employees.
- Employees retiring on or after January 1, 1999, and who have a seniority date prior to December 31, 1998, will receive employer paid coverage for the retiree only, unless they have a minimum of 25 years of seniority and are at least 55 years of age, then the employer will also pay for spouse coverage. Spouse shall be the person the employee was married to at the time of retirement. Coverage will be the same as the coverage for active employees.
- Employees hired after December 31, 1998, will not receive employer paid health care coverage upon retirement. They may continue their coverage by paying the monthly premium.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Contributions

For the year ended December 31, 2024, the Commission made no payments for actual current premiums and did not contribute any additional funds to the plan trust. The Commission makes contributions to the extent possible but has no obligation to make contributions in advance of when the premiums are due for payment.

Net OPEB Asset

The net OPEB asset of the Commission was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2024.

Investment Policy

The Commission may invest and reinvest the assets of the plan subject to the terms, conditions, limitations, and restrictions imposed by Michigan law and, to the extent applicable to a government plan, the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974, as amended. Michigan Complied Laws, Section 38.1121, authorizes the Commission to invest plan assets in a wide variety of investments including: stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature and real or personal property. Specific limitations apply to the various investment types. The Commission’s plan fund investments are in accordance with statutory authority. It is the policy of the Commission to invest funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security.

Actuarial Assumptions

The total OPEB liability as of December 31, 2024 annual actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary growth rate	N/A; all participants are retired
Investment rate of return	6.93% (including inflation)
Mortality	Public General 2010 Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

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

Summary of Significant Accounting Policies

For purposes of measuring the net other post-employment benefits (OPEB) asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the Commission’s fiduciary net position have been determined on the same basis as they are reported for the Commission. 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.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Projected Cash flows

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.

The long-term expected rate of return on Plan investments was determined using model method in which best-estimate ranges of expected future real rates of return (expected rates, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.16%
Private Asset	20.0%	6.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.93%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make no further contributions to the trust. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. This discount rate is used to determine the total OPEB liability.

Change in Net OPEB (Asset)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Asset</u>
Balances at December 31, 2023	\$ 1,310,406	\$ 2,275,483	\$ (965,077)
Interest on total OPEB liability	85,715	-	85,715
Difference between expected and actual experience	9,097	-	9,097
Changes in assumptions	(5,302)	-	(5,302)
Net investment income	-	174,720	(174,720)
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(5,560)	5,560
Other	-	-	-
Net changes	<u>89,510</u>	<u>169,160</u>	<u>(79,650)</u>
Balances as December 31, 2024	<u>\$ 1,399,916</u>	<u>\$ 2,444,643</u>	<u>\$ (1,044,727)</u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB (Asset)	\$ (970,066)	\$ (1,044,727)	\$ (1,111,180)

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

The following presents the net OPEB asset of the Commission, as well as what the Commission’s net OPEB (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB (Asset)	\$ (1,048,891)	\$ (1,044,727)	\$ (1,041,346)

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

For the year ended December 31, 2024, the Commission recognized OPEB benefit of \$116,864. At December 31, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	<u>\$ 53,054</u>	<u>\$ -</u>

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

<u>Year Ended December 31:</u>	
2025	\$ 22,708
2026	57,244
2027	(23,769)
2028	(3,129)

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in Assumptions

There were no changes to actuarial assumptions during the plan year 2024.

Changes in Benefits

There were no changes in benefit terms during the plan year 2024.

NOTE 11 - RISK MANAGEMENT

Primary Government and Component Units (except for Road Commission)

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 (the "Authority"), which is organized under Public Act 138 of 1982 for the risks of loss, including property, casualty loss, and general liability.

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

The Authority provides risk management, underwriting, reinsurance, and claim services with member contributions allocated to meet these obligations. The Authority administers a risk management fund providing Shiawassee County with loss protection for general and auto liability, motor vehicle physical damage, property and crime damage. Under most circumstances, the County’s maximum loss per occurrence is limited as follows:

<u>Type of Risk</u>	<u>Maximum Retention per Occurrence</u>
General and automobile liability	\$ 100,000
Motor vehicle physical damage	15,000
Property coverage deductible	1,000

The Authority has established a Retained Risk Program to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that losses are incurred in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess. The Authority may authorize dividends to individual members in the event that the members and individual fund balance is determined to be sufficient to do so.

NOTE 11 - RISK MANAGEMENT (Continued)

The Authority has reserves to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that Shiawassee County incurs a loss in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess. 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 County has not been informed of any special assessments being required.

In addition, the Authority has accumulated resources to create and fund an internal Stop Loss Program. The Stop Loss Program was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$210,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$210,000 net of reinsurance recoveries are paid entirely from the Internal Stop Loss Program. If at any time the Stop Loss Program is insufficient to fund Shiawassee County’s losses, the remaining liability shall become the responsibility of the Authority as a whole.

Liability insurance claims are expensed as incurred. The liability is determined by the Michigan Municipal Risk Management Authority management based on an actuarial study performed using historical data and available insurance industry statistics. The liability includes a reserve for reported claims and reported legal expenses as well as incurred but not reported claims.

At December 31, 2024, the County had funds on deposit of \$945,236 with the Authority and an estimated liability for reported claims and legal fees of \$54,933.

The County is self-insured for workers’ compensation up to \$450,000 for each loss up to an aggregate amount of \$1,000,000. The County is insured for the amount of claims in excess of such limitation to an aggregate maximum of \$5,000,000 for each occurrence. The County is insured for these aggregate claims in excess of the self-insurance amounts by commercial insurance that provides the excess workers’ compensation coverage.

Changes in the estimated claims liabilities for workers' compensation claims for the years ended December 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Claims liability, beginning of year	\$ 808,504	\$ 409,442
Claims incurred including changes in estimates	2,700	523,335
Claims payments and adjustments	<u>(15,534)</u>	<u>(124,273)</u>
Claims liability, end of year	<u>\$ 790,270</u>	<u>\$ 808,504</u>

Road Commission Component Unit

The Road Commission participates in a pool, the Michigan County Road Commission Self-Insurance Pool, with other municipalities, for claims relating to general liability, trunkline, excess liability, auto liability, directors’ and officers’ liability, errors and omissions and physical damage. 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 a special assessment to make up the deficiency. The Road Commission has not been informed of any special assessments being required.

NOTE 11 - RISK MANAGEMENT (Continued)

The Road Commission participates in the County Road Association Self-Insurance Fund (CRASIF) for workers' compensation insurance and has full statutory coverage for workers' disability compensation and employers' liability as granted by the State of Michigan under Chapter 6, Section 418.611 of the Workers' Disability Compensation Act. The Commission has no liability for additional assessments based on the claims filed against the fund nor do they have rights to dividends.

NOTE 12 - 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.

The Michigan Department of Environmental Quality (MDEQ) identified the County as one of the potentially responsible parties for the contamination of a landfill used by the County and has named the County in an action filed seeking to recover the MDEQ's past service costs and oversight costs. The parties entered into a consent order calling for the County to make certain settlement payments as detailed in a consent order on behalf of the parties involved. The County authorized its chairperson to execute the consent order on behalf of the County upon finalization of the order and the recommendation of counsel. The County has made certain payments under this consent order. The County does not expect the remaining settlement payments to be material to the County as a whole.

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.

NOTE 13 - IMPLEMENTATION OF GASB STATEMENT NO. 100, ACCOUNTING CHANGES AND ERROR CORRECTIONS

In June of 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

The County implemented GASB Statement No. 100, Accounting Change and Error Corrections for the period ending December 31, 2024. The effects of the implementation were limited to presentation of the footnote disclosures.

NOTE 14 - IMPLEMENTATION OF GASB STATEMENT NO. 101, COMPENSATED ABSENCES

In June of 2022, the GASB Statement No. 101, Compensated Absences, was issued. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The County implemented GASB Statement No. 101, Compensated Absences, for the period ending December 31, 2024.

Required Supplementary Information

Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios
For the Year Ended December 31, 2024

	MERS Year Ended 12/31									
	2014	2015	2016	2017	2018	2019	2020	2021*	2022	2023
Total pension liability										
Service cost	\$ 1,235,573	\$ 1,244,481	\$ 1,216,965	\$ 1,275,875	\$ 1,476,154	\$ 1,412,154	\$ 1,352,560	\$ 770,631	\$ 794,538	\$ 787,807
Interest on total pension liability	7,960,464	8,185,675	8,594,908	8,751,039	8,949,784	8,773,410	9,219,759	5,964,815	6,129,785	6,207,844
Difference between expected and actual experience	-	668,741	(575,440)	67,318	(301,271)	(681,228)	(157,200)	1,940,413	(147,938)	62,723
Changes in benefits	-	(534,877)	(73,164)	(152,295)	1,150,325	(207,928)	-	(220,469)	(27,121)	(6,358)
Changes of assumptions	-	5,504,463	-	-	-	3,965,976	6,171,119	3,075,931	-	645,839
Benefit payments, including refund of member contributions	(6,278,026)	(6,663,314)	(7,014,085)	(7,464,071)	(7,648,984)	(7,702,374)	(7,940,318)	(5,362,306)	(5,595,544)	(5,742,899)
Other	2	2	(1,985)	(1,251)	1	461,763	(240,474)	-	4	4
Net change in total pension liability	2,918,013	8,405,171	2,147,199	2,476,615	3,626,009	6,021,773	8,405,446	6,169,015	1,153,724	1,954,960
Total pension liability - beginning	99,011,714	101,929,727	110,334,898	112,482,097	114,958,712	118,584,721	124,606,494	80,780,247	86,949,262	88,102,986
Total pension liability - ending	\$ 101,929,727	\$ 110,334,898	\$ 112,482,097	\$ 114,958,712	\$ 118,584,721	\$ 124,606,494	\$ 133,011,940	\$ 86,949,262	\$ 88,102,986	\$ 90,057,946
Plan fiduciary net position										
Contributions - employer	\$ 2,843,770	\$ 2,790,160	\$ 9,357,581	\$ 4,165,513	\$ 4,493,905	\$ 5,686,293	\$ 4,643,841	\$ 5,198,004	\$ 39,627,638	\$ 1,268,781
Contributions - employee	126,482	114,009	121,618	213,033	327,637	466,489	497,251	244,229	470,861	324,716
Net investment income	4,254,444	(998,834)	7,126,783	9,551,774	(3,060,825)	9,874,714	10,260,617	6,379,756	(5,503,439)	8,786,489
Benefit payments, including refunds of member contributions	(6,278,026)	(6,663,314)	(7,014,085)	(7,464,071)	(7,648,984)	(7,702,374)	(7,940,318)	(5,362,306)	(5,595,544)	(5,742,899)
Other	-	-	-	-	-	3	-	8,356	-	-
Administrative expense	(155,702)	(148,187)	(140,853)	(151,443)	(153,188)	(170,110)	(163,506)	(69,592)	(129,975)	(181,027)
Net change in plan fiduciary net position	790,968	(4,906,166)	9,451,044	6,314,806	(6,041,455)	8,155,015	7,297,885	6,398,447	28,869,541	4,456,060
Plan fiduciary net position - beginning	68,291,490	69,082,458	64,176,292	73,627,336	79,942,142	73,900,687	82,055,702	43,086,655	49,485,102	78,354,643
Plan fiduciary net position - ending	\$ 69,082,458	\$ 64,176,292	\$ 73,627,336	\$ 79,942,142	\$ 73,900,687	\$ 82,055,702	\$ 89,353,587	\$ 49,485,102	\$ 78,354,643	\$ 82,810,703
Net pension liability - ending	\$ 32,847,269	\$ 46,158,606	\$ 38,854,761	\$ 35,016,570	\$ 44,684,034	\$ 42,550,792	\$ 43,658,353	\$ 37,464,160	\$ 9,748,343	\$ 7,247,243
Plan fiduciary net position as a percentage of the total pension liability	67.8%	58.2%	65.5%	69.5%	62.3%	65.9%	67.2%	56.9%	88.9%	92.0%
Covered - employee payroll	\$ 15,377,682	\$ 15,711,326	\$ 15,925,192	\$ 16,737,071	\$ 19,194,637	\$ 17,875,356	\$ 17,875,356	\$ 7,990,840	\$ 7,283,895	\$ 7,210,695
County's net pension liability as a percentage of covered-employee payroll	213.6%	293.8%	244.0%	209.2%	232.8%	238.0%	244.2%	468.8%	133.8%	100.5%

* In 2021 Pension RSI is County information only.

**Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Contributions
For the Year Ended December 31, 2024**

	MERS Year Ended 12/31									
	2014	2015	2016	2017	2018	2019	2020	2021*	2022	2023
Actuarially determined contribution	\$ 2,818,771	\$ 2,778,162	\$ 2,857,581	\$ 3,687,245	\$ 4,471,526	\$ 3,686,293	\$ 4,494,204	\$ 2,250,082	\$ 1,118,380	\$ 910,366
Contributions in relation to the actuarially determined contribution	2,843,771	2,790,162	9,357,581	4,086,042	4,493,905	5,686,293	4,643,841	2,250,082	1,118,380	910,366
Contribution deficiency (excess)	\$ (25,000)	\$ (12,000)	\$ (6,500,000)	\$ (398,797)	\$ (22,379)	\$ (2,000,000)	\$ (149,637)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 15,752,068	\$ 15,398,379	\$ 16,374,620	\$ 18,109,310	\$ 18,286,715	\$ 17,875,356	\$ 16,484,765	\$ 7,990,840	\$ 7,309,721	\$ 7,326,439
Contributions as a percentage of covered-employee payroll	18.1%	18.1%	57.1%	22.6%	24.6%	31.8%	28.2%	28.2%	15.3%	12.4%

Notes to Schedule:

Valuation date: December 31, 2023

Actuarially determined contribution rates are calculated as of December 31, which is 24 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization methods	Level percent of payroll, closed
Remaining amortization period	16 years
Asset valuation method	Open; 5-year smooth market
Inflation	2.50%
Salary increases	3.00 long-term wage inflation plus 3.75% to 14.75% based on age-related scale to reflect merit, longevity and promotional pay increases.
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility
Mortality	50% Male - 50% Female blend of the RP-2014 Healthy Group Annuitant Mortality Tables with rates multiplied by 105%, RP-2014 Employee Mortality Tables, and RP-204 Juvenile Mortality Tables. For disabled retirees, the 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

* In 2021 and forward Pension RSI is County information only.

Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Changes in the OPEB Liability and Related Ratios
Year Ended December 31, 2024

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Total OPEB Liability - Beginning of Year	\$ 1,136,217	\$ 1,132,252	\$ 1,214,921	\$ 1,548,935	\$ 1,485,652	\$ 1,364,937	\$ 1,414,625
Service cost	42,256	43,836	44,727	80,067	66,430	42,445	45,697
Interest on OPEB liability	42,417	42,466	40,746	31,600	35,067	70,344	63,578
Difference between expected and actual experience	-	34,368	(76,941)	57,469	(357,526)	(51,987)	584,496
Change in plan terms	-	-	197,276	-	-	-	-
Changes in assumptions	-	43,241	200,267	(134,445)	(170,488)	66,567	(590,534)
Benefit payments, including refunds of employees contributions	(88,638)	(81,242)	(72,061)	(97,974)	(194,065)	(77,681)	(101,240)
Other	-	-	-	-	-	-	-
OPEB Liability - End of Year	<u>\$ 1,132,252</u>	<u>\$ 1,214,921</u>	<u>\$ 1,548,935</u>	<u>\$ 1,485,652</u>	<u>\$ 865,070</u>	<u>\$ 1,414,625</u>	<u>\$ 1,416,622</u>
Plan fiduciary net position							
Contributions - Employer	\$ 248,157	\$ 81,242	\$ 72,061	\$ 123,599	\$ 204,549	\$ 89,477	\$ 101,240
Net investment income	(10,431)	24,062	26,785	33,106	(30,079)	31,010	23,712
Benefit payments	(88,638)	(81,242)	(72,061)	(97,974)	(194,065)	(77,681)	(101,240)
Administrative expense	(430)	(343)	(362)	(458)	(483)	(557)	(684)
Net change in plan fiduciary net position	148,658	23,719	26,423	58,273	(20,078)	42,249	23,028
Plan fiduciary net position - Beginning of Year	29,491	178,149	201,868	228,291	286,564	266,486	308,735
Plan fiduciary net position - End of Year	<u>\$ 178,149</u>	<u>\$ 201,868</u>	<u>\$ 228,291</u>	<u>\$ 286,564</u>	<u>\$ 266,486</u>	<u>\$ 308,735</u>	<u>\$ 331,763</u>
Net OPEB liability - End of Year	<u>\$ 954,103</u>	<u>\$ 1,013,053</u>	<u>\$ 1,320,644</u>	<u>\$ 1,199,088</u>	<u>\$ 598,584</u>	<u>\$ 1,105,890</u>	<u>\$ 1,084,859</u>
Plan fiduciary net position as a percentage of the total OPEB liability	16%	17%	15%	19%	31%	22%	23%
Covered Payroll	\$ 8,233,450	\$ 8,466,548	\$ 8,724,561	\$ 7,168,440	\$ 11,291,209	\$ 12,266,914	\$ 13,218,301
Net OPEB liability as a percentage of covered payroll	11.59%	11.97%	15.14%	16.73%	5.30%	9.02%	8.21%
Schedule of Employer Contributions							
Actuarially determined contribution	140,736	136,502	150,123	192,035	181,984	173,636	238,140
Actual Contribution	248,157	81,242	72,061	123,599	204,549	89,477	101,240
Contribution deficiency/(excess)	<u>\$ (107,421)</u>	<u>\$ 55,260</u>	<u>\$ 78,062</u>	<u>\$ 68,436</u>	<u>\$ (22,565)</u>	<u>\$ 84,159</u>	<u>\$ 136,900</u>
Covered Payroll	\$ 8,233,450	\$ 8,466,548	\$ 8,724,561	\$ 7,168,440	\$ 11,291,209	\$ 12,266,914	\$ 13,218,301
ADC as a percentage of payroll	1.71%	1.61%	1.72%	2.68%	1.61%	1.42%	1.80%

Notes:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization methods	Level percent
Remaining amortization period	10 years
Asset valuation method	Market value (not applicable to the Medical Care Facility component unit as the plan is not pre-funded)

Actuarial assumptions:

Price inflation	2.0% - 3.0%
Salary increases	4.1% Primary Gov, 3.5% MCF
Investment rate of return	7.35% (including inflation)
Retirement age	Experience-based table of rates that are specific to the type of eligibility
Mortality	County: Police, Sheriffs - Public Safety 2010 Employee and Healthy Retiree, headcount weighted with MP-2021 improvement; All other and Medical Care Facility - Public General 2010 Employee and Healthy Retiree, headcount Weighted with MP -2021 improvement
Healthcare trend rates	County: Pre-65 - Initial trend of 8.25% (7.0% post 65) graded down 0.25% per year to an ultimate rate of 4.5%; Medical Care Facility: Pre-65 - 8.25% graded to 4.5% over 16 years

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 13,526,902	\$ 13,657,407	\$ 12,610,854	\$ (1,046,553)
Licenses and Permits	95,000	95,000	67,852	(27,148)
Intergovernmental	3,855,217	3,969,694	3,675,007	(294,687)
Charges for Services	1,873,822	1,950,467	1,804,984	(145,483)
Fines and Forfeitures	365,000	374,350	403,935	29,585
Interest and Rents	351,806	351,806	390,327	38,521
Other Revenue	503,585	643,253	669,547	26,294
TOTAL REVENUES	20,571,332	21,041,977	19,622,506	(1,419,471)
EXPENDITURES:				
General Government				
Board of Commissioners	205,871	244,741	235,645	9,096
County Administrator	591,093	622,310	625,726	(3,416)
Elections	486,854	378,844	301,352	77,492
Clerk	578,274	635,999	633,456	2,543
Equalization	234,070	248,970	247,199	1,771
Survey and Remonumentation	70,335	62,197	61,560	637
Technology Services	236,517	230,431	236,014	(5,583)
Treasurer	323,365	335,929	331,645	4,284
Courthouse and grounds	917,312	1,096,019	1,064,603	31,416
Professional Services	166,500	174,500	169,908	4,592
Insurance and Bonds	490,000	579,392	557,289	22,103
Other	-	-	-	-
Total General Government	4,300,191	4,609,332	4,464,397	144,935
Judicial				
Circuit Court	757,936	732,387	695,790	36,597
District Court	1,946,359	2,010,209	1,947,684	62,525
Friend of the Court	1,331,044	1,331,044	1,275,855	55,189
Probate - Juvenile Division	792,399	776,289	691,418	84,871
Probate - Estate Division	487,778	511,078	491,055	20,023
Prosecuting Attorney	1,045,064	1,025,935	967,670	58,265
Total Judicial	6,360,580	6,386,942	6,069,472	317,470
Public Safety				
Sheriff	4,650,085	4,523,808	4,438,786	85,022
Security	256,320	331,470	327,188	4,282
Secondary Road Patrol	149,088	149,088	129,884	19,204
Jail	2,539,882	2,698,033	2,619,646	78,387
Emergency Services	10,745	65,982	51,966	14,016
Animal control	132,481	121,226	115,350	5,876
Total Public Safety	7,738,601	7,889,607	7,682,820	206,787

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works				
Airport	9,019	9,493	9,493	-
Drain Commissioner	446,679	446,679	422,709	23,970
Drains at Large	125,000	114,545	113,665	880
Total Public Works	580,698	570,717	545,867	24,850
Health and Welfare				
Medical Examiner	190,000	204,110	204,108	2
Mental Health Services	200,000	200,000	200,000	-
Total Health and Welfare	390,000	404,110	404,108	2
Recreation & Culture				
Parks	11,877	68,100	98,387	(30,287)
Community and Economic Development				
Community Development	129,960	141,470	116,730	24,740
Register of Deeds	410,709	433,644	429,332	4,312
Total Community and Economic Development	540,669	575,114	546,062	29,052
Capital Outlay	480,225	460,427	361,547	98,880
Total Expenditures	20,402,841	20,964,349	20,172,660	791,689
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	168,491	77,628	(550,154)	(627,782)
OTHER FINANCING SOURCES (USES):				
Transfers In	763,321	1,002,517	1,808,237	805,720
Transfers Out	(931,812)	(1,086,897)	(1,089,929)	(3,032)
Total Other Financing Sources (Uses)	(168,491)	(84,380)	718,308	802,688
NET CHANGE IN FUND BALANCES	\$ -	\$ (6,752)	168,154	\$ 174,906
FUND BALANCE BEGINNING OF YEAR			2,592,863	
FUND BALANCE END OF YEAR			\$ 2,761,017	

**Required Supplementary Information
Budgetary Comparison Schedule
Central Dispatch Fund
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Charges for Services	\$ 2,258,136	\$ 2,258,136	\$ 2,111,987	\$ (146,149)
Interest	10,000	10,000	14,468	4,468
Other Revenue	3,500	103,500	2,178	(101,322)
TOTAL REVENUES	2,271,636	2,371,636	2,128,633	(243,003)
EXPENDITURES:				
Public Safety	2,392,847	2,325,007	2,137,902	187,105
Capital Outlay	-	174,400	174,400	-
TOTAL EXPENDITURES	2,392,847	2,499,407	2,312,302	187,105
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES BEFORE OTHER				
FINANCING SOURCES (USES)	(121,211)	(127,771)	(183,669)	(55,898)
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (121,211)	\$ (127,771)	(183,669)	\$ (55,898)
FUND BALANCE BEGINNING OF YEAR			1,202,107	
FUND BALANCE END OF YEAR			\$ 1,018,438	

**Required Supplementary Information
Budgetary Comparison Schedule
Health Department Fund
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
REVENUES:				
Intergovernmental	\$ 4,660,016	\$ 4,912,996	\$ 3,867,431	\$ (1,045,565)
Charges for Services	-	-	33,704	33,704
Licenses and Permits	-	-	460,109	460,109
Interest	-	-	11,250	11,250
Other	-	-	6,393	6,393
TOTAL REVENUES	4,660,016	4,912,996	4,378,887	(534,109)
EXPENDITURES:				
Health and Welfare	4,765,456	5,129,996	4,824,099	305,897
Debt Service	-	-	73,350	(73,350)
TOTAL EXPENDITURES	4,765,456	5,129,996	4,897,449	232,547
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(105,440)	(217,000)	(518,562)	(301,562)
OTHER FINANCING SOURCES (USES):				
Transfers In	217,000	217,000	217,000	-
NET CHANGE IN FUND BALANCES	\$ 111,560	\$ -	(301,562)	\$ (301,562)
FUND BALANCE BEGINNING OF YEAR			797,581	
FUND BALANCE END OF YEAR			\$ 496,019	

**Required Supplementary Information
Budgetary Comparison Schedule
ARPA
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	-	354,588	354,588	-
Interest	-	110,000	106,340	(3,660)
TOTAL REVENUES	-	464,588	460,928	(3,660)
EXPENDITURES:				
Health and Welfare	-	-	-	-
Capital Outlay	-	509,738	509,728	10
TOTAL EXPENDITURES	-	509,738	509,728	10
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	(45,150)	(48,800)	(3,650)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	(313,000)	(396,877)	(83,877)
Total Other Financing Sources (Uses)	-	(313,000)	(396,877)	(83,877)
NET CHANGE IN FUND BALANCES	\$ -	\$ (358,150)	(445,677)	\$ (87,527)
FUND BALANCE BEGINNING OF YEAR			445,677	
FUND BALANCE END OF YEAR			\$ -	

Supplementary Information

County of Shiawassee, Michigan

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue Funds							
	MSU Extension	Drug Court	Family Counseling	Friend of the Court	Drunk Driving	Prosecutor's Fees	Mental Health Court	
ASSETS:								
Cash and Investments	\$ 46,083	\$ 1,268	\$ 52,544	\$ 234,970	\$ 190,832	\$ 674	\$ 3,310	\$ 1
Accounts Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	182,068	-	-	-	-	-	-	-
Due from Other Governmental Units	-	10,418	-	-	-	-	14,028	8,494
TOTAL ASSETS	\$ 228,151	\$ 11,686	\$ 52,544	\$ 234,970	\$ 190,832	\$ 674	\$ 17,338	\$ 8,495
LIABILITIES:								
Accounts Payable	\$ -	\$ 307	\$ 3,140	\$ 111	\$ -	\$ 156	\$ 4,786	\$ 2,370
Accrued Liabilities	-	1,711	-	-	-	-	2,021	808
Due to Other Funds	-	8,408	-	-	-	-	10,531	5,317
Unearned Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	10,426	3,140	111	-	156	17,338	8,495
DEFERRED INFLOWS OF RESOURCES:								
Property Taxes Levied for Subsequent Period	191,130	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	191,130	-	-	-	-	-	-	-
FUND BALANCES:								
Restricted	37,021	1,260	49,404	234,859	190,832	-	-	-
Committed	-	-	-	-	-	518	-	-
TOTAL FUND BALANCES	37,021	1,260	49,404	234,859	190,832	518	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 228,151	\$ 11,686	\$ 52,544	\$ 234,970	\$ 190,832	\$ 674	\$ 17,338	\$ 8,495

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue Funds						
	Byrne JAG Drug Court Grant	Waste Management Fund	BJA Drug Court Grant	Farmland Preservation Survey	Brownfield Redevelopment Authority	Building Inspections	Housing Rehabilitation
ASSETS:							
Cash and Investments	\$ 4,501	\$ 218,652	\$ 12,106	\$ 1,448	\$ 26,626	\$ 361,937	\$ 371,761
Accounts Receivable	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-
Due from Other Governmental Units	9,436	-	-	-	-	-	-
TOTAL ASSETS	\$ 13,937	\$ 218,652	\$ 12,106	\$ 1,448	\$ 26,626	\$ 361,937	\$ 371,761
LIABILITIES:							
Accounts Payable	\$ 4,501	\$ -	\$ -	\$ -	\$ 8,003	\$ 23,882	\$ -
Accrued Liabilities	-	-	-	-	-	-	-
Due to Other Funds	9,238	-	-	-	18,622	-	-
Unearned Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	13,739	-	-	-	26,625	23,882	-
DEFERRED INFLOWS OF RESOURCES:							
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES:							
Restricted	198	-	12,106	1,448	1	338,055	-
Committed	-	218,652	-	-	-	-	371,761
TOTAL FUND BALANCES	198	218,652	12,106	1,448	1	338,055	371,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,937	\$ 218,652	\$ 12,106	\$ 1,448	\$ 26,626	\$ 361,937	\$ 371,761

County of Shiawassee, Michigan

Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds December 31, 2024

	Special Revenue Funds							
	Drug Forfeiture	Sheriff Special Revenue Funds	ROD Automation Fund	Emergency Management Fund	Sheriff Posse	Concealed Pistol Licensing	Local Correction Officers Training	Gun Range
ASSETS:								
Cash and Investments	\$ 25,780	\$ 8,173	\$ 183,755	\$ 1	\$ 28,113	\$ 28,943	\$ 20,501	\$ 3,750
Accounts Receivable	13,721	-	1,806	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	38,570	-	-	-	-
TOTAL ASSETS	\$ 39,501	\$ 8,173	\$ 185,561	\$ 38,571	\$ 28,113	\$ 28,943	\$ 20,501	\$ 3,750
LIABILITIES:								
Accounts Payable	\$ 2,041	\$ 208	\$ 2,447	\$ -	\$ 176	\$ 206	\$ -	\$ -
Accrued Liabilities	-	2,361	-	-	-	1,541	-	-
Due to Other Funds	-	-	-	22,926	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	2,041	2,569	2,447	22,926	176	1,747	-	-
DEFERRED INFLOWS OF RESOURCES:								
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
FUND BALANCES:								
Restricted	-	4,374	183,114	1,422	27,937	27,196	20,501	3,750
Committed	37,460	1,230	-	14,223	-	-	-	-
TOTAL FUND BALANCES	37,460	5,604	183,114	15,645	27,937	27,196	20,501	3,750
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 39,501	\$ 8,173	\$ 185,561	\$ 38,571	\$ 28,113	\$ 28,943	\$ 20,501	\$ 3,750

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds							
	Law Library	MAGNET	Prosecutor's Assets	Local Law Enforcement	1033 Program	Opiod Settlement	DHS Social Services	
ASSETS:								
Cash and Investments	\$ 673	\$ 337,526	\$ 62,837	\$ 36,090	\$ 46,738	\$ 1,285,123	\$ 11,119	\$ -
Accounts Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-	-	-	489,168
TOTAL ASSETS	<u>\$ 673</u>	<u>\$ 337,526</u>	<u>\$ 62,837</u>	<u>\$ 36,090</u>	<u>\$ 46,738</u>	<u>\$ 1,285,123</u>	<u>\$ 11,119</u>	<u>\$ 489,168</u>
LIABILITIES:								
Accounts Payable	\$ 673	\$ 1,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	9,935	-	-
Due to Other Funds	-	-	-	-	-	-	-	489,168
Unearned Revenue	-	-	-	-	-	1,275,188	-	-
TOTAL LIABILITIES	<u>673</u>	<u>1,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,285,123</u>	<u>-</u>	<u>489,168</u>
DEFERRED INFLOWS OF RESOURCES:								
Property Taxes Levied for Subsequent Period	-	-	1,000	33,000	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:								
Restricted	-	336,163	431	3,090	-	-	-	-
Committed	-	-	61,406	-	46,738	-	11,119	-
TOTAL FUND BALANCES	<u>-</u>	<u>336,163</u>	<u>61,837</u>	<u>3,090</u>	<u>46,738</u>	<u>-</u>	<u>11,119</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 673</u>	<u>\$ 337,526</u>	<u>\$ 62,837</u>	<u>\$ 36,090</u>	<u>\$ 46,738</u>	<u>\$ 1,285,123</u>	<u>\$ 11,119</u>	<u>\$ 489,168</u>

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds							
	REACH Shoplifting Program	Peace-Time Veterans Fund	Indigent Defense	MSHN	Child Care	PA 214 Veteran's Relief	Senior Citizen Services	Joe Linde Cig. Tax
ASSETS:								
Cash and Investments	\$ 6,412	\$ 138	\$ 1,051,436	\$ 13,520	\$ 57,377	\$ 1,065,663	\$ 269,600	\$ -
Accounts Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	244,745	1,197,234	-
Due from Other Governmental Units	-	-	-	-	145,509	-	-	-
TOTAL ASSETS	\$ 6,412	\$ 138	\$ 1,051,436	\$ 13,520	\$ 202,886	\$ 1,310,408	\$ 1,466,834	\$ -
LIABILITIES:								
Accounts Payable	\$ -	\$ 138	\$ 882	\$ 1,752	\$ 55,289	\$ 708	\$ 197,443	\$ -
Accrued Liabilities	-	-	39,111	-	62,386	-	-	-
Due to Other Funds	-	-	-	-	85,211	-	-	-
Unearned Revenue	-	-	795,502	-	-	-	-	-
TOTAL LIABILITIES	-	138	835,495	1,752	202,886	708	197,443	-
DEFERRED INFLOWS OF RESOURCES:								
Property Taxes Levied for Subsequent Period	-	-	-	-	-	257,289	1,259,635	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	257,289	1,259,635	-
FUND BALANCES:								
Restricted	6,412	-	215,941	11,768	-	1,052,411	9,756	-
Committed	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	6,412	-	215,941	11,768	-	1,052,411	9,756	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,412	\$ 138	\$ 1,051,436	\$ 13,520	\$ 202,886	\$ 1,310,408	\$ 1,466,834	\$ -

County of Shiawassee, Michigan

Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds December 31, 2024

	Special Revenue Funds		Debt Service	Capital Project Funds		Totals
	Veteran	Land	Fund	Capital	Jail	
	Services	Bank	Equipment	Improvements	Improvements	
	Voted	Authority	Acquisition			
ASSETS:						
Cash and Investments	\$ 60,959	\$ -	\$ 828	\$ 87,222	\$ 791	\$ 6,219,781
Accounts Receivable	-	-	-	-	-	15,527
Taxes Receivable	475,212	-	-	-	-	2,099,259
Due from Other Governmental Units	-	378,883	-	-	-	1,094,506
TOTAL ASSETS	\$ 536,171	\$ 378,883	\$ 828	\$ 87,222	\$ 791	\$ 9,429,073
LIABILITIES:						
Accounts Payable	\$ 6,825	\$ 10,538	\$ -	\$ -	\$ -	\$ 327,945
Accrued Liabilities	25,087	-	-	-	-	144,961
Due to Other Funds	-	167,806	-	-	-	817,227
Unearned Revenue	-	157,439	-	-	-	2,228,129
TOTAL LIABILITIES	31,912	335,783	-	-	-	3,518,262
DEFERRED INFLOWS OF RESOURCES:						
Property Taxes Levied for Subsequent Period	499,591	-	-	-	-	2,241,645
TOTAL DEFERRED INFLOWS OF RESOURCES	499,591	-	-	-	-	2,241,645
FUND BALANCES:						
Restricted	-	43,100	-	87,222	791	2,900,563
Committed	4,668	-	828	-	-	768,603
TOTAL FUND BALANCES	4,668	43,100	828	87,222	791	3,669,166
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 536,171	\$ 378,883	\$ 828	\$ 87,222	\$ 791	\$ 9,429,073

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds							
	MSU Extension	Drug Court	Family Counseling	Friend of the Court	Drunk Driving	Prosecutor's Fees	Mental Health Court	Sure & Swift Grant
REVENUES:								
Taxes	\$ 175,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	79,394	-	17,490	7,793	500	83,762	50,246
Charges for Services	-	-	6,345	18,595	-	-	1,591	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	39	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUES	175,403	79,394	6,345	36,085	7,832	500	85,353	50,246
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	77,878	10,435	6,050	-	2,620	90,081	51,317
Public Safety	-	-	-	-	12,687	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Community and Economic Development	202,372	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	202,372	77,878	10,435	6,050	12,687	2,620	90,081	51,317
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	(26,969)	1,516	(4,090)	30,035	(4,855)	(2,120)	(4,728)	(1,071)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	4,728	805
Transfers Out	-	(256)	-	-	-	(10,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(256)	-	-	-	(10,000)	4,728	805
NET CHANGE IN FUND BALANCES	(26,969)	1,260	(4,090)	30,035	(4,855)	(12,120)	-	(266)
FUND BALANCE BEGINNING OF YEAR	63,990	-	53,494	204,824	195,687	12,638	-	266
FUND BALANCE END OF YEAR	\$ 37,021	\$ 1,260	\$ 49,404	\$ 234,859	\$ 190,832	\$ 518	\$ -	\$ -

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds						
	Byrne JAG Drug Court Grant	Waste Management Fund	BJA Drug Court Grant	Farmland Preservation Survey	Brownfield Redevelopment Authority	Building Inspections	Housing Rehabilitation
REVENUES:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,436	-	50,047	-	-	-	-
Charges for Services	655	-	3,695	-	-	352,199	-
Fines and Forfeitures	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other Revenue	-	85,330	-	-	-	-	74,320
TOTAL REVENUES	10,091	85,330	53,742	-	-	352,199	74,320
EXPENDITURES:							
General Government	-	-	-	-	-	-	-
Judicial	14,394	-	55,226	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	1,650
Community and Economic Development	-	40,276	-	-	13,617	283,761	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	14,394	40,276	55,226	-	13,617	283,761	1,650
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES BEFORE OTHER							
FINANCING SOURCES (USES)	(4,303)	45,054	(1,484)	-	(13,617)	68,438	72,670
OTHER FINANCING SOURCES (USES):							
Transfers In	4,501	-	-	-	13,618	-	-
Transfers Out	-	(137,050)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,501	(137,050)	-	-	13,618	-	-
NET CHANGE IN FUND BALANCES	198	(91,996)	(1,484)	-	1	68,438	72,670
FUND BALANCE BEGINNING OF YEAR	-	310,648	13,590	1,448	-	269,617	299,091
FUND BALANCE END OF YEAR	\$ 198	\$ 218,652	\$ 12,106	\$ 1,448	\$ 1	\$ 338,055	\$ 371,761

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds							
	Drug Foreiture	Sheriff Special Revenue Funds	ROD Automation Fund	Emergency Management Fund	Sheriff Posse	Concealed Pistol Licensing	Local Correction Officers Training	Gun Range
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,777	-	-	72,096	-	-	-	-
Charges for Services	-	-	50,185	-	-	57,099	11,575	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	3,198	-	-	-	-	-
Other Revenue	-	7,565	-	-	21,250	-	-	1,000
TOTAL REVENUES	18,777	7,565	53,383	72,096	21,250	57,099	11,575	1,000
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public Safety	-	26,652	-	61,464	23,607	56,731	6,144	-
Health and Welfare	-	-	-	-	-	-	-	-
Community and Economic Development	-	-	38,282	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	49,040	-	-	-	-	-
TOTAL EXPENDITURES	-	26,652	87,322	61,464	23,607	56,731	6,144	-
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	18,777	(19,087)	(33,939)	10,632	(2,357)	368	5,431	1,000
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(50,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(50,000)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	18,777	(69,087)	(33,939)	10,632	(2,357)	368	5,431	1,000
FUND BALANCE BEGINNING OF YEAR	18,683	74,691	217,053	5,013	30,294	26,828	15,070	2,750
FUND BALANCE END OF YEAR	\$ 37,460	\$ 5,604	\$ 183,114	\$ 15,645	\$ 27,937	\$ 27,196	\$ 20,501	\$ 3,750

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds							
	Law Library	MAGNET	Prosecutor's Assets	Local Law Enforcement	1033 Program	Opiod Settlement	DHS Social Services	Community Development Block Grant
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,500	45,000	500	28,570	-	-	-	489,168
Charges for Services	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	3,480	-	-	-	-	-	-
Interest	-	9,541	-	-	-	28,625	-	-
Other Revenue	-	-	6,506	-	-	75,868	-	-
TOTAL REVENUES	6,500	58,021	7,006	28,570	-	104,493	-	489,168
EXPENDITURES:								
General Government	-	-	-	-	-	97,293	-	-
Judicial	15,990	-	-	-	-	-	-	-
Public Safety	-	62,171	69	25,480	6,888	7,200	-	-
Health and Welfare	-	-	-	-	-	-	3,791	-
Community and Economic Development	-	-	-	-	-	-	-	489,168
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	15,990	62,171	69	25,480	6,888	104,493	3,791	489,168
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	(9,490)	(4,150)	6,937	3,090	(6,888)	-	(3,791)	-
OTHER FINANCING SOURCES (USES):								
Transfers In	9,490	-	-	-	-	-	5,000	-
Transfers Out	-	-	(2,170)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,490	-	(2,170)	-	-	-	5,000	-
NET CHANGE IN FUND BALANCES	-	(4,150)	4,767	3,090	(6,888)	-	1,209	-
FUND BALANCE BEGINNING OF YEAR	-	340,313	57,070	-	53,626	-	9,910	-
FUND BALANCE END OF YEAR	\$ -	\$ 336,163	\$ 61,837	\$ 3,090	\$ 46,738	\$ -	\$ 11,119	\$ -

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds							
	REACH Shoplifting Program	Peace-Time Veterans Fund	Indigent Defense	MSHN	Child Care	PA 214 Veteran's Relief	Senior Citizen Services	Joe Linde Cig. Tax
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,123	\$ 1,152,295	\$ -
Intergovernmental	-	-	870,589	12,179	785,573	-	-	-
Charges for Services	-	-	-	-	9,406	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	17,802	219	-	-
TOTAL REVENUES	-	-	870,589	12,179	812,781	230,342	1,152,295	-
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	-	1,017,279	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health and Welfare	-	41,328	-	15,784	1,468,283	141,886	1,615,276	17
Community and Economic Development	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	20,080	-	-
TOTAL EXPENDITURES	-	41,328	1,017,279	15,784	1,468,283	161,966	1,615,276	17
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	-	(41,328)	(146,690)	(3,605)	(655,502)	68,376	(462,981)	(17)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	19,263	213,824	-	573,046	-	-	-
Transfers Out	-	-	-	-	-	-	-	(140)
TOTAL OTHER FINANCING SOURCES (USES)	-	19,263	213,824	-	573,046	-	-	(140)
NET CHANGE IN FUND BALANCES	-	(22,065)	67,134	(3,605)	(82,456)	68,376	(462,981)	(157)
FUND BALANCE BEGINNING OF YEAR	6,412	22,065	148,807	15,373	82,456	984,035	472,737	157
FUND BALANCE END OF YEAR	\$ 6,412	\$ -	\$ 215,941	\$ 11,768	\$ -	\$ 1,052,411	\$ 9,756	\$ -

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds		Debt Service	Capital Project Funds		Totals
	Veteran Services Voted	Land Bank Authority	Fund Equipment Acquisition	Capital Improvements	Jail Improvements	
REVENUES:						
Taxes	\$ 450,679	\$ -	\$ -	\$ -	\$ -	\$ 2,008,500
Intergovernmental	16,599	496,603	-	-	-	3,140,822
Charges for Services	-	26,240	-	-	-	537,585
Fines and Forfeitures	-	-	-	-	-	3,480
Interest	-	2,941	-	-	-	44,344
Other Revenue	5,947	-	-	-	-	295,807
TOTAL REVENUES	473,225	525,784	-	-	-	6,030,538
EXPENDITURES:						
General Government	-	482,684	-	-	-	579,977
Judicial	-	-	-	-	-	1,341,270
Public Safety	-	-	-	-	-	289,093
Health and Welfare	449,294	-	-	-	-	3,737,309
Community and Economic Development	-	-	-	-	-	1,067,476
Debt Service	-	-	48,173	-	-	48,173
Capital Outlay	-	-	-	-	-	69,120
TOTAL EXPENDITURES	449,294	482,684	48,173	-	-	7,132,418
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	23,931	43,100	(48,173)	-	-	(1,101,880)
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	48,173	-	-	892,448
Transfers Out	(19,263)	-	-	-	-	(218,879)
TOTAL OTHER FINANCING SOURCES (USES)	(19,263)	-	48,173	-	-	673,569
NET CHANGE IN FUND BALANCES	4,668	43,100	-	-	-	(428,311)
FUND BALANCE BEGINNING OF YEAR	-	-	828	87,222	791	4,097,477
FUND BALANCE END OF YEAR	\$ 4,668	\$ 43,100	\$ 828	\$ 87,222	\$ 791	\$ 3,669,166

**Supplementary Information
Combining Statement of Net Position
Fiduciary Funds
December 31, 2024**

	Custodial Funds			Totals
	Trust and Agency	Economic Development	Library Penal Fines	
ASSETS:				
Cash and Equivalents	\$ 1,619,856	\$ 3,127	\$ 195,970	\$ 1,818,953
TOTAL ASSETS	<u>\$ 1,619,856</u>	<u>\$ 3,127</u>	<u>\$ 195,970</u>	<u>\$ 1,818,953</u>
LIABILITIES:				
Undistributed Receipts	\$ 1,619,856	\$ 3,127	\$ 195,970	\$ 1,818,953
NET POSITION:				
Resticted for:				
Individuals, Organizations and Other Governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Custodial Funds			Totals
	Trust and Agency	Economic Development	Library Penal Fines	
ADDITIONS:				
Property Tax Collections for other Governments	\$ 26,478,349	\$ -	\$ -	\$ 26,478,349
Miscellaneous	3,000,326	-	97,168	3,097,494
TOTAL ADDITIONS	29,478,675	-	97,168	29,575,843
DEDUCTIONS:				
Administrative Expenses and Other Payments	3,000,326	-	97,168	3,097,494
Payment of Property Taxes to Other Governments	26,478,349	-	-	26,478,349
TOTAL DEDUCTIONS	29,478,675	-	97,168	29,575,843
Net Increase (Decrease) in Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -
Net Position - Beginning	-	-	-	-
Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Supplementary Information
Statement of Net Position
Medical Care Facility - Component Unit
December 31, 2024****ASSETS:**

Cash and Investments	\$	13,037,242
Taxes Receivable		4,664,886
Accounts Receivable		9,874,858
Prepaid Items		485,205
Capital Assets (Not Depreciated)		2,087,221
Capital Assets (Net of Accumulated Depreciation)		<u>15,681,317</u>
TOTAL ASSETS		<u>45,830,729</u>

DEFERRED OUTFLOWS FOR RESOURCES:

Pension Related Items		5,812,205
OPEB Related Items		<u>38,578</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>5,850,783</u>

LIABILITIES:

Accounts Payable		806,465
Accrued Liabilities		1,399,441
Long-term Debt - Due within one year		1,409,987
Long-term Debt - Net of Current Portion		1,443,846
Net Pension Liability - Due in more than one year		7,780,671
OPEB Liability - Due in more than one year		<u>304,735</u>
TOTAL LIABILITIES		<u>13,145,145</u>

DEFERRED INFLOWS FOR RESOURCES:

Property Taxes Levied for Subsequent Period		4,900,000
Pension Related Items		594,323
OPEB Related Items		<u>70,228</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		<u>5,564,551</u>

NET POSITION:

Net Investment in Capital Assets		14,914,705
Unrestricted		<u>18,057,111</u>
TOTAL NET POSITION	\$	<u><u>32,971,816</u></u>

Supplementary Information
Statement of Revenues, Expenses and Changes in Net Position
Medical Care Facility - Component Unit
For the Year Ended December 31, 2024

OPERATING REVENUES:

Charges for Services	\$	22,426,308
Quality Assurance Supplement		2,629,940
Other Revenue		1,407,976
		26,464,224
Total Operating Revenues		26,464,224

OPERATING EXPENSES:

Salaries		14,174,991
Taxes and Benefits		5,936,990
Ancillary Services		1,467,384
Professional Fees		1,028,001
Assessments from Payors		1,372,413
Repairs and Maintenance		646,949
Utilities		557,916
Depreciation		1,800,024
Bad Debt		-
Operating Supplies		2,047,080
		29,031,748
Total Operating Expenses		29,031,748

OPERATING INCOME (LOSS)

(2,567,524)

NON-OPERATING REVENUES (EXPENSES):

Property Taxes		4,547,519
Grant Revenue		941,746
Interest Income		322,599
Interest Expense		(84,729)
(Loss) on Disposal of Capital Assets		-
		5,727,135
Total Non-Operating Revenues (Expenses)		5,727,135

CHANGE IN NET POSITION

3,159,611

NET POSITION, BEGINNING OF YEAR

29,812,205

NET POSITION, END OF YEAR

\$ 32,971,816

Supplementary Information
Statement of Cash Flows
Medical Care Facility - Component Unit
For the Year Ended December 31, 2024

Cash Flows From Operating Activities:	
Cash Received from Customers	\$ 26,599,865
Cash Received from Quality Assurance Supplement	2,003,469
Cash Payments for Goods and Service	(7,317,274)
Cash Payments to Employees	<u>(19,236,637)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,049,423</u>
Cash Flows From Noncapital and Related Financing Activities:	
Property Taxes	4,548,289
Grants	<u>941,746</u>
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>5,490,035</u>
Cash Flows From Capital and Related Financing Activities:	
Purchases/Construction of Capital Assets	(1,468,520)
Principal and Interest Paid on Long-Term Debt	<u>(1,462,821)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,931,341)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>322,599</u>
Net Cash Provided (Used) by Investing Activities	<u>322,599</u>
Net Increase (Decrease) in Cash and Equivalents	4,930,716
Cash and Equivalents - Beginning of Year	<u>8,106,526</u>
Cash and Equivalents - End of Year	<u><u>\$ 13,037,242</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (2,567,524)
Adjustments to Reconcile Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	1,800,024
Change in Operating Assets and Liabilities that Provided (Used) Cash:	
Receivables (Net)	2,139,110
Prepaid Items	(55,428)
Accounts Payable	(142,103)
Accrued and Other Liabilities	88,844
Net Pension Liability and Deferrals	612,914
Total OPEB Liability and Deferrals	110,101
Compensated Absences	<u>63,485</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 2,049,423</u></u>

Supplementary Information
Combining Balance Sheet
Governmental Funds - Drainage Districts - Component Unit
December 31, 2024

	Debt Service Funds			Capital Project Funds					Totals
	Drain Debt	Henderson Drain Debt	Byron Water Project Debt	Lake Level	Regular Drain	Revolving Drain	Revolving Drain Maintenance	Drain Equipment Revolving	
ASSETS:									
Cash and Investments	\$ 342,682	\$ 50	\$ -	\$ 3,160	\$ 4,269,858	\$ 350,502	\$ 18,286	\$ 205,690	\$ 5,190,228
Special Assessments Receivable	1,630,638	-	-	-	105,781	-	-	-	1,736,419
Due from Other Governments	-	-	89,470	-	61,790	195,083	-	-	346,343
Due from Other Funds	108,767	-	-	-	-	-	-	21,484	130,251
TOTAL ASSETS	<u>\$ 2,082,087</u>	<u>\$ 50</u>	<u>\$ 89,470</u>	<u>\$ 3,160</u>	<u>\$ 4,437,429</u>	<u>\$ 545,585</u>	<u>\$ 18,286</u>	<u>\$ 227,174</u>	<u>\$ 7,403,241</u>
LIABILITIES:									
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,445	\$ 20,565	\$ 33,493	\$ -	\$ 49,065	\$ 106,568
Due to Other Funds	-	-	-	-	130,251	-	-	-	130,251
Advance from Primary Government	-	-	-	-	-	500,725	-	-	500,725
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,445</u>	<u>150,816</u>	<u>534,218</u>	<u>-</u>	<u>49,065</u>	<u>737,544</u>
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue	1,949,860	-	89,470	-	195,214	-	-	-	2,234,544
FUND BALANCES:									
Restricted for Debt Service	132,227	-	-	-	-	-	-	-	132,227
Restricted for Capital Projects	-	50	-	(285)	4,091,399	11,367	18,286	178,109	4,298,926
TOTAL FUND BALANCES	<u>132,227</u>	<u>50</u>	<u>-</u>	<u>(285)</u>	<u>4,091,399</u>	<u>11,367</u>	<u>18,286</u>	<u>178,109</u>	<u>4,431,153</u>
TOTAL LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCES	<u>\$ 2,082,087</u>	<u>\$ 50</u>	<u>\$ 89,470</u>	<u>\$ 3,160</u>	<u>\$ 4,437,429</u>	<u>\$ 545,585</u>	<u>\$ 18,286</u>	<u>\$ 227,174</u>	<u>\$ 7,403,241</u>

Supplementary Information
Reconciliation of the Combining Balance Sheet to the
Statement of Net Position - Component Unit - Drainage Districts
December 31, 2024

Total fund balances - governmental funds \$ 4,431,153

Amounts reported for the 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 as assets in the governmental funds.

Capital assets, net 5,239,839

Long-term receivables are not available to pay for current period expenditures and therefore are not available in the funds. They consist of:

Special Assessments 2,234,544

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:

Notes payable	(1,845,489)	
Accrued interest payable	(3,167)	
	<u> </u>	<u>(1,848,656)</u>

Net position of governmental activities \$ 10,056,880

Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Drainage Districts - Component Unit
For the Year Ended December 31, 2024

	Debt Service Funds			Capital Project Funds				Totals	
	Drain Debt	Henderson Drain Debt	Byron Water Project Debt	Lake Level	Regular Drain	Revolving Drain	Revolving Drain Maintenance		Drain Equipment Revolving
REVENUES									
Special Assessment	\$ 143,212	\$ -	\$ -	\$ 600	\$ 492,250	\$ -	\$ -	\$ -	\$ 636,062
Interest	15,724	-	-	-	50,777	-	880	-	67,381
Other	-	-	52,964	-	132,793	-	-	7,048	192,805
Total Revenues	158,936	-	52,964	600	675,820	-	880	7,048	896,248
EXPENDITURES									
Public Works	-	-	-	3,246	1,084,282	-	-	193,647	1,281,175
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	165,043	-	52,964	-	-	-	-	-	218,007
Total Expenditures	165,043	-	52,964	3,246	1,084,282	-	-	193,647	1,499,182
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(6,107)	-	-	(2,646)	(408,462)	-	880	(186,599)	(602,934)
Other Financing Sources/(Uses)									
Transfers In	-	-	-	-	-	-	2,108	206,690	208,798
Transfers Out	-	-	-	-	(208,798)	-	-	-	(208,798)
Total Other Financing Sources/(Uses)	-	-	-	-	(208,798)	-	2,108	206,690	-
NET CHANGE IN FUND BALANCES	(6,107)	-	-	(2,646)	(617,260)	-	2,988	20,091	(602,934)
FUND BALANCE BEGINNING OF YEAR	138,334	50	-	2,361	4,708,659	11,367	15,298	158,018	5,034,087
FUND BALANCE END OF YEAR	\$ 132,227	\$ 50	\$ -	\$ (285)	\$ 4,091,399	\$ 11,367	\$ 18,286	\$ 178,109	\$ 4,431,153

**Reconciliation of the Net Changes in Fund Balances of the Governmental Fund
to Changes in Net Position of the Drains Component Unit
For the Year Ended December 31, 2024**

Net changes in fund balances governmental funds - Drains - Component Unit \$ (602,934)

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

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

Capital Outlay	-	
Depreciation Expense	(231,218)	
Excess of depreciation expense		(231,218)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period, these amounts consist of:

Unavailable Revenue		(31,447)
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Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowing increase long-term liabilities in the statement of net position.

Change in accrued interest payable	459	
Note principal retirement	173,009	
		173,468

Changes in net position of governmental activities		\$ (692,131)
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Supplementary Information
Balance Sheet
Governmental Fund County Airport - Component Unit
December 31, 2024

ASSETS:

Cash and Equivalents	\$	98,383
Accounts Receivable		88,649
Inventory		<u>7,909</u>
 TOTAL ASSETS	 \$	 <u><u>194,941</u></u>

LIABILITIES:

Accounts Payable	\$	27,790
Accrued Liabilities		<u>2,225</u>
 TOTAL LIABILITIES		 <u>30,015</u>

FUND BALANCES:

Nonspendable:		7,909
Unassigned		<u>157,017</u>
 TOTAL FUND BALANCES		 <u>164,926</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$	 <u><u>194,941</u></u>

**Supplementary Information
Reconciliation of the Fund Balances of the
Governmental Fund to Net Position of the
County Airport - Component Unit
December 31, 2024**

Fund balance governmental fund - County Airport - Component Unit	\$	164,926
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Amounts reported for the governmental activities in the statement of net position are different because:

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

Capital assets being depreciated, net	<u>1,457,317</u>
---------------------------------------	------------------

Net position of the County Airport - Component Unit	\$	<u><u>1,622,243</u></u>
--	----	-------------------------

Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund - County Airport - Component Unit
For the Year Ended December 31, 2024

REVENUES:

Intergovernmental	\$ 72,715
Charges for Services	326,652
	<hr/>
Total Revenues	399,367

EXPENDITURES:

Public Works	360,254
Capital Outlay	9,200
	<hr/>
Total Expenditures	369,454

NET CHANGE IN FUND BALANCES 29,913

FUND BALANCE BEGINNING OF YEAR 135,013

FUND BALANCE END OF YEAR \$ 164,926

Supplementary Information
Reconciliation of the Net Changes in Fund Balances
of the Governmental Fund to Change in Net Position of the
County Airport - Component Unit
For the Year Ended December 31, 2024

Net change in fund balance - County Airport - Component Unit \$ 29,913

The change in net position reported for governmental activities in the statement of activities is 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 Outlay	-
Depreciation expense	(64,781)
	<hr/>

Change in net position of County Airport - Component Unit \$ (34,868)

Reports on Compliance



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KENNETH A. TALSMA, CPA, PRINCIPAL
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MEMBER AICPA
DIVISION FOR CPA FIRMS
MEMBER MICPA
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To Chairman Brodeur
and the Board of Commissioners
County of Shiawassee, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shiawassee, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County of Shiawassee, Michigan’s basic financial statements and have issued our report thereon dated June 16, 2025. Our report includes a reference to other auditors who audited the financial statements of the Shiawassee County Road Commission and Medical Care Facility as described in our report on the County of Shiawassee, Michigan’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Shiawassee County Medical Care Facility were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Shiawassee County Medical Care Facility.

Report on Internal Control Over Financial Reporting

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

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

To Chairman Brodeur and the Board of Commissioners
Shiawassee County, Michigan

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



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

June 16, 2025



ANDERSON, TACKMAN & COMPANY, PLC
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To Chairman Brodeur
and the Board of Commissioners
County of Shiawassee, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Shiawassee, Michigan's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Shiawassee, Michigan's major federal programs for the year ended December 31, 2024. The County of Shiawassee, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County of Shiawassee, Michigan's basic financial statements include the operations of the Shiawassee County Road Commission and Medical Care Facility which expended \$1,587,011 and \$941,746, respectively, in federal awards which is not included in Shiawassee County's Michigan schedule of expenditures of federal awards during the year ended December 31, 2024. Our audit, described below, did not include the operations of the Shiawassee County Road Commission because they did not expend \$750,000 or more in negotiated projects and the Medical Care Facility because they performed a separate financial audit and engaged other auditors to perform an audit of compliance.

In our opinion, the County of Shiawassee, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County of Shiawassee, Michigan and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Shiawassee, Michigan's compliance with the compliance requirements referred to above.

To Chairman Brodeur
and the Board of Commissioners
County of Shiawassee, Michigan

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Shiawassee, Michigan's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Shiawassee, Michigan's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Shiawassee, Michigan's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

To Chairman Brodeur
and the Board of Commissioners
County of Shiawassee, Michigan

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

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

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



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

June 16, 2025

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Grantor/Pass-through Grantor/Program Title	COVID-19 Related	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Pass-through from the State of Michigan				
Department of Health and Human Services				
Women, Infants and Children - Breastfeeding		10.557	E20241959	\$ 10,352
Women, Infants and Children - Breastfeeding Admin		10.557	E20241959	35,841
Women, Infants and Children - Breastfeeding Admin		10.557	E20252162	15,399
Women, Infants and Children - Resident Services		10.557	E20251445	90,534
Women, Infants and Children - Resident Services		10.557	E20241958	<u>271,601</u>
Subtotal				<u>423,727</u>
Total U.S. Department of Agriculture				<u>423,727</u>
U.S. DEPARTMENT OF JUSTICE:				
Pass-through from the Michigan State Police				
Ballistic Vest Grant		16.607	N/A	<u>1,030</u>
Edward Byrne Memorial		16.738	JAG-72382-4-19	<u>9,436</u>
Pass-through from the State Court Administrative Office				
Adult Drug Court and Veterans Treatment Court Discretionary Grant		16.585	2020MU-BX-0088	<u>50,047</u>
Total U.S. Department of Justice				<u>60,513</u>
U.S. DEPARTMENT OF TREASURY:				
<i>Direct</i>				
Coronavirus State and Local Fiscal Recovery Funds (ARPA Grant)	X	21.027	N/A	<u>354,588</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass-through from the State of Michigan				
Department of Health and Human Services				
Public Health Emergency - Preparedness FY 23-24		93.069	E20241821	69,833
Public Health Emergency - Preparedness FY 24-25		93.069	E20251227	29,304
Public Health Emergency - Preparedness FY 23-24		93.069	E20245616	29,599
Tuberculosis Control Program		93.116	E20241832	126
Tuberculosis Control Program		93.116	E20251235	24
Immunization Program IAP		93.268	E20241790	27,593
Immunization Program IAP		93.268	E20251077	9,198
Covid Immunization-Children	X	93.268	E20241777	83,931
Covid Immunization-Children	X	93.268	E20251105	27,696
Immunization Program - Fixed Fees		93.268	E20245636	40
Immunization Program - Fixed Fees		93.268	E20241785	1,700
Vaccine Provided - Value		93.268	N/A	57,292
Epidemiology & Laboratory COVID-19 Infection Prevention	X	93.323	E20241838	116,066
Epidemiology & Laboratory COVID-19 Infection Prevention	X	93.323	E20251232	50,001
Reopening Schools HRA	X	93.323	E20241817	1,219,136
Reopening Schools HRA	X	93.323	E20251106	373,749
Covid Workforce Development	X	93.354	E20255182	33,001

See accompanying notes to scheduled of expenditures of federal awards.

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Grantor/Pass-through Grantor/Program Title	COVID-19 Related	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: (Continued)				
Pass-through from the State of Michigan				
Department of Health and Human Services (Continued)				
Title IV-D Child Enforcement Services		93.563	CS/COM-24-78003	616,699
Title IV-D Incentive Payments		93.563	CSCOM-24-78003	118,298
Foster Care Title IV-E Child & Parent Legal Representation		93.658	E20243875	2,590
Foster Care Title IV-E Child & Parent Legal Representation		93.658	E20251973	774
CSHCS Care Coordination		93.778	E20230954	380
Medicaid Admin		93.778	E20241701	21,284
Medicaid Admin		93.778	E20241953	96
Medicaid Outreach & Advocacy - Children's Special Health		93.778	E20241761	20,041
Medicaid Outreach & Advocacy - Children's Special Health		93.778	E20251482	6,302
Opioid Response		93.788	E20241889	14,999
CDC's Collaboration with Acedemia to Strengthen Public Health		93.967	E20245040	90,703
CDC's Collaboration with Acedemia to Strengthen Public Health		93.967	E20251234	44,046
Maternal & Child Health Services		93.994	E20233480	25,000
Maternal & Child Health Services -Other		93.994	E20233479	16,111
Total U.S. Department of Health and Human Services				<u>3,105,612</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Pass-through from the Michigan State Police				
Hazard Mitigation Grant		97.039	4547.13-P	38,570
Emergency Management Performance Grant		97.042	EMC-2023-EP-00005	1,179
Emergency Management Performance Grant ARPA Supplemental		97.042	EMC-2021-EP-00005	3,978
Pass-through from the County of Ingham				
FY 2022 Homeland Security		97.067	EMW-2022-SS-0031-501	33,526
Total U.S. Department of Homeland Security				<u>77,253</u>

See accompanying notes to scheduled of expenditures of federal awards.

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Shiawassee, Michigan under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Shiawassee, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Shiawassee, Michigan.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST:

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

NOTE 4 - FEDERAL FINANCIAL ASSISTANCE - ROAD COMMISSION COMPONENT UNIT

The Michigan Department of Transportation (MDOT) requires that Road Commissions report all Federal and State grants pertaining to their county. During the year ended December 31, 2024, the Federal aid received and expended by the Road Commission was \$1,587,011 for contracted projects and \$0 for negotiated 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). Negotiated projects are projects where the Road Commission administers the grant and either performs the work or contracts it out. The Road Commission would be subject to single audit requirements if it expended \$750,000 or more for negotiated projects.

NOTE 5 - SUBRECIPIENTS:

There were no awards passed through to subrecipients.

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of Major Programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.323	Epidemiology and Laboratory
Dollar threshold used to distinguish between types A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

NONE.

Section III – Federal Award Findings and Questioned Costs

NONE.

Section III – Federal Award Findings and Questioned Costs

NONE.



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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To Chairman Brodeau
and the Board of Commissioners
County of Shiawassee, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shiawassee, Michigan for the year ended December 31, 2024, and have issued our report thereon dated June 16, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter to you dated January 21, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matter

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County of Shiawassee, Michigan are described in Note 1 to the financial statements. As described in Note 13 and Note 14 to the financial statements, Shiawassee County changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 100, Accounting Changes and Error Changes and policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences in 2024 and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions that have been recognized in the financial statements in the proper period.

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

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

- The allowance for doubtful accounts is based on management's estimates of accounts which will not be collected in subsequent periods, historical write-off experience, and payment analysis. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the Annual Required Contribution for OPEB Obligations and pension benefits were based on various assumptions regarding life expectancies, inflation, premium increases, and investment rates. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

Disagreement with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Upcoming Accounting Standards
Other Matters

GASB Statement No. 102, Certain Risk Disclosures

In December of 2023, GASB Statement No. 102, Certain Risk Disclosures, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal years beginning after June 15, 2024. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

GASB Statement No. 103, Financial Reporting Model Improvements

In April of 2024, GASB Statement No. 103, Financial Reporting Model Improvements, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104, Disclosure of Certain Capital Assets

In September of 2024, GASB Statement No. 104, Disclosure of Certain Capital Assets, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal years beginning after June 15, 2025. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

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

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

Restrictions on Use

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



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

June 16, 2025