County of Shiawassee, Michigan

BASIC FINANCIAL STATEMENTS

December 31, 2025

COUNTY OF SHIAWASSEE, MICHIGAN

BOARD OF COMMISSIONERS

Gregory Brodeur
Chairman

Cindy L. Garber	Vice Chairman
Josh Haley	Commissioner
Bill Johnson	Commissioner
Brad Howard	Commissioner
Gary Holzhausen	Commissioner
Matthew Shephard	Commissioner

OTHER OFFICIALS

Dr. Brian Boggs
County Administrator

Tracy Bublitz
Finance Director

Caroline Wilson Clerk	Julie Sorenson Treasurer
Lori S. Kimble Register of Deeds	Brent Singer Drain Commissioner
Doug Chapman Sheriff	Scott Koerner Prosecuting Attorney

TABLE OF CONTENTS

	Page
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	81
Schedule of Contributions	82
Other Post-Employment Benefits (OPEB):	
Schedule of Changes in the OPEB Liability and Related Ratios	83
Major Funds:	
Budgetary Comparison Schedule – General Fund	84
Budgetary Comparison Schedule – Central Dispatch Fund	86
Budgetary Comparison Schedule – Health Department Fund	87
SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Nonmajor Governmental Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	94

TABLE OF CONTENTS (Continued)

SUPPLEMENTARY INFORMATION: (Continued)

Combining Statement of Net Position – Fiduciary Funds 100

Combining Statement of Changes in Net Position – Fiduciary Funds 101

Statement of Net Position – Component Unit – Medical Care Facility 102

Statement of Revenues, Expenses and Changes in Net Position – Component Unit – Medical Care Facility 103

Statement of Cash Flows – Component Unit - Medical Care Facility 104

Combining Balance Sheet – Component Unit – Drainage Districts 105

Reconciliation of the Combining Balance Sheet to the Statement of Net Position – Component Unit – Drainage Districts 106

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – Drainage Districts 107

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Component Unit – Drainage Districts 108

Combining Balance Sheet – Component Unit – County Airport 109

Reconciliation of the Combining Balance Sheet to the Statement of Net Position – Component Unit – County Airport 110

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – County Airport 111

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Component Unit – County Airport 112

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 *Government Auditing Standards* 113

Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 115

Schedule of Expenditures of Federal Awards 118
Notes to Schedule of Expenditures of Federal Awards 120

Schedule of Findings and Questioned Costs:
Section I – Summary of Auditor's Results 121
Section II – Financial Statement Findings 122
Section III – Federal Award Findings 122
Summary Schedule of Prior Audit Findings:
Section III – Federal Award Findings 123

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

TORI N. KRUISE, CPA

MEMBER AICPA
MEMBER MICPA

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, 2025, 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, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Shiawassee County Road Commission, which represents 55 percent, 63 percent, and 35 percent, respectively, of the assets, net position, and revenues of the discretely presented component units and the Shiawassee County Medical Care Facility, which represents 36 percent, 28 percent, and 62 percent, respectively, of the assets, net position, and revenues of the discretely presented component units as of December 31, 2025. 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.

16978 S. RILEY AVENUE
KINCHELOE, MICHIGAN 49788

(906) 495-5952 / FAX (906) 495-7312
E-MAIL: reception@antack.com

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 procedures 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.

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 30, 2026, 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 & Co. PLC

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

June 30, 2026

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, 2025. 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	$ 89,954,727
• Change in total net position	10,899,127
• Fund balances, governmental funds	15,194,300
• Change in fund balance, government funds	7,243,411
• Unassigned fund balance, general fund	2,608,596
• Change in fund balance, general fund	271,863
• Bond debt outstanding	41,451,647
• Installment debt outstanding	205,000
• Net change in long-term debt	3,969,603

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 $8,954,727 as of December 31, 2025.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current Assets	$ 34,339,589	$ 22,233,564	$ 13,078,725	$ 11,930,346	$ 47,418,314	$ 34,163,910
Capital Assets	16,431,073	17,183,077	-	-	16,431,073	17,183,077
Total Assets	50,770,662	39,416,641	13,078,725	11,930,346	63,849,387	51,346,987
Deferred Outflows of Resources	4,440,733	3,840,071	-	-	4,440,733	3,840,071
Current Liabilities	10,647,325	9,954,249	178,859	212,383	10,826,184	10,166,632
Noncurrent Liabilities	45,512,769	44,022,377	-	-	45,512,769	44,022,377
Total Liabilities	56,160,094	53,976,626	178,859	212,383	56,338,953	54,189,009
Deferred Inflows of Resources	2,996,439	2,942,449	-	-	2,996,439	2,942,449
Net Position						
Net Investment in Capital Assets	16,229,430	20,951,037	-	-	16,229,430	20,951,037
Restricted	11,573,676	4,553,812	168,617	168,617	11,742,293	4,722,429
Unrestricted	(31,748,245)	(39,167,212)	12,731,249	11,549,346	(19,016,996)	(27,617,866)
Total Net Position	$ (3,945,139)	$ (13,662,363)	$ 12,899,866	$ 11,717,963	$ 8,954,727	$ (1,944,400)

The second largest portion of the County's net position, $11,742,293, represents resources that are subject to external restrictions on how they may be spent. An additional portion of net position, $16,229,430 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, ($19,016,996) 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	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for Services	$ 10,199,109	$ 9,295,979	$ 1,619,997	$ 1,661,327	$ 11,819,106	$ 10,957,306
Operating Grants and Contributions	16,275,729	9,398,327	-	-	16,275,729	9,398,327
General Revenues						
Taxes	17,262,230	14,619,354	-	-	17,262,230	14,619,354
State Revenue Sharing	1,963,855	1,757,196	-	-	1,963,855	1,757,196
Investment Earnings	404,285	566,729	143,237	165,833	547,522	732,562
Extraordinary Item	-	-	-	-	-	-
Gain on Disposal of Assets	200	334,987	-	-	200	334,987
Total Revenues	46,105,408	35,972,572	1,763,234	1,827,160	47,868,642	37,799,732
Program Expenses						
General Government	5,646,409	5,733,884	-	-	5,646,409	5,733,884
Judicial	7,902,759	8,531,625	-	-	7,902,759	8,531,625
Public Safety	10,463,747	11,686,119	-	-	10,463,747	11,686,119
Public Works	554,812	589,887	-	-	554,812	589,887
Health and Welfare	8,954,696	9,034,656	-	-	8,954,696	9,034,656
Community and Economic Development	1,174,890	1,635,319	-	-	1,174,890	1,635,319
Recreation and Culture	79,491	101,747	-	-	79,491	101,747
Interest Expense	1,582,953	1,693,295	-	-	1,582,953	1,693,295
Other Expense	28,427	73,545	-	-	28,427	73,545
Delinquent Tax	-	-	266,050	354,867	266,050	354,867
Jail Commissary	-	-	315,281	319,340	315,281	319,340
Total Expenses	36,388,184	39,080,077	581,331	674,207	36,969,515	39,754,284
Excess (Deficiency)	9,717,224	(3,107,505)	1,181,903	1,152,953	10,899,127	(1,954,552)
Transfers	-	1,212,000	-	(1,212,000)	-	-
Changes in Net Position	9,717,224	(1,895,505)	1,181,903	(59,047)	10,899,127	(1,954,552)
Net Position - Beginning	(13,662,363)	(11,766,858)	11,717,963	11,777,010	(1,944,400)	10,152
Net Position - Ending	$ (3,945,139)	$ (13,662,363)	$ 12,899,866	$ 11,717,963	$ 8,954,727	$ (1,944,400)

The government's net position decreased by $9,717,224 during the current fiscal year. This increase was the result of an bond proceeds for the Medical Care Facility.

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:

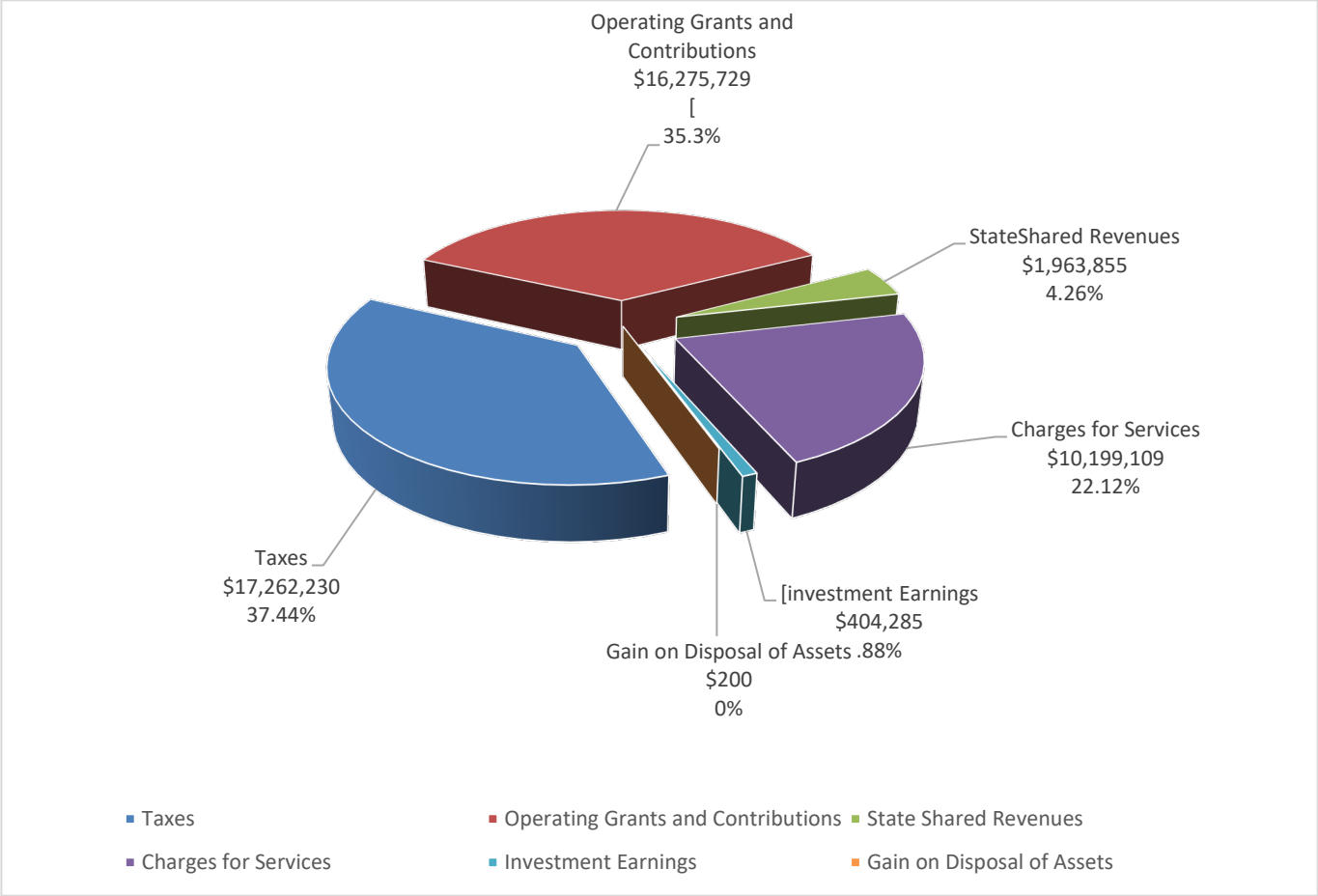
Expenses and Program Revenues – Governmental Activities



	Judicial	General Government	Public Safety	Public Works	Health & Welfare	Community & Economic Development	Recreation & Culture	Interest Expense	Other Expense
Expenses	$7,902,759	$5,646,409	$10,463,747	$554,812	$8,954,696	$1,174,890	$79,491	$1,582,953	$28,427
Revenues	$4,055,291	$982,686	$6,558,688	$77,777	$13,726,822	$1,073,574	$-	$-	$-

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

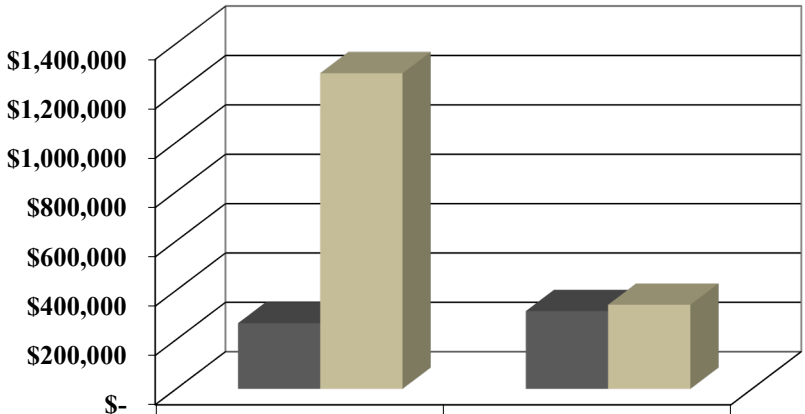
Revenues by Source – Governmental Activities



Business-type Activities. Business-type activities decreased the County's net position by $1,181,903. This change was mainly the result of a decrease in charges for services. Further, expenses decreased by $92,876 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



	Delinquent Taxes	Jail Commissiary
Expenses	$266,050	$315,281
Revenues	$1,278,977	$341,020

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 $15,194,300, a increase of $7,243,411 over the prior year. Approximately 17 percent or $2,608,596 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 $2,608,596 while total fund balance was $3,032,880. 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 $271,863 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 $(110,854) in the current fiscal year. This decrease is mostly due to an increase in public safety expenses.

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 $325,960 which decreased $170,059 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 increased 1,156,164, from $11,547,373 to $12,703,537. 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 more than the budgetary estimates by $868,488. This variance was mainly related to reductions in taxes and charges for services.

General fund expenditures were under budget by $587,154 and other financing sources and uses were more than the budgetary estimates by $1,183,739. This was the result of transfers in being less 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 $16,431,073 (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	
	2025	2024
Land	$ 668,840	$ 668,840
Construction in Progress	201,254	366,772
Land Improvements	212,920	31,828
Buildings and Improvements	13,677,063	14,340,144
Equipment	1,161,887	1,346,175
Vehicles	509,109	491,792
Total Capital Assets, Net	$ 16,431,073	$ 17,245,551

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, $42,597,702 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	
	2025	2024
Bonds Payable	$ 41,451,647	$ 37,419,044
Installment Payable	205,000	268,000
Capital Leases	-	-
Vested Employee Benefits	941,055	1,551,218
Total Long-Term Debt	$ 42,597,702	$ 39,238,262

The County's total governmental activity bond and installment debt decreased by $3,573,311 during the current fiscal year, while vested employee benefits decreased by $610,163. 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 $1,672,840. 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 7 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 2026 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;

Economic Factors and Next Year's Budgets and Rates (Continued)

- 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;
- 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;
- Continued monitoring of other capital improvement needs and the implementation of a systematic replacement plan of capital assets, including jail improvements, district court renovations, and the strategic use of remaining ARPA funds.
- Secured and implemented more than $3.6 million in Community Development Block Grant (CDBG) funding to support new workforce housing developments and countywide homeowner rehabilitation programs, addressing critical housing shortages and neighborhood revitalization.
- Expanded economic development initiatives through the County Land Bank and Brownfield Redevelopment Authority, securing additional state and federal grant funding while advancing redevelopment, blight elimination, and private investment throughout the County.
- Continued investment in major infrastructure and community development projects through successful pursuit of competitive state and federal grants, strengthening the County's long-term financial position while reducing reliance on local tax revenues.
- Continued planning and implementation of the Pleasant View Medical Care Facility expansion, a transformational project that will increase skilled nursing capacity and meet the growing healthcare needs of Shiawassee County residents.

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, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS:				
Cash and Investments - Unrestricted	$ 17,358,186	$ 9,725,565	$ 27,083,751	$ 39,370,468
Accounts Receivable	627,511	15,697	643,208	13,223,318
Special Assessments Receivable	-	-	-	1,946,821
Taxes Receivable	3,641,860	3,337,463	6,979,323	-
Leases Receivable	8,944,057	-	8,944,057	-
Due from Other Governmental Units	3,476,983	-	3,476,983	2,339,978
Inventories	50,076	-	50,076	1,984,170
Prepaid Items	240,915	-	240,915	456,197
Net Pension Asset	-	-	-	3,138,073
Net OPEB Asset	-	-	-	1,167,183
Capital Assets (Not Depreciated)	870,094	-	870,094	7,087,076
Capital Assets (Net of Accumulated Depreciation)	15,560,979	-	15,560,979	83,872,165
TOTAL ASSETS	50,770,662	13,078,725	63,849,386	154,585,449
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Related Items	3,920,522	-	3,920,522	9,913,829
OPEB Related Items	520,211	-	520,211	28,901
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,440,733	-	4,440,733	9,942,730
LIABILITIES:				
Accounts Payable	1,058,055	10,242	1,068,297	1,202,012
Accrued Liabilities	1,327,409	-	1,327,409	1,846,032
Accrued Interest Payable	360,006	-	360,006	2,707
Due to Other Governmental Units	-	-	-	5,483
Unearned Revenue	2,805,743	168,617	2,974,360	-
Advance from Other Governmental Units	-	-	-	983,135
Vested Employee Benefits - Due within one year	-	-	-	337,352
Vested Employee Benefits - Due in more than one year	941,055	-	941,055	83,363
Installment Loan Payable - Due within one year	66,000	-	66,000	-
Installment Loan Payable - Due in more than one year	139,000	-	139,000	-
Bonds Payable - Due within one year	4,089,057	-	4,089,057	2,116,437
Bonds Payable - Due in more than one year	37,362,590	-	37,362,590	8,512,061
Net Pension Liability - Due in more than one year	6,967,483	-	6,967,483	6,782,010
Net OPEB Liability - Due in more than one year	1,043,696	-	1,043,696	275,173
TOTAL LIABILITIES	56,160,094	178,859	56,338,953	22,145,765
DEFERRED INFLOWS OF RESOURCES:				
Pension Related Items	73,969	-	73,969	1,314,080
OPEB Related Items	596,059	-	596,059	200,331
Gain on Refunding	11,057	-	11,057	-
Property Taxes Levied for Subsequent Period	2,315,354	-	2,315,354	5,100,000
TOTAL DEFERRED INFLOWS OF RESOURCES	2,996,439	-	2,996,439	6,614,411
NET POSITION:				
Net Investment in Capital Assets	16,229,430	-	16,229,430	80,065,743
Restricted	11,573,676	168,617	11,742,293	4,314,218
Unrestricted	(31,748,245)	12,731,249	(19,016,996)	51,388,042
TOTAL NET POSITION	$ (3,945,139)	$ 12,899,866	$ 8,954,727	$ 135,768,003

See accompanying notes to financial statements.

County of Shiawassee, Michigan

Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 5,646,409	$ 933,455	$ 49,231	$ -	$ (4,663,723)	$ -	$ (4,663,723)	$ -
Judicial	7,902,759	929,928	3,125,363	-	(3,847,468)	-	(3,847,468)	-
Public Safety	10,463,747	6,020,378	538,310	-	(3,905,059)	-	(3,905,059)	-
Public Works	554,812	18,600	59,177	-	(477,035)	-	(477,035)	-
Health and Welfare	8,954,696	1,223,174	12,503,648	-	4,772,126	-	4,772,126	-
Community and Economic Development	1,174,890	1,073,574	-	-	(101,316)	-	(101,316)	-
Recreation and Culture	79,491	-	-	-	(79,491)	-	(79,491)	-
Interest Expense	1,582,953	-	-	-	(1,582,953)	-	(1,582,953)	-
Other Expenses	28,427	-	-	-	(28,427)	-	(28,427)	-
Total Governmental Activities	36,388,184	10,199,109	16,275,729	-	(9,913,346)	-	(9,913,346)	-
Business-type Activities:								
Delinquent Tax	266,050	1,278,977	-	-	-	1,012,927	1,012,927	-
Jail Commissary	315,281	341,020	-	-	-	25,739	25,739	-
Total Business-type Activities	581,331	1,619,997	-	-	-	1,038,666	1,038,666	-
Total Primary Government	$ 36,969,515	$ 11,819,106	$ 16,275,729	$ -	(9,913,346)	1,038,666	(8,874,680)	-
Component Units:								
Road Commission	$ 13,597,117	$ 2,378,716	$ 9,150,909	$ 7,549,701				5,482,209
Medical Care Facility	29,507,339	28,503,535	796,974	-				(206,830)
Drain Commission	927,716	1,182,662	-	-				254,946
County Airport	344,466	263,907	75,298	-				(5,261)
Total Component Units	$ 44,376,638	$ 32,328,820	$ 10,023,181	$ 7,549,701				5,525,064
General Revenues and Transfers:								
Taxes					17,262,230	-	17,262,230	4,841,471
State Revenue Sharing					1,963,855	-	1,963,855	-
Investment Earnings					404,285	143,237	547,522	822,342
Gain on Disposal of Capital Assets					200	-	200	230,357
Transfers					-	-	-	-
Total General Revenues and Transfers					19,630,570	143,237	19,773,807	5,894,170
Change in Net Position					9,717,224	1,181,903	10,899,127	11,419,234
Net Position - Beginning (as Restated See Note 13)					(13,662,363)	11,717,963	(1,944,400)	124,348,769
Net Position - Ending					$ (3,945,139)	$ 12,899,866	$ 8,954,727	$ 135,768,003

See accompanying notes to financial statements.

Balance Sheet
Governmental Funds
December 31, 2025

	General	Special Revenue Funds: Central Dispatch	Special Revenue Funds: Health Department	Debt Service Funds: Pension Bonds	Debt Service Funds: Medical Care Facility	Debt Service Funds: Mental Health Debt	Capital Poject: Medical Care Facility	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:									
Cash and Investments - Unrestricted	$ 904,821	$ 540,834	$ 1,534,668	$ 3,958	$ -	$ -	$ 7,501,255	$ 5,792,111	$ 16,277,647
Receivables:									
Accounts	61,230	490,223	-	-	-	6,753	-	6,328	564,534
Taxes	1,415,482	-	-	-	-	-	-	2,226,378	3,641,860
Leases	-	-	-	-	8,944,057	-	-	-	8,944,057
Due from Other Governmental Units	394,231	-	8,457	-	-	1,775,000	-	829,295	3,006,983
Due from Other Funds	831,999	-	-	-	-	-	-	-	831,999
Inventories	-	-	50,076	-	-	-	-	-	50,076
Prepaids	240,915	-	-	-	-	-	-	-	240,915
Advance to Component Unit	470,000	-	-	-	-	-	-	-	470,000
TOTAL ASSETS	$ 4,318,678	$ 1,031,057	$ 1,593,201	$ 3,958	$ 8,944,057	$ 1,781,753	$ 7,501,255	$ 8,854,113	$ 34,028,072
LIABILITIES:									
Accounts Payable	$ 300,488	$ 23,962	$ 95,631	$ -	$ -	$ -	$ 204,726	$ 211,193	$ 836,000
Accrued Liabilities	964,808	99,511	125,147	-	-	-	-	137,943	1,327,409
Due to Other Funds	-	-	-	-	-	6,753	-	825,246	831,999
Unearned Revenue	20,502	-	1,046,463	-	-	-	-	1,738,778	2,805,743
TOTAL LIABILITIES	1,285,798	123,473	1,267,241	-	-	6,753	204,726	2,913,160	5,801,151
DEFERRED INFLOWS OF RESOURCES:									
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-	2,315,354	2,315,354
Unavailable Revenue	-	-	-	-	8,944,057	1,773,209	-	-	10,717,266
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	8,944,057	1,773,209	-	2,315,354	13,032,620
FUND BALANCES:									
Nonspendable	240,915	-	50,076	-	-	1,791	-	-	292,782
Restricted	183,369	907,584	275,884	3,958	-	-	7,296,529	2,906,352	11,573,676
Committed	-	-	-	-	-	-	-	719,246	719,246
Unassigned	2,608,596	-	-	-	-	-	-	-	2,608,596
TOTAL FUND BALANCES	3,032,880	907,584	325,960	3,958	-	1,791	7,296,529	3,625,598	15,194,300
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,318,678	$ 1,031,057	$ 1,593,201	$ 3,958	$ 8,944,057	$ 1,781,753	$ 7,501,255	$ 8,854,113	
Reconciliation to amounts reported for governmental activities in the statement of net position:									
Capital Assets used by Governmental Activities									16,431,073
Unavailable Revenue from Inflows									10,717,266
Internal Service Funds									921,461
Vested Employee Benefits									(941,055)
Installment Loan Payable									(205,000)
Bonds Payable									(41,451,647)
Deferred Gain on Refunding									(11,057)
Accrued Interest Payable									(360,006)
Pension and OPEB Obligations and Deferred items									(4,240,474)
Net position of governmental activities									$ (3,945,139)

See accompanying notes to financial statements.

County of Shiawassee, Michigan

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2025

	General	Special Revenue Funds: Central Dispatch	Special Revenue Funds: Health Department	Debt Service Funds: Pension Bonds	Debt Service Funds: Medical Care Facility	Debt Service Funds: Mental Health Debt	Capital Poject: Medical Care Facility	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES:									
Taxes	$ 15,112,443	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,149,787	$ 17,262,230
Licenses and Permits	59,783	-	442,646	-	-	-	-	-	502,429
Intergovernmental	4,384,518	-	3,498,819	-	1,462,820	289,195	-	2,531,154	12,166,506
Charges for Services	1,826,209	2,218,563	43,883	-	-	-	-	552,474	4,641,129
Fines and Forfeitures	373,559	-	-	-	-	-	-	13,677	387,236
Interest and Rents	220,349	12,455	9,947	-	-	-	118,027	43,707	404,485
Other Revenue	782,951	16,011	-	3,236,498	-	-	-	632,855	4,668,315
TOTAL REVENUES	22,759,812	2,247,029	3,995,295	3,236,498	1,462,820	289,195	118,027	5,923,654	40,032,330
EXPENDITURES:									
General Government	4,600,654	-	-	-	-	-	-	330,513	4,931,167
Judicial	6,441,188	-	-	-	-	-	-	1,422,838	7,864,026
Public Safety	8,231,201	2,342,207	-	-	-	-	-	611,292	11,184,700
Public Works	572,630	-	-	-	-	-	-	-	572,630
Health and Welfare	408,793	-	4,308,446	-	-	-	364,412	3,954,837	9,036,488
Community and Economic Development	602,770	-	-	-	-	-	-	581,259	1,184,029
Recreation and Culture	76,164	-	-	-	-	-	-	-	76,164
Debt Service	-	-	73,908	3,236,998	1,462,820	289,195	-	47,493	5,110,414
Capital Outlay	199,096	15,676	-	-	-	-	-	157,443	372,215
TOTAL EXPENDITURES	21,132,496	2,357,883	4,382,354	3,236,998	1,462,820	289,195	364,412	7,105,675	40,331,833
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	1,627,316	(110,854)	(387,059)	(500)	-	-	(246,385)	(1,182,021)	(299,503)
OTHER FINANCING SOURCES (USES):									
Debt Proceeds	-	-	-	-	-	-	6,925,000	-	6,925,000
Bond Premium	-	-	-	-	-	-	617,914	-	617,914
Transfers In	117,167	-	217,000	-	-	-	-	1,319,093	1,653,260
Transfers Out	(1,472,620)	-	-	-	-	-	-	(180,640)	(1,653,260)
TOTAL OTHER FINANCING SOURCES (USES)	(1,355,453)	-	217,000	-	-	-	7,542,914	1,138,453	7,542,914
NET CHANGE IN FUND BALANCES	271,863	(110,854)	(170,059)	(500)	-	-	7,296,529	(43,568)	7,243,411
FUND BALANCES BEGINNING OF YEAR	2,761,017	1,018,438	496,019	4,458	-	1,791	-	3,669,166	7,950,889
FUND BALANCES END OF YEAR	$ 3,032,880	$ 907,584	$ 325,960	$ 3,958	$ -	$ 1,791	$ 7,296,529	$ 3,625,598	$ 15,194,300

See accompanying notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net changes in fund balances - total governmental funds	$	7,243,411
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 $8,954,462 exceeded depreciation expense of ($1,084,906).		(752,004)
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		6,073,078
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		3,573,311
Bond Proceeds & Premium		(7,542,914)
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		913,896
OPEB		27,408
Accrued Interest		17,150
Deferred Gain on Refunding		1,579
Vested employee benefits		610,163
Internal service funds included in governmental activities		(446,275)
Change in net position of governmental activities	$	9,718,803

Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Jail Commissary	Totals	Internal Service Fund Self Insurance
ASSETS:				
Cash and Investments - Unrestricted	$ 9,538,868	$ 186,697	$ 9,725,565	$ 1,080,539
Accounts Receivable	-	15,697	15,697	62,977
Taxes Receivable	3,337,463	-	3,337,463	-
TOTAL ASSETS	$ 12,876,331	$ 202,394	$ 13,078,725	$ 1,143,516
LIABILITIES:				
Accounts Payable	$ 4,177	$ 6,065	$ 10,242	$ 222,055
Excess Funds from Delinquent Tax Sales	168,617	-	168,617	-
TOTAL LIABILITIES	172,794	6,065	178,859	222,055
NET POSITION:				
Restricted	168,617	-	168,617	-
Unrestricted	12,534,920	196,329	12,731,249	921,461
TOTAL NET POSITION	$ 12,703,537	$ 196,329	$ 12,899,866	$ 921,461

See accompanying notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Jail Commissary	Total	Internal Service Fund Self Insurance
OPERATING REVENUES:				
Charges for Services	$ 153,419	$ 341,020	$ 494,439	$ 3,179,418
Interest and Penalties on Taxes	1,125,558	-	1,125,558	-
Total Operating Revenues	1,278,977	341,020	1,619,997	3,179,418
OPERATING EXPENSES:				
Personnel Services	-	315,281	315,281	3,625,693
Other	266,050	-	266,050	-
Total Operating Expenses	266,050	315,281	581,331	3,625,693
OPERATING INCOME (LOSS)	1,012,927	25,739	1,038,666	(446,275)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	143,237	-	143,237	-
Transfers Out	-	-	-	-
Total Non-Operating Revenues (Expenses)	143,237	-	143,237	-
CHANGE IN NET POSITION	1,156,164	25,739	1,181,903	(446,275)
NET POSITION, BEGINNING OF YEAR	11,547,373	170,590	11,717,963	1,367,736
NET POSITION, END OF YEAR	$ 12,703,537	$ 196,329	$ 12,899,866	$ 921,461

See accompanying notes to financial statements.

Statement of Cash Flows
Proprietary Fund Types
For the Year Ended December 31, 2025

	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	$ 4,394,876	$ 332,768	$ 4,727,644	$ 3,139,346
Cash Payments for Goods and Services	(3,567,906)	(336,831)	(3,904,737)	(3,623,877)
Net Cash Provided (Used) by Operating Activities	826,970	(4,063)	822,907	(484,531)
Cash Flows From Non-Capital Activities:				
Transfers Out	-	-	-	-
Net Cash Provided (Used) by Non-Capital Activities	-	-	-	-
Cash Flows From Investing Activities:				
Interest and Dividends Received	143,237	-	143,237	-
Net Cash Provided (Used) by Investing Activities	143,237	-	143,237	-
Net Increase (Decrease) in Cash and Equivalents	970,207	(4,063)	966,144	(484,531)
Cash and Equivalents - Beginning of the Year	8,568,661	190,760	8,759,421	1,565,070
Cash and Equivalents - End of the Year	$ 9,538,868	$ 186,697	$ 9,725,565	$ 1,080,539
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 1,012,927	$ 25,739	$ 1,038,666	$ (446,275)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in operating assets and liabilities: that provided (used) cash:				
Accounts Receivable	-	(8,252)	(8,252)	(40,072)
Taxes Receivable	(173,983)	-	(173,983)	-
Excess Funds from Delinquent Tax Sales	-	-	-	-
Accounts Payable	(11,974)	(21,550)	(33,524)	1,816
Net Cash Provided (Used) by Operating Activities	$ 826,970	$ (4,063)	$ 822,907	$ (484,531)

See accompanying notes to financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Custodial Fund
ASSETS:	
Cash and Equivalents	$ 1,724,024
LIABILITIES:	
Undistributed Receipts	$ 1,724,024
NET POSITION:	
Resticted for:	
Individuals, Organizations and Other Governments	$ -

See accompanying notes to financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
December 31, 2025

	Custodial Funds
ADDITIONS	
Property Tax Collections for other Governments	$ 26,833,986
Miscellaneous	3,383,420
Total Additions	30,217,407
DEDUCTIONS	
Administrative Expenses	3,383,420
Payments of Property Taxes to other Governments	26,833,986
Total Deductions	30,217,407
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning	-
Net Position - Ending	$ -

See accompanying notes to financial statements.

Component Units

Statement of Net Position
Combining Component Units
December 31, 2025

	Road Commission	Medical Care Facility	Drainage District	County Airport	Totals
ASSETS:					
Cash and Investments - Unrestricted	$ 9,279,106	$ 24,772,800	$ 5,221,578	$ 96,984	$ 39,370,468
Receivables - Net	102,767	13,035,283	-	85,268	13,223,318
Special Assessments Receivable	-	-	1,946,821	-	1,946,821
Due from Governmental Units	2,024,703	-	315,275	-	2,339,978
Inventories	1,975,208	-	-	8,962	1,984,170
Prepaid Items	1,324	454,873	-	-	456,197
Net Pension Asset	3,138,073	-	-	-	3,138,073
Net OPEB Asset	1,167,183	-	-	-	1,167,183
Capital Assets (Not Depreciated)	4,734,855	2,087,221	265,000	-	7,087,076
Capital Assets (Net of Accumulated Depreciation)	62,217,582	15,477,472	4,745,301	1,431,810	83,872,165
TOTAL ASSETS	84,640,801	55,827,649	12,493,975	1,623,024	154,585,449
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Related Items	$ 2,297,160	$ 7,616,669	$ -	$ -	9,913,829
OPEB Related Items	-	28,901	-	-	28,901
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,297,160	7,645,570	-	-	9,942,730
LIABILITIES:					
Accounts Payable	67,241	1,095,009	36,962	2,800	1,202,012
Accrued Liabilities	85,526	1,757,264	-	3,242	1,846,032
Accrued Interest Payable	-	-	2,707	-	2,707
Advances from Governmental Units	513,135	-	470,000	-	983,135
Due to Other Governmental Units	5,483	-	-	-	5,483
Unearned Revenue	-	-	-	-	-
Net OPEB Liability - Due in more than one year	-	275,173	-	-	275,173
Net Pension Liability - Due in more than one year	-	6,782,010	-	-	6,782,010
Vested Employee Benefits - Due within one year	337,352	-	-	-	337,352
Vested Employee Benefits - Due in more than one year	83,363	-	-	-	83,363
Installment Loan Payable - Due within one year	-	-	-	-	-
Installment Loan Payable - Due in more than one year	-	-	-	-	-
Bonds Payable - Due within one year	-	1,943,428	173,009	-	2,116,437
Bonds Payable - Due in more than one year	-	7,012,590	1,499,471	-	8,512,061
	-				
TOTAL LIABILITIES	1,092,100	18,865,474	2,182,149	6,042	22,145,765
DEFERRED INFLOWS OF RESOURCES:					
Taxes Levied for Subsequent Period	-	5,100,000	-	-	5,100,000
Pension Related Items	56,319	1,257,761	-	-	1,314,080
OPEB Related Items	128,080	72,251	-	-	200,331
TOTAL DEFERRED INFLOWS OF RESOURCES	184,399	6,430,012	-	-	6,614,411
NET POSITION:					
Net Investment in Capital Assets	66,952,437	8,608,675	3,072,821	1,431,810	80,065,743
Restricted for Other Purposes	4,305,256	-	-	8,962	4,314,218
Unrestricted	14,403,769	29,569,058	7,239,005	176,210	51,388,042
TOTAL NET POSITION	$ 85,661,462	$ 38,177,733	$ 10,311,826	$ 1,616,982	$ 135,768,003

See accompanying notes to financial statements.

Statement of Activities
Component Units
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Road Commission	Medical Care Facility	Drainage District	County Airport	Total
Road Commission:									
Public Works	$ 13,597,117	$ 2,378,716	$ 9,150,909	$ 7,549,701	$ 5,482,209	$ -	$ -	$ -	$ 5,482,209
Medical Care Facility:									
Health and Welfare	29,345,388	28,503,535	796,974	-	-	(44,879)	-	-	(44,879)
Drainage District:									
Public Works	927,716	1,182,662	-	-	-	-	254,946	-	254,946
County Airport:									
Public Works	344,466	263,907	75,298	-	-	-	-	(5,261)	(5,261)
Total Component Unit	$ 44,214,687	$ 32,328,820	$ 10,023,181	$ 7,549,701	5,482,209	(44,879)	254,946	(5,261)	5,687,015
General Revenues:									
Taxes					-	4,841,471	-	-	4,841,471
Investment Earnings					241,872	580,470	-	-	822,342
Interest Expense					-	(161,951)	-	-	(161,951)
Gain (Loss) on Sale of Assets					-	(9,194)	-	-	(9,194)
Other					239,551	-	-	-	239,551
Total General Revenues					481,423	5,250,796	-	-	5,732,219
Change in Net Position					5,963,632	5,205,917	254,946	(5,261)	11,419,234
Net Position - Beginning , as Restated (see Note 13)					79,697,830	32,971,816	10,056,880	1,622,243	124,348,769
Net Position - Ending					$ 85,661,462	$ 38,177,733	$ 10,311,826	$ 1,616,982	$ 135,768,003

See accompanying notes to financial statements.

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 in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories and Prepaid items as being Nonspendable as these items are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- 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:

a. 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.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to January 1st, the budget is legally enacted through a resolution passed by the Board of Commissioners.

d. 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.

e. 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:

	Governmental Activities	Business-Type Activities	Total Primary Government	Fiduciary Funds	Component Units
Cash and Investments	$ 17,358,186	$ 9,725,565	$ 27,083,751	$ 1,724,024	$ 39,370,468

	Primary Government	Fiduciary Funds	Component Units
Bank Deposits (checking and savings accounts, money markets, & certificates of deposit)	$ 23,028,534	$ 1,724,024	$ 32,680,822
Petty Cash and Cash on Hand	22,419	-	550
Investments	4,032,798	-	6,689,096
Total	$ 27,083,751	$ 1,724,024	$ 39,370,468

		Years to Maturity			
	Fair Value	Less Than 1	1 – 5	6 – 10	S&P Ratings
Investments:					
MI CLASS**	$ 10,721,894	$ 10,721,894	$ -	$ -	AAAm
Total	$ 10,721,894	$ 10,721,894	$ -	$ -	

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, $22,231,933 of the County's bank balance of $23,434,603 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 2025 ad valorem taxes were levied and collectible on July 1, 2025. 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 2025 tax levy for general operating purposes has been recognized as revenue in the current fiscal year in the general fund. The 2025 adjusted taxable value of Shiawassee County amounted to approximately $2,581,712,861 on which ad valorem taxes levied for County general operating purposes consisted of 5.3970 mills. The 2024 tax levy was recognized as revenue in the special revenue funds and component units. The 2024 adjusted taxable value of Shiawassee County amounted to approximately $2,544,727,252 on which the Veterans Relief Fund levied 0.1000 mills, the Veteran Services Fund levied 0.1942 mills, the MSU Extension Fund levied 0.0754 mills, the Senior services Fund levied 0.4965 mills, and the Medical Care Facility levied 1.9541 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, 2025. 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:

	Beginning Balances	Additions	Adjustments/ Disposals	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 668,840	$ -	$ -	$ 668,840
Construction in Progress	201,254	-	-	201,254
Subtotal	870,094	-	-	870,094
Capital assets being depreciated:				
Buildings and Improvements	20,216,667	26,806	-	20,243,473
Land Improvements	361,062	-	-	361,062
Equipment	6,310,404	34,120	(14,640)	6,329,884
Vehicles	1,662,936	293,110	(32,621)	1,923,425
Subtotal	28,857,844	354,036	(47,261)	28,857,844
Less accumulated depreciation for:				
Buildings and Improvements	(5,868,359)	(698,051)	-	(6,566,410)
Land Improvements	(136,523)	(11,619)	-	(148,142)
Equipment	(5,005,315)	(167,074)	4,392	(5,167,997)
Vehicles	(1,227,889)	(219,048)	32,621	(1,414,316)
Subtotal	(12,238,086)	(1,095,792)	37,013	(12,296,865)
Net Capital Assets Being Depreciated	16,312,983	(741,756)	(10,248)	15,560,979
Capital Assets, Net	$ 17,183,077	$ (741,756)	$ (10,248)	$ 16,431,073

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General Government	324,260
Judicial	$ 358,596
Public Safety	382,705
Health and Welfare	26,903
Recreation and Culture	3,328
Total Depreciation – Governmental Activities	$ 1,095,792

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

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

Business-type Activities:	
Jail Commissary	$ -

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

	Beginning Balances	Additions	Adjustments/ Disposals	Ending Balances
Medical Care Facility:				
Capital assets not being depreciated:				
Land	$ 1,946,574	$ -	$ -	$ 1,946,574
Construction in Progress	140,647	1,259,105	-	1,399,752
Subtotal	2,087,221	1,259,105	-	3,346,326
Capital assets being depreciated:				
Land Improvements	1,659,975	-	-	1,659,975
Buildings and Improvements	23,587,477	-	(20,846)	23,566,631
Equipment and Furniture	4,003,397	363,644	(101,710)	4,265,331
Subtotal	29,250,849	363,644	(122,556)	29,491,937
Less accumulated depreciation	(13,569,532)	(1,813,351)	109,313	(15,273,570)
Net Capital Assets Being Depreciated	15,681,317	(1,449,707)	(13,243)	14,218,367
Capital Assets, Net	$ 17,768,538	$ (190,602)	$ (13,243)	$ 17,564,693

Depreciation expense was charged to the Medical Care Facility in the amount of $1,813,351.

NOTE 5 - CAPITAL ASSETS (Continued)

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

	Beginning Balances	Additions	Adjustments/ Disposals	Ending Balances
Drainage Districts:				
Capital assets not being depreciated:				
Construction in Progress	$ 265,000	$ -	$ -	$ 265,000
Capital assets being depreciated:				
Infrastructure - drains	11,577,808	-	-	11,577,808
Less accumulated depreciation for:				
Infrastructure - drains	(6,602,969)	(229,538)	-	(6,832,507)
Net Capital Assets Being Depreciated	4,974,839	(229,538)	-	4,745,301
Capital Assets, Net	$ 5,239,839	$ (229,538)	$ -	$ 5,010,301

Depreciation expense was charged to Drainage Districts in the amount of $229,538.

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

	Beginning Balances	Additions	Adjustments/ Disposals	Ending Balances
County Airport:				
Capital assets being depreciated:				
Land Improvements	$ 2,464,695	$ 25,720	$ -	$ 2,490,415
Buildings and Improvements	102,619	-	-	102,619
Equipment	126,358	17,000	-	143,358
Vehicles	63,764	-	-	63,764
Subtotal	2,757,436	42,720	-	2,800,156
Less accumulated depreciation for:				
Land Improvements	(1,093,511)	(62,364)	-	(1,155,875)
Buildings and Improvements	(77,011)	(2,291)	-	(79,302)
Equipment	(65,833)	(3,572)	-	(69,405)
Vehicles	(63,764)	-	-	(63,764)
Subtotal	(1,300,119)	(68,227)	-	(1,368,346)
Capital Assets, Net	$ 1,457,317	$ (25,507)	$ -	$ 1,431,810

Depreciation expense was charged to the County Airport in the amount of $68,227.

NOTE 5 - CAPITAL ASSETS (Continued)

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

	Beginning Balances	Additions	Disposals/ Adjustments	Ending Balances
Capital assets not being depreciated:				
Land and Improvements	$ 227,645	$ -	$ -	$ 227,645
Infrastructure – Improvements	4,329,833	72,085	(111,503)	4,290,415
Construction in Progress	-	216,795	-	216,795
Subtotal	3,961,212	650,700	(111,503)	4,734,855
Capital Assets Being Depreciated				
Buildings	3,787,872	24,030	-	3,811,902
Land Improvements	427,722	-	-	427,722
Road Equipment	13,165,651	1,940,710	(326,661)	14,799,700
Shop Equipment	274,464	-	-	274,464
Sign Shop	10,505	-	-	10,505
Office Equipment	232,448	-	-	232,448
Engineers' Equipment	69,954	-	-	69,954
Infrastructure – Roads	67,192,241	6,166,105	(3,611,404)	69,746,942
Infrastructure – Bridges	28,380,940	1,383,596	-	29,764,536
Infrastructure – Traffic Signals	5,186	-	-	5,186
Subtotal	113,546,983	9,514,441	(3,938,065)	119,123,359
Less Accumulated Depreciation				
Buildings	(3,061,254)	(125,091)	-	(3,186,345)
Land Improvements	(384,950)	(42,772)	-	(427,722)
Road Equipment	(10,541,806)	(790,780)	326,515	(11,006,071)
Shop Equipment	(195,204)	(7,256)	-	(202,460)
Sign Shop	(10,505)	-	-	(10,505)
Office Equipment	(197,4904)	(8,600)	-	(206,404)
Engineers' Equipment	(66,112)	(909)	-	(67,021)
Infrastructure – Roads	(28,858,284)	(3,780,354)	3,611,404	(29,027,234)
Infrastructure – Bridges	(11,988,185)	(781,809)	-	(12,769,994)
Infrastructure – Traffic Signals	(2,075)	(346)	-	(2,421)
Subtotal	(55,305,779)	(5,537,917)	3,937,919	(56,905,777)
Net Capital Assets Being Depreciated	58,241,204	3,976,524	(146)	62,217,582
Capital Assets - Net	$ 62,798,682	$ 4,265,404	$ (111,649)	$ 66,952,437

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

Total Depreciation Expense – Public Works	$ 5,537,917

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	$ -	$ 6,753	$ 825,246	$ 831,999

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	$ -	$ -	$ 117,167	$ -	$ 117,167
Health Department	217,000	-	-	-	217,000
Nonmajor Governmental	1,255,620	-	63,473	-	1,319,093
Total	$ 1,472,620	$ -	$ 180,640	$ -	$ 1,653,260

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, 2025 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.	$ 268,000	$ -	$ 63,000	$ 205,000	$ 66,000
$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%.	2,854,044	-	1,409,987	1,444,057	1,444,057
$6,925,000 Limited Tax General Obligation Bonds, Series 2025, due in annual installments ranging from $505,000 to $860,000 through October 1, 2035, interest at 5%.	-	6,925,000	-	6,925,000	505,000
$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%.	1,555,000	-	235,000	1,320,000	240,000
$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%.	520,000	-	65,000	455,000	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%.	32,490,000	-	1,775,000	30,715,000	1,835,000
Premium on Issuance	-	617,914	25,324	592,590	-
Subtotal	37,687,044	7,542,914	3,573,311	41,656,647	4,155,057
Vested Employee Benefits	1,551,218	178,780	(788,943)	941,055	-
Total Long-Term Debt – Governmental Activities	$ 39,238,262	$ 7,721,694	$ 4,362,254	$ 42,597,702	$ 4,155,057

NOTE 7 - LONG-TERM DEBT (Continued)

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

Year End December 31	Governmental Activities Principal	Interest
2026	$ 4,155,057	$ 1,857,935
2027	2,868,000	1,687,581
2028	2,901,000	1,580,566
2029	2,935,000	1,467,312
2030	3,050,000	1,350,532
2031-2035	16,395,000	4,705,424
2035-2038	8,760,000	925,430
Total	$ 41,064,057	$ 13,574,780

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:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
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%.	$ 2,853,833	$ 6,925,000	$ 1,415,405	$ 8,363,428	$ 1,943,428
Premium on Issuance	-	617,914	25,324	592,590	-
Compensated Absences	818,779	797,309	756,387	859,701	859,701
Total Long-Term Debt - MCF	$ 3,672,612	$ 8,340,223	$ 2,197,116	$ 9,815,719	$ 2,803,129

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

Year End December 31	Principal	Interest
2026	$ 1,943,428	$ 440,401
2027	580,000	321,000
2028	610,000	292,000
2029	640,000	261,500
2030	675,000	229,500
2031-2035	3,915,000	606,000
Total	$ 8,363,428	$ 2,150,401

NOTE 7 - LONG-TERM DEBT (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
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.	$ 1,677,040	$ -	$ 116,428	$ 1,560,612	$ 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.	89,470	-	50,000	39,470	39,470
$98,722 Case #2 Drain Drainage District, 2021 Drain Note, dated 08/26/2021, due the 1st day of June annually in the amount of $6,581 through 2036, with interest of 1.79%	78,979	-	6,581	72,398	6,581
Total Long-Term Debt – Drainage District	$ 1,845,489	$ -	$ 173,009	$ 1,672,840	$ 173,009

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

Year End December 31	Governmental Activities Principal	Interest
2026	$ 162,479	$ 30,939
2027	123,009	27,654
2028	123,009	25,207
2029	123,009	26,281
2030	162,699	26,959
2031-2035	563,707	93,985
2036-2039	414,568	23,897
Total	$ 1,672,480	$ 254,922

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.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Vested Employee Benefits	$ 342,090	$ 78,625	$ -	$ 420,715	$ 337,352

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	
	2024 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	1.00%
Act 88:	Yes (Adopted 6/12/1973)

10 – Emply/Trning: Closed to new hires	
	2024 Valuation
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

	2024 Valuation
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

	2024 Valuation
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

	2024 Valuation
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

	2024 Valuation
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

	2024 Valuation
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

	2024 Valuation
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	
	2024 Valuation
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	
	2024 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	0.00%
Act 88:	Yes (Adopted 6/12/1973)

20 – Tmstr NonSup af 9/96-non 911/Shf: Closed to new hires	
	2024 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)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

21 – Teamsters – Com Unit prior 9/96: Closed to new hires	
	2024 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	2.96%
RS50% Percentage:	50%
Act 88:	Yes (Adopted 6/12/1973)

22 – Teamsters – Com Unit aft 9/96: Closed to new hires	
	2024 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)

23 – New Hires div 20 aft 11/09: Closed to new hires	
	2024 Valuation
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	
	2024 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
Employee Contributions	5.00%
RS5O% 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

	2024 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

	2024 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

	2024 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

	2024 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

	2024 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 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

	2024 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

	2024 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

	2024 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%
Act 88:	Yes (Adopted 6/12/1973)

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

	2024 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	1.00%
Act 88:	Yes (Adopted 6/12/1973)

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

	2024 Valuation
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	
	2024 Valuation
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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	278
Inactive employees entitled to but not yet receiving benefits	185
Active employees	113
	576

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, 2024, 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, 2024, 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, 2024, 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, 2023	$ 90,057,946	$ 82,541,115	$ 7,516,831
Service cost	784,170	-	784,170
Interest on total pension liability	6,466,325	-	6,466,325
Changes in benefits	-	-	-
Difference between expected and actual experience	(157,506)	-	(157,506)
Changes in assumptions	(17,150)	-	(17,150)
Employer contributions	-	910,366	(910,366)
Employee contributions	-	329,579	(329,579)
Net investment income	-	6,108,782	(6,108,782)
Benefit payments, including employee refunds	(5,718,277)	(5,798,710)	80,433
Administrative expense	-	(180,282)	180,282
Other charges	(537,175)	-	(537,175)
Net changes	820,387	1,369,735	(549,348)
Balances as of December 31, 2024	$ 90,878,333	$ 83,910,850	$ 6,967,483

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 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Net Pension Liability	$ 17,525,606	$ 6,967,483	$ (14,686,239)

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

For the year ended December 31, 2025 the County recognized pension expense of ($8,881,095). 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	$ 678,167	$ 73,969
Differences in assumptions	1,348,231	-
Excess (deficit) investment returns	1,793,943	-
Contributions subsequent to measurement date*	100,181	-
Total	$ 3,920,522	$ 73,969

* 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:

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

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	
	2024 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	
	2024 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	
	2024 Valuation
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	
	2024 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
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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	181
Inactive employees entitled to but not yet receiving benefits	43
Active employees	98
	322

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 $3,640,654 for the year ended December 31, 2025.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Net pension liability

The Facility's net pension liability was measured as of December 31, 2025, 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, 2025. The Facility's net pension liability was measured as of December 31, 2025, 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.

Actuarial Assumptions

The total pension liability in the December 31, 2024, 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-2021 based upon the experience study dated February 3, 2025.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of the most recent actuarial experience study of February 3, 2025.

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, 2024	$ 59,873,289	$ 52,092,618	$ 7,780,671
Service cost	631,257	-	631,257
Interest on total pension liability	4,190,989	-	4,190,989
Difference between expected and actual experience	(958,285)	-	(958,285)
Changes in assumptions	73,818	-	73,818
Employer contributions	-	877,836	(877,836)
Employee contributions	-	311,480	(311,480)
Net investment income	-	3,861,393	(3,861,393)
Benefit payments, including employee refunds	(3,637,183)	(3,637,183)	-
Administrative expense	-	(114,269)	114,269
Net changes	300,596	1,299,257	(998,661)
Balances as of December 31, 2025	$ 60,173,885	$ 53,391,875	$ 6,782,010

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	$ 14,200,336	$ 6,782,010	$ 613,093

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

For the year ended December 31, 2025, the Medical Care Facility recognized pension expense of $1,588,899. 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	$ 1,263,567	$ (836,092)
Differences in assumptions	386,026	-
Excess (deficit) investment returns	2,326,422	(421,669)
Contributions subsequent to measurement date*	3,640,654	-
Total	$ 7,616,669	$ (1,257,761)

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:

Year Ended December 31:	
2026	$ 1,088,769
2027	1,838,543
2028	(166,432)
2029	(42,626)
Total	$ 2,718,254

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	
	2024 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

	2024 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

	2024 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

	2024 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	
	2024 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	13
Active employees	25
	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, 2025, the Commission's annual contributions were $1,059,528 based on annual payroll for open divisions.

Actuarial Assumptions

The total pension liability in the December 31, 2024 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:	6.93%, 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-2021.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2019-2023.

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%	4.20%
Global Fixed Income	20.00%	0.93%
Private Investments	20.00%	1.80%

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, 2024, 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, 2023	$ 24,333,667	$ 26,232,454	$ (1,898,787)
Service cost	141,802	-	141,802
Interest on total pension liability	1,691,027	-	1,691,027
Difference between expected and actual experience	446,316	-	446,316
Changes in assumptions	(86,578)	-	(86,578)
Employer contributions	-	1,438,992	(1,438,992)
Employee contributions	-	80,982	(80,982)
Net investment income (loss)	-	1,970,388	(1,970,388)
Benefit payments, including employee refunds	(1,705,307)	(1,705,307)	-
Administrative expense	-	(58,510)	58,510
Other changes	(1)	-	(1)
Net changes	487,259	1,726,545	(1,239,286)
Balances as of December 31, 2024	$ 24,820,926	$ 27,958,999	$ (3,138,073)

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.

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Net Pension Asset	$ (480,811)	$ (3,138,073)	$ (5,371,038)

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

For the year ended December 31, 2025, the County recognized a pension expense of $475,834. The Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	$ 223,158	$ 13,030
Changes in assumptions	56,333	43,289
Excess (deficit) investment returns	958,141	-
Contributions subsequent to measurement date*	1,059,528	-
Total	$ 2,297,160	$ 56,319

* 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:

Year Ended December 31:	
2026	$ 691,990
2027	724,724
2028	(216,271)
2029	(19,130)

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, 2025, and consisted of the following:

Active member	149
Retirees and beneficiaries	55
Total members	204

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, 2025.

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	4.43%
Mortality	Public General and Public Safety 2016 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 **5.53%**. 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 be sufficient to make projected future benefit payments of current plan members through 2042 – 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 5.24%.

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2024	$ 1,416,622	$ 331,763	$ 1,084,859
Service cost	39,113	-	39,113
Interest	74,076	-	74,076
Experience (Gains)/Losses	(28,750)	-	(28,750)
Change in actuarial assumptions	24,096	-	24,096
Contributions to OPEB trust	-	13,520	(13,520)
Contributions/benefit from general operating funds	-	84,145	(84,145)
Net investment income	-	52,803	(52,803)
Benefit payments	(84,145)	(84,145)	-
Administrative expense	-	(770)	770
Net changes	24,390	65,553	(41,163)
Balances as December 31, 2025	$ 1,441,012	$ 397,316	$ 1,043,696

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:

	1% Decrease	Current Rate	1% Increase
Discount			
Total OPEB Liability	$ 1,545,115	$ 1,441,012	$ 1,344,238
Plan Fiduciary Net Position	397,116	397,316	397,316
Net OPEB Liability	$ 1,147,799	$ 1,043,696	$ 946,922

	1% Decrease	Current Rate	1% Increase
Trend			
Total OPEB Liability	$ 1,307,427	$ 1,441,012	$ 1,595,028
Plan Fiduciary Net Position	397,316	397,316	397,316
Net OPEB Liability	$ 910,111	$ 1,043,696	$ 1,197,712

OPEB Expense

Below are the components of the Total OPEB Expense for fiscal year ending December 31, 2025:

Service Cost	$ 39,113
Interest on total OPEB liability	74,076
Experience (Gains)/Losses	97,329
Changes in Plan Terms	-
Changes of Assumptions	(116,273)
Projected Earnings on OPEB Plan Investments	(23,198)
Investment Earnings (Gains)/Losses	(1,560)
Administrative Expenses	770
Total OPEB Expense	$ 70,257

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2025, is $397,316.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains)/Losses	$ 462,680	$ 53,310
Change in Assumptions	57,531	523,223
Investment Earnings (Gains)/Losses	-	19,526
Total	$ 520,211	$ 596,059

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

Year Ended December 31:	
2026	$ (17,424)
2027	(27,723)
2028	(23,342)
2029	(5,858)
2030	(1,209)
Thereafter	(292)

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2023	$ 1,084,859
Total OPEB expense	70,257
Contributions	(97,665)
Change in deferred outflows of resources	(107,443)
Change in deferred inflows of resources	93,688
Net OPEB Liability December 31, 2024	$ 1,043,696

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	$ 1,214,042
Inactive participants	-
Retirees and beneficiaries	226,970
Total OPEB Liability	$ 1,441,012

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, 2025, Retirement Plan membership consisted of the following:

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

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, 2025.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2025, 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	4.43%
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 2025 was 4.43**%**. 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

	Total OPEB Liability
Balances at December 31, 2024	$ 304,735
Service cost	9,778
Interest on total OPEB liability	12,828
Experience differences	(14,687)
Changes in actuarial assumptions	(7,917)
Other changes	-
Benefit payments and refunds	(29,564)
Net changes	(29,562)
Balances as December 31, 2025	$ 275,173

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:

	1% Decrease	Current Rate	1% Increase
Discount			
Total OPEB Liability	$ 288,586	$ 275,173	$ 263,024

	1% Decrease	Current Rate	1% Increase
Trend			
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, 2025, the Facility recognized OPEB expense of $17,862. The Facility reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	$ 17,708	$ (51,094)
Differences in assumptions	11,193	(21,157)
Total	$ 28,901	$ (72,251)

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Year Ended December 31:		
2026	$	(10,904)
2027		(11,548)
2028		(16,652)
2029		(6,304)
2030		1,181
Thereafter		877
Total	$	(43,350)

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	-
Total participants covered by OPEB Plan	31

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.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

- 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.

Contributions

For the year ended December 31, 2025, 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, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2025.

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, 2025 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 2016 Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2019-2023.

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.

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.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Change in Net OPEB (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balances at December 31, 2024	$ 1,399,916	$ 2,444,643	$ (1,044,727)
Interest on total OPEB liability	79,220	-	79,220
Changes of benefit terms	112,668	-	112,668
Difference between expected and actual experience	41,562	-	41,562
Changes in assumptions	(11,458)	-	(11,458)
Net investment income	-	349,520	(349,520)
Benefit payments, including employee refunds	(258,245)	(258,245)	-
Administrative expense	-	(5,072)	5,072
Other	-	-	-
Net changes	(36,253)	86,203	(122,456)
Balances as December 31, 2025	$ 1,363,663	$ 2,530,846	$ (1,167,183)

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:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB (Asset)	$ (1,093,247)	$ (1,167,183)	$ (1,233,304)

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:

	1% Decrease	Current Trend	1% Increase
Net OPEB (Asset)	$ (1,168,693)	$ (1,167,183)	$ (1,165,510)

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended December 31, 2025, the Commission recognized OPEB expense of $58,678. At December 31, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 128,080

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

Year Ended December 31:	
2026	$ 17,637
2027	(63,376)
2028	(42,736)
2029	(39,605)

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.

NOTE 11 - RISK MANAGEMENT (Continued)

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:

Type of Risk	Maximum Retention per Occurrence
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.

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, 2025, 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.

NOTE 11 - RISK MANAGEMENT (Continued)

Changes in the estimated claims liabilities for workers' compensation claims for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Claims liability, beginning of year	$ 790,270	$ 808,504
Claims incurred including changes in estimates	2,700	2,700
Claims payments and adjustments	(15,534)	(15,534)
Claims liability, end of year	$ 790,270	$ 790,270

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.

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, 2025

	MERS Year Ended 12/31									
	2015	2016	2017	2018	2019	2020	2021*	2022	2023	2024
Total pension liability										
Service cost	$ 1,244,481	$ 1,216,965	$ 1,275,875	$ 1,476,154	$ 1,412,154	$ 1,352,560	$ 770,631	$ 794,538	$ 787,807	$ 784,170
Interest on total pension liability	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	6,466,325
Difference between expected and acutal experience	668,741	(575,440)	67,318	(301,271)	(681,228)	(157,200)	1,940,413	(147,938)	62,723	(157,506)
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	(17,150)
Benefit payments, including refund of member contributions	(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)	(5,718,277)
Other	2	(1,985)	(1,251)	1	461,763	(240,474)	-	4	4	(537,175)
Net change in total pension liability	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	820,387
Total pension liability - beginning	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	90,057,946
Total pension liability - ending	$ 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 *	$ 90,878,333
Plan fiduciary net position										
Contributions - employer	$ 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	$ 910,366
Contributions - employee	114,009	121,618	213,033	327,637	466,489	497,251	244,229	470,861	324,716	329,579
Net investment income	(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	6,108,782
Benefit payments, including refunds of member contributions	(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)	(5,798,710)
Other	-	-	-	-	3	-	8,356	-	-	1
Administrative expense	(148,187)	(140,853)	(151,443)	(153,188)	(170,110)	(163,506)	(69,592)	(129,975)	(181,027)	(180,282)
Net change in plan fiduciary net position	(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	1,369,735
Plan fiduciary net position - beginning	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	82,541,115
Plan fiduciary net position - ending	$ 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	$ 83,910,850
Net pension liability - ending	$ 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	$ 6,967,483
Plan fiduciary net position as a percentage of the total pension liability	58.2%	65.5%	69.5%	62.3%	65.9%	67.2%	56.9%	88.9%	92.0%	92.3%
Covered - employee payroll	$ 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	$ 6,926,162
County's net pension liability as a percentage of covered-employee payroll	293.8%	244.0%	209.2%	232.8%	238.0%	244.2%	468.8%	133.8%	100.5%	100.6%

* In 2021 and Subsequent Years, Pension RSI is County information only.

Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Contributions
For the Year Ended December 31, 2025

	MERS Year Ended 12/31									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023*	2024*
Actuarially determined contribution	$ 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	$ 913,896
Contributions in relation to the actuarially determined contribution	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	910,366
Contribution deficiency (excess)	$ (12,000)	$ (6,500,000)	$ (398,797)	$ (22,379)	$ (2,000,000)	$ (149,637)	$ -	$ -	$ -	$ 3,530
Covered - employee payroll	$ 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	6,926,162
Contributions as a percentage of covered-employee payroll	18.1%	57.1%	22.6%	24.6%	31.8%	28.2%	28.2%	15.3%	12.4%	13.1%

Notes to Schedule:
Valuation date: December 31, 2024

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, 2025

	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
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	$ 1,416,622
Service cost	42,256	43,836	44,727	80,067	66,430	42,445	45,697	39,113
Interest on OPEB liability	42,417	42,466	40,746	31,600	35,067	70,344	63,578	74,076
Difference between expected and actual experience	-	34,368	(76,941)	57,469	(357,526)	(51,987)	584,496	(28,750)
Change in plan terms	-	-	197,276	-	-	-	-	-
Changes in assumptions	-	43,241	200,267	(134,445)	(170,488)	66,567	(590,534)	24,096
Benefit payments, including refunds of employees contributions	(88,638)	(81,242)	(72,061)	(97,974)	(194,065)	(77,681)	(101,240)	(84,145)
Other	-	-	-	-	-	-	-	-
OPEB Liability - End of Year	$ 1,132,252	$ 1,214,921	$ 1,548,935	$ 1,485,652	$ 865,070	$ 1,414,625	$ 1,416,622	$ 1,441,012
Plan fiduciary net position								
Contributions - Employer	$ 248,157	$ 81,242	$ 72,061	$ 123,599	$ 204,549	$ 89,477	$ 101,240	$ 97,665
Net investment income	(10,431)	24,062	26,785	33,106	(30,079)	31,010	23,712	52,803
Benefit payments	(88,638)	(81,242)	(72,061)	(97,974)	(194,065)	(77,681)	(101,240)	(84,145)
Administrative expense	(430)	(343)	(362)	(458)	(483)	(557)	(684)	(770)
Net change in plan fiduciary net position	148,658	23,719	26,423	58,273	(20,078)	42,249	23,028	65,553
Plan fiduciary net position - Beginning of Year	29,491	178,149	201,868	228,291	286,564	266,486	308,735	331,763
Plan fiduciary net position - End of Year	$ 178,149	$ 201,868	$ 228,291	$ 286,564	$ 266,486	$ 308,735	$ 331,763	$ 397,316
Net OPEB liability - End of Year	$ 954,103	$ 1,013,053	$ 1,320,644	$ 1,199,088	$ 598,584	$ 1,105,890	$ 1,084,859	$ 1,043,696
Plan fiduciary net position as a percentage of the total OPEB liability	16%	17%	15%	19%	31%	22%	23%	28%
Covered Payroll	$ 8,233,450	$ 8,466,548	$ 8,724,561	$ 7,168,440	$ 11,291,209	$ 12,266,914	$ 13,218,301	$ 14,838,039
Net OPEB liability as a percentage of covered payroll	11.59%	11.97%	15.14%	16.73%	5.30%	9.02%	8.21%	7.03%
Schedule of Employer Contributions								
Actuarially determined contribution	140,736	136,502	150,123	192,035	181,984	173,636	238,140	232,535
Actual Contribution	248,157	81,242	72,061	123,599	204,549	89,477	101,240	97,665
Contribution deficiency/(excess)	$ (107,421)	$ 55,260	$ 78,062	$ 68,436	$ (22,565)	$ 84,159	$ 136,900	$ 134,870
Covered Payroll	$ 8,233,450	$ 8,466,548	$ 8,724,561	$ 7,168,440	$ 11,291,209	$ 12,266,914	$ 13,218,301	$ 14,838,039
ADC as a percentage of payroll	1.71%	1.61%	1.72%	2.68%	1.61%	1.42%	1.80%	1.57%

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	2.50%
Salary increases	5% Primary Gov
Investment rate of return	6.93% (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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ 13,957,602	$ 14,083,651	$ 15,112,443	$ 1,028,792
Licenses and Permits	64,000	64,000	59,783	(4,217)
Intergovernmental	4,144,785	4,243,003	4,384,518	141,515
Charges for Services	1,530,725	1,774,108	1,826,209	52,101
Fines and Forfeitures	368,000	368,000	373,559	5,559
Interest and Rents	290,005	250,005	220,349	(29,656)
Other Revenue	1,108,871	1,108,597	782,951	(325,646)
TOTAL REVENUES	21,463,988	21,891,364	22,759,812	868,448
EXPENDITURES:				
General Government				
Board of Commissioners	263,556	278,056	236,728	41,328
County Administrator	652,535	698,790	691,604	7,186
Elections	103,176	152,226	132,661	19,565
Clerk	630,244	648,456	604,167	44,289
Equalization	247,170	262,895	266,806	(3,911)
Survey and Remonumentation	60,567	67,992	68,687	(695)
Technology Services	276,300	264,800	267,309	(2,509)
Treasurer	319,225	364,471	361,034	3,437
Courthouse and grounds	1,027,422	1,175,872	1,155,084	20,788
Professional Services	174,400	167,600	167,444	156
Insurance and Bonds	600,000	651,500	649,130	2,370
Other	-	-	-	-
Total General Government	4,354,595	4,732,658	4,600,654	132,004
Judicial				
Circuit Court	805,004	783,183	716,490	66,693
District Court	2,100,301	2,103,301	2,063,584	39,717
Friend of the Court	1,405,450	1,449,371	1,421,748	27,623
Probate - Juvenile Division	543,616	652,135	640,395	11,740
Probate - Estate Division	497,593	537,342	535,159	2,183
Prosecuting Attorney	1,153,917	1,157,917	1,063,812	94,105
Total Judicial	6,505,881	6,683,249	6,441,188	242,061
Public Safety				
Sheriff	4,803,286	4,928,499	4,773,130	155,369
Security	326,740	331,240	328,451	2,789
Secondary Road Patrol	180,202	192,788	189,083	3,705
Jail	2,938,450	2,764,383	2,713,044	51,339
Emergency Services	58,498	58,498	53,152	5,346
Animal control	128,853	178,932	174,341	4,591
Total Public Safety	8,436,029	8,454,340	8,231,201	223,139

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Public Works				
Airport	9,993	9,993	9,993	-
Drain Commissioner	429,985	456,840	445,892	10,948
Drains at Large	125,000	116,745	116,745	-
Total Public Works	564,978	583,578	572,630	10,948
Health and Welfare				
Medical Examiner	210,000	210,000	208,793	1,207
Mental Health Services	200,000	200,000	200,000	-
Total Health and Welfare	410,000	410,000	408,793	1,207
Recreation & Culture				
Parks	97,015	79,015	76,164	2,851
Community and Economic Development				
Community Development	138,000	144,935	138,403	6,532
Register of Deeds	450,078	468,588	464,367	4,221
Total Community and Economic Development	588,078	613,523	602,770	10,753
Capital Outlay	318,768	163,287	199,096	(35,809)
Total Expenditures	21,275,344	21,719,650	21,132,496	587,154
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	188,644	171,714	1,627,316	1,455,602
OTHER FINANCING SOURCES (USES):				
Transfers In	836,220	861,150	117,167	(743,983)
Transfers Out	(1,024,864)	(1,032,864)	(1,472,620)	(439,756)
Total Other Financing Sources (Uses)	(188,644)	(171,714)	(1,355,453)	(1,183,739)
NET CHANGE IN FUND BALANCES	$ -	$ -	271,863	$ 271,863
FUND BALANCE BEGINNING OF YEAR			2,761,017	
FUND BALANCE END OF YEAR			$ 3,032,880	

Required Supplementary Information
Budgetary Comparison Schedule
Central Dispatch Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Charges for Services	$ 2,236,400	$ 2,236,400	$ 2,218,563	$ (17,837)
Interest	13,250	13,250	12,455	(795)
Other Revenue	3,500	3,500	16,011	12,511
TOTAL REVENUES	2,253,150	2,253,150	2,247,029	(6,121)
EXPENDITURES:				
Public Safety	2,236,580	2,236,580	2,342,207	(105,627)
Capital Outlay	16,570	16,570	15,676	894
TOTAL EXPENDITURES	2,253,150	2,253,150	2,357,883	(104,733)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	-	(110,854)	(110,854)
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCES	$ -	$ -	(110,854)	$ (110,854)
FUND BALANCE BEGINNING OF YEAR			1,018,438	
FUND BALANCE END OF YEAR			$ 907,584	

Required Supplementary Information
Budgetary Comparison Schedule
Health Department Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 4,801,597	$ 4,801,597	$ 3,498,819	$ (1,302,778)
Charges for Services	-	-	43,883	43,883
Licenses and Permits	-	-	442,646	442,646
Interest	-	-	9,947	9,947
TOTAL REVENUES	4,801,597	4,801,597	3,995,295	(806,302)
EXPENDITURES:				
Health and Welfare	4,801,597	4,801,597	4,308,446	493,151
Debt Service	-	-	73,908	(73,908)
TOTAL EXPENDITURES	4,801,597	4,801,597	4,382,354	419,243
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	-	(387,059)	(387,059)
OTHER FINANCING SOURCES (USES):				
Transfers In	217,000	217,000	217,000	-
NET CHANGE IN FUND BALANCES	$ 217,000	$ 217,000	(170,059)	$ (387,059)
FUND BALANCE BEGINNING OF YEAR			496,019	
FUND BALANCE END OF YEAR			$ 325,960	

Supplementary Information

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds							
	MSU Extension	Drug Court	Family Counseling	Friend of the Court	Drunk Driving	Prosecutor's Fees	Mental Health Court	Sure & Swift Grant
ASSETS:								
Cash and Investments	$ 97,333	$ 6,966	$ 49,506	$ 262,306	$ 180,372	$ 768	$ 6,932	$ 5,374
Accounts Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	191,870	-	-	-	-	-	-	-
Due from Other Governmental Units	-	5,523	-	4,085	-	-	12,946	3,341
TOTAL ASSETS	$ 289,204	$ 12,489	$ 49,506	$ 266,391	$ 180,372	$ 768	$ 19,878	$ 8,715
LIABILITIES:								
Accounts Payable	$ 42,445	$ 3,680	$ 225	$ 125	$ 16,363	$ 250	$ 5,048	$ 444
Accrued Liabilities	-	-	-	-	-	-	1,573	110
Due to Other Funds	-	8,408	-	-	-	-	10,531	5,317
Unearned Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	42,445	12,088	225	125	16,363	250	17,152	5,871
DEFERRED INFLOWS OF RESOURCES:								
Unearned Grant Revenue	-	-	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	199,732	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	199,732	-	-	-	-	-	-	-
FUND BALANCES:								
Restricted	47,027	401	49,281	266,266	164,009	-	2,726	2,844
Committed	-	-	-	-	-	518	-	-
TOTAL FUND BALANCES	47,027	401	49,281	266,266	164,009	518	2,726	2,844
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 289,204	$ 12,489	$ 49,506	$ 266,391	$ 180,372	$ 768	$ 19,878	$ 8,715

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	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	$ 3,662	$ 171,265	$ 12,106	$ 1,448	$ 18,623	$ 361,037	$ 399,566
Accounts Receivable	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-
Due from Other Governmental Units	16,172	-	-	-	-	-	-
TOTAL ASSETS	$ 19,834	$ 171,265	$ 12,106	$ 1,448	$ 18,623	$ 361,037	$ 399,566
LIABILITIES:							
Accounts Payable	$ 7,117	$ -	$ -	$ -	$ -	$ 30,947	$ 884
Accrued Liabilities	2,635	-	-	-	-	-	-
Due to Other Funds	9,239	-	-	-	18,622	-	-
Unearned Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	18,991	-	-	-	18,622	30,947	884
DEFERRED INFLOWS OF RESOURCES:							
Unearned Grant Revenue	-	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES:							
Restricted	843	-	12,106	1,448	1	330,090	-
Committed	-	171,265	-	-	-	-	398,682
TOTAL FUND BALANCES	843	171,265	12,106	1,448	1	330,090	398,682
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 19,834	$ 171,265	$ 12,106	$ 1,448	$ 18,623	$ 361,037	$ 399,566

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	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	$ 16,943	$ 5,693	$ 215,884	$ 3,848	$ 35,249	$ 35,395	$ 27,944	$ 4,750
Accounts Receivable	6,328	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 23,271	$ 5,693	$ 215,884	$ 3,848	$ 35,249	$ 35,395	$ 27,944	$ 4,750
LIABILITIES:								
Accounts Payable	$ 1,299	$ 87	$ 2,919	$ 3,848	$ 17	$ 242	$ -	$ -
Accrued Liabilities	-	-	-	-	-	2,717	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	1,299	87	2,919	3,848	17	2,959	-	-
DEFERRED INFLOWS OF RESOURCES:								
Unearned Grant Revenue	-	-	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
FUND BALANCES:								
Restricted	-	4,374	212,965	-	35,232	32,436	27,944	4,750
Committed	21,972	1,232	-	-	-	-	-	-
TOTAL FUND BALANCES	21,972	5,606	212,965	-	35,232	32,436	27,944	4,750
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 23,271	$ 5,693	$ 215,884	$ 3,848	$ 35,249	$ 35,395	$ 27,944	$ 4,750

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds							
	Law Library	MAGNET	Prosecutor's Assets	Local Law Enforcement	1033 Program	Opiod Settlement	DHS Social Services	Community Development Block Grant
ASSETS:								
Cash and Investments	$ 485	$ 343,940	$ 59,672	$ 48,046	$ 8,597	$ 1,178,069	$ 10,414	$ -
Accounts Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-	19,860	-	489,168
TOTAL ASSETS	$ 485	$ 343,940	$ 59,672	$ 48,046	$ 8,597	$ 1,197,929	$ 10,414	$ 489,168
LIABILITIES:								
Accounts Payable	$ 485	$ 8,141	$ -	$ -	$ -	$ 17,738	$ -	$ -
Accrued Liabilities	-	-	-	-	-	8,617	-	-
Due to Other Funds	-	-	-	-	-	-	-	489,168
Unearned Revenue	-	-	1,835	48,045	-	1,171,574	-	-
TOTAL LIABILITIES	485	8,141	1,835	48,045	-	1,197,929	-	489,168
DEFERRED INFLOWS OF RESOURCES:								
Unearned Grant Revenue	-	-	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
FUND BALANCES:								
Restricted	-	335,799	431	-	-	-	-	-
Committed	-	-	57,406	-	8,597	-	10,414	-
TOTAL FUND BALANCES	-	335,799	57,837	-	8,597	-	10,414	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 485	$ 343,940	$ 59,672	$ 48,045	$ 8,597	$ 1,197,929	$ 10,414	$ 489,168

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds						
	REACH Shoplifting Program	Peace-Time Veterans Fund	Indigent Defense	MSHN	Child Care	PA 214 Veteran's Relief	Senior Citizen Services
ASSETS:							
Cash and Investments	$ 6,412	$ 79	$ 566,615	$ 15,850	$ 4,408	$ 987,312	$ 194,605
Accounts Receivable	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	256,029	1,265,618
Due from Other Governmental Units	-	-	-	-	278,200	-	-
TOTAL ASSETS	$ 6,412	$ 79	$ 566,615	$ 15,850	$ 282,608	$ 1,243,341	$ 1,460,223
LIABILITIES:							
Accounts Payable	$ -	$ 79	$ 3,799	$ 1,221	$ 53,921	$ 1,452	$ -
Accrued Liabilities	-	-	43,099	-	62,394	-	-
Due to Other Funds	-	-	-	-	166,155	-	-
Unearned Revenue	-	-	373,005	-	-	-	-
TOTAL LIABILITIES	-	79	419,903	1,221	282,470	1,452	-
DEFERRED INFLOWS OF RESOURCES:							
Unearned Grant Revenue	-	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	-	-	-	-	-	266,437	1,316,200
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	266,437	1,316,200
FUND BALANCES:							
Restricted	6,412	-	146,712	14,629	138	975,452	144,023
Committed	-	-	-	-	-	-	-
TOTAL FUND BALANCES	6,412	-	146,712	14,629	138	975,452	144,023
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,412	$ 79	$ 566,615	$ 15,850	$ 282,608	$ 1,243,341	$ 1,460,223

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds		Debt Service Fund	Capital Project Funds		
	Veteran Services Voted	Land Bank Authority	Equipment Acquisition	Capital Improvements	Jail Improvements	Totals
ASSETS:						
Cash and Investments	$ 94,499	$ 262,125	$ -	$ 87,222	$ 791	$ 5,792,111
Accounts Receivable	-	-	-	-	-	6,328
Taxes Receivable	512,861	-	-	-	-	2,226,378
Due from Other Governmental Units	-	-	-	-	-	829,295
TOTAL ASSETS	$ 607,360	$ 262,125	$ -	$ 87,222	$ 791	$ 8,854,113
LIABILITIES:						
Accounts Payable	$ 8,417	$ -	$ -	$ -	$ -	$ 211,193
Accrued Liabilities	16,797	-	-	-	-	137,943
Due to Other Funds	-	117,806	-	-	-	825,246
Unearned Revenue	-	144,319	-	-	-	1,738,778
TOTAL LIABILITIES	25,214	262,125	-	-	-	2,913,160
DEFERRED INFLOWS OF RESOURCES:						
Unearned Grant Revenue	-	-	-	-	-	-
Property Taxes Levied for Subsequent Period	532,985	-	-	-	-	2,315,354
TOTAL DEFERRED INFLOWS OF RESOURCES	532,985	-	-	-	-	2,315,354
FUND BALANCES:						
Restricted	-	-	-	87,222	791	2,906,352
Committed	49,160	-	-	-	-	719,246
TOTAL FUND BALANCES	49,160	-	-	87,222	791	3,625,598
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 607,360	$ 262,125	$ -	$ 87,222	$ 791	$ 8,854,113

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	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	$ 186,561	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	49,106	-	22,696	8,455	500	81,623	46,301
Charges for Services	-	-	6,375	17,669	-	-	2,107	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	22	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUES	186,561	49,106	6,375	40,365	8,477	500	83,730	46,301
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	49,965	6,498	8,958	-	500	81,004	43,457
Public Safety	-	-	-	-	35,300	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Community and Economic Development	176,555	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	176,555	49,965	6,498	8,958	35,300	500	81,004	43,457
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	10,006	(859)	(123)	31,407	(26,823)	-	2,726	2,844
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	10,006	(859)	(123)	31,407	(26,823)	-	2,726	2,844
FUND BALANCE BEGINNING OF YEAR	37,021	1,260	49,404	234,859	190,832	518	-	-
FUND BALANCE END OF YEAR	$ 47,027	$ 401	$ 49,281	$ 266,266	$ 164,009	$ 518	$ 2,726	$ 2,844

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	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	85,718	-	-	-	-	-	-
Charges for Services	5,314	-	-	-	-	275,509	-
Fines and Forfeitures	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other Revenue	-	84,640	-	-	-	-	29,005
TOTAL REVENUES	91,032	84,640	-	-	-	275,509	29,005
EXPENDITURES:							
General Government	-	-	-	-	-	-	-
Judicial	90,387	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	2,084
Community and Economic Development	-	46,944	-	-	53,631	283,474	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	90,387	46,944	-	-	53,631	283,474	2,084
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	645	37,696	-	-	(53,631)	(7,965)	26,921
OTHER FINANCING SOURCES (USES):							
Transfers In	-	-	-	-	53,631	-	-
Transfers Out	-	(85,083)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(85,083)	-	-	53,631	-	-
NET CHANGE IN FUND BALANCES	645	(47,387)	-	-	-	(7,965)	26,921
FUND BALANCE BEGINNING OF YEAR	198	218,652	12,106	1,448	1	338,055	371,761
FUND BALANCE END OF YEAR	$ 843	$ 171,265	$ 12,106	$ 1,448	$ 1	$ 330,090	$ 398,682

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	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	2,442	7,740	-	4,849	-	-	-	-
Charges for Services	-	-	55,700	-	-	73,325	10,443	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	2,785	-	-	-	-	-
Other Revenue	-	10,935	-	720	22,794	-	-	1,000
TOTAL REVENUES	2,442	18,675	58,485	5,569	22,794	73,325	10,443	1,000
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public Safety	-	18,673	-	21,214	15,499	68,085	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Community and Economic Development	-	-	20,655	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	7,979	-	-	-	-	-
TOTAL EXPENDITURES	-	18,673	28,634	21,214	15,499	68,085	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	2,442	2	29,851	(15,645)	7,295	5,240	10,443	1,000
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(17,930)	-	-	-	-	-	(3,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,930)	-	-	-	-	-	(3,000)	-
NET CHANGE IN FUND BALANCES	(15,488)	2	29,851	(15,645)	7,295	5,240	7,443	1,000
FUND BALANCE BEGINNING OF YEAR	37,460	5,604	183,114	15,645	27,937	27,196	20,501	3,750
FUND BALANCE END OF YEAR	$ 21,972	$ 5,606	$ 212,965	$ -	$ 35,232	$ 32,436	$ 27,944	$ 4,750

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds							
	Law Library	MAGNET	Prosecutor's Assets	Local Law Enforcement	1033 Program	Opioid Settlement	DHS Social Services	Community Development Block Grant
REVENUES:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	6,500	59,238	165	27,839	-	71,013	-	-
Charges for Services	-	-	-	-	-	66,012	-	-
Fines and Forfeitures	-	13,677	-	-	-	-	-	-
Interest	-	8,160	-	-	-	24,514	-	-
Other Revenue	-	-	923	-	9,901	433,401	-	-
TOTAL REVENUES	6,500	81,075	1,088	27,839	9,901	594,940	-	-
EXPENDITURES:								
General Government	-	-	-	-	-	228,815	-	-
Judicial	17,682	-	-	-	-		-	-
Public Safety	-	81,439	2,394	30,929	48,042	289,717	-	-
Health and Welfare	-	-	-	-	-	11,940	5,705	-
Community and Economic Development	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	64,468	-	-
TOTAL EXPENDITURES	17,682	81,439	2,394	30,929	48,042	594,940	5,705	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(11,182)	(364)	(1,306)	(3,090)	(38,141)	-	(5,705)	-
OTHER FINANCING SOURCES (USES):								
Transfers In	11,182	-	-	-	-	-	5,000	-
Transfers Out	-	-	(2,694)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	11,182	-	(2,694)	-	-	-	5,000	-
NET CHANGE IN FUND BALANCES	-	(364)	(4,000)	(3,090)	(38,141)	-	(705)	-
FUND BALANCE BEGINNING OF YEAR	-	336,163	61,837	3,090	46,738	-	11,119	-
FUND BALANCE END OF YEAR	$ -	$ 335,799	$ 57,837	$ -	$ 8,597	$ -	$ 10,414	$ -

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds						
	REACH Shoplifting Program	Peace-Time Veterans Fund	Indigent Defense	MSHN	Child Care	PA 214 Veteran's Relief	Senior Citizen Services
REVENUES:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 247,878	$ 1,233,407
Intergovernmental	-	-	948,246	18,659	1,042,805	-	-
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	36,357	219	-
TOTAL REVENUES	-	-	948,246	18,659	1,079,162	248,097	1,233,407
EXPENDITURES:							
General Government	-	-	-	-	-	-	-
Judicial	-	-	1,124,387	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health and Welfare	-	31,933	-	15,798	2,092,555	200,060	1,099,140
Community and Economic Development	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	84,996	-
TOTAL EXPENDITURES	-	31,933	1,124,387	15,798	2,092,555	285,056	1,099,140
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	(31,933)	(176,141)	2,861	(1,013,393)	(36,959)	134,267
OTHER FINANCING SOURCES (USES):							
Transfers In	-	31,933	106,912	-	1,013,531	-	-
Transfers Out	-	-	-	-	-	(40,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	31,933	106,912	-	1,013,531	(40,000)	-
NET CHANGE IN FUND BALANCES	-	-	(69,229)	2,861	138	(76,959)	134,267
FUND BALANCE BEGINNING OF YEAR	6,412	-	215,941	11,768	-	1,052,411	9,756
FUND BALANCE END OF YEAR	$ 6,412	$ -	$ 146,712	$ 14,629	$ 138	$ 975,452	$ 144,023

Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds		Debt Service Fund	Capital Project Funds		
	Veteran Services Voted	Land Bank Authority	Equipment Acquisition	Capital Improvements	Jail Improvements	Totals
REVENUES:						
Taxes	$ 481,941	$ -	$ -	$ -	$ -	$ 2,149,787
Intergovernmental	47,259	-	-	-	-	2,531,154
Charges for Services	-	40,020	-	-	-	552,474
Fines and Forfeitures	-	-	-	-	-	13,677
Interest	-	8,226	-	-	-	43,707
Other Revenue	2,847	113	-	-	-	632,855
TOTAL REVENUES	532,047	48,359	-	-	-	5,923,654
EXPENDITURES:						
General Government	-	101,698	-	-	-	330,513
Judicial	-	-	.	-	-	1,422,838
Public Safety	-	-	-	-	-	611,292
Health and Welfare	495,622	-	-	-	-	3,954,837
Community and Economic Development	-	-	-	-	-	581,259
Debt Service	-	-	47,493	-	-	47,493
Capital Outlay	-	-	-	-	-	157,443
TOTAL EXPENDITURES	495,622	101,698	47,493	-	-	7,105,675
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	36,425	(53,339)	(47,493)	-	-	(1,182,021)
OTHER FINANCING SOURCES (USES):						
Transfers In	40,000	10,239	46,665	-	-	1,319,093
Transfers Out	(31,933)	-	-	-	-	(180,640)
TOTAL OTHER FINANCING SOURCES (USES)	8,067	10,239	46,665	-	-	1,138,453
NET CHANGE IN FUND BALANCES	44,492	(43,100)	(828)	-	-	(43,568)
FUND BALANCE BEGINNING OF YEAR	4,668	43,100	828	87,222	791	3,669,166
FUND BALANCE END OF YEAR	$ 49,160	$ -	$ -	$ 87,222	$ 791	$ 3,625,598

Supplementary Information
Combining Statement of Net Position
Fiduciary Funds
December 31, 2025

	Custodial Funds			
	Trust and Agency	Economic Development	Library Penal Fines	Totals
ASSETS:				
Cash and Equivalents	$ 1,527,782	$ 3,127	$ 193,116	$ 1,724,024
TOTAL ASSETS	$ 1,527,782	$ 3,127	$ 193,116	$ 1,724,024
LIABILITIES:				
Undistributed Receipts	$ 1,527,782	$ 3,127	$ 193,116	$ 1,724,024
NET POSITION:				
Resticted for:				
Individuals, Organizations and Other Governments	$ -	$ -	$ -	$ -

Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Custodial Funds			
	Trust and Agency	Economic Development	Library Penal Fines	Totals
ADDITIONS:				
Property Tax Collections for other Governments	$ 26,833,986	$ -	$ -	$ 26,833,986
Miscellaneous	3,163,457	-	219,963	3,383,420
TOTAL ADDITIONS	29,997,444	-	219,963	30,217,407
DEDUCTIONS:				
Administrative Expenses and Other Payments	3,163,457	-	219,963	3,383,420
Payment of Property Taxes to Other Governments	26,833,986	-	-	26,833,986
TOTAL DEDUCTIONS	29,997,444	-	219,963	30,217,407
Net Increase (Decrease) in Fiduciary Net Position	$ -	$ -	$ -	$ -
Net Position - Beginning	-	-	-	-
Net Position - Ending	$ -	$ -	$ -	$ -

Supplementary Information
Statement of Net Position
Medical Care Facility - Component Unit
December 31, 2025

ASSETS:		
Cash and Investments	$	24,772,800
Taxes Receivable		4,897,993
Accounts Receivable		8,137,290
Prepaid Items		454,873
Capital Assets (Not Depreciated)		2,087,221
Capital Assets (Net of Accumulated Depreciation)		15,477,472
TOTAL ASSETS		55,827,649
DEFERRED OUTFLOWS FOR RESOURCES:		
Pension Related Items		7,616,669
OPEB Related Items		28,901
TOTAL DEFERRED OUTFLOWS OF RESOURCES		7,645,570
LIABILITIES:		
Accounts Payable		1,095,009
Accrued Liabilities		1,757,264
Long-term Debt - Due within one year		1,943,428
Long-term Debt - Net of Current Portion		7,012,590
Net Pension Liability - Due in more than one year		6,782,010
OPEB Liability - Due in more than one year		275,173
TOTAL LIABILITIES		18,865,474
DEFERRED INFLOWS FOR RESOURCES:		
Property Taxes Levied for Subsequent Period		5,100,000
Pension Related Items		1,257,761
OPEB Related Items		72,251
TOTAL DEFERRED INFLOWS OF RESOURCES		6,430,012
NET POSITION:		
Net Investment in Capital Assets		8,608,675
Unrestricted		29,569,058
TOTAL NET POSITION	$	38,177,733

Supplementary Information
Statement of Revenues, Expenses and Changes in Net Position
Medical Care Facility - Component Unit
For the Year Ended December 31, 2025

OPERATING REVENUES:		
Charges for Services	$	24,074,963
Quality Assurance Supplement		2,204,399
Other Revenue		2,224,173
Total Operating Revenues		28,503,535
OPERATING EXPENSES:		
Salaries		14,851,026
Taxes and Benefits		5,576,750
Ancillary Services		1,504,440
Professional Fees		1,335,487
Assessments from Payors		853,660
Repairs and Maintenance		543,294
Utilities		668,807
Depreciation		1,813,351
Operating Supplies		2,198,573
Total Operating Expenses		29,345,388
OPERATING INCOME (LOSS)		(841,853)
NON-OPERATING REVENUES (EXPENSES):		
Property Taxes		4,841,471
Grant Revenue		796,974
Interest Income		580,470
Interest Expense		(161,951)
(Loss) on Disposal of Capital Assets		(9,194)
Total Non-Operating Revenues (Expenses)		6,047,770
CHANGE IN NET POSITION		5,205,917
NET POSITION, BEGINNING OF YEAR		32,971,816
NET POSITION, END OF YEAR	$	38,177,733

Supplementary Information
Statement of Cash Flows
Medical Care Facility - Component Unit
For the Year Ended December 31, 2025

Cash Flows From Operating Activities:		
Cash Received from Customers	$	27,566,833
Cash Received from Quality Assurance Supplement		2,674,270
Cash Payments for Goods and Service		(6,785,385)
Cash Payments to Employees		(22,367,363)
Net Cash Provided (Used) by Operating Activities		1,088,355
Cash Flows From Noncapital and Related Financing Activities:		
Property Taxes		4,808,364
Grants		796,974
Net Cash Provided (Used) by Noncapital and Related Financing Activities		5,605,338
Cash Flows From Capital and Related Financing Activities:		
Purchases/Construction of Capital Assets		(1,618,700)
Proceeds from Bonds		7,542,914
Principal and Interest Paid on Long-Term Debt		(1,462,819)
Net Cash Provided (Used) by Capital and Related Financing Activities		4,461,395
Cash Flows from Investing Activities:		
Interest Received		580,470
Net Cash Provided (Used) by Investing Activities		580,470
Net Increase (Decrease) in Cash and Equivalents		11,735,558
Cash and Equivalents - Beginning of Year		13,037,242
Cash and Equivalents - End of Year	$	24,772,800
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	(841,853)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		1,813,351
Change in Operating Assets and Liabilities that Provided (Used) Cash:		
Receivables (Net)		1,737,568
Prepaid Items		30,332
Accounts Payable		288,544
Accrued and Other Liabilities		177,040
Net Pension Liability and Deferrals		(2,139,687)
Total OPEB Liability and Deferrals		(17,862)
Compensated Absences		40,922
Net Cash Provided (Used) by Operating Activities	$	1,088,355

Supplementary Information
Combining Balance Sheet
Governmental Funds - Drainage Districts - Component Unit
December 31, 2025

	Debt Service Funds			Capital Project Funds					
	Drain Debt	Henderson Drain Debt	Byron Water Project Debt	Lake Level	Regular Drain	Revolving Drain	Revolving Drain Maintenance	Drain Equipment Revolving	Totals
ASSETS:									
Cash and Investments	$ 371,524	$ 50	$ -	$ 1,244	$ 4,323,601	$ 270,400	$ 19,918	$ 234,841	$ 5,221,578
Special Assessments Receivable	1,604,154	-	-	771	341,896	-	-	-	1,946,821
Due from Other Governments		-	89,470	-	-	225,805	-	-	315,275
Due from Other Funds	108,767	-	-	-	61,790	6,774	-	21,484	198,815
TOTAL ASSETS	$ 2,084,445	$ 50	$ 89,470	$ 2,015	$ 4,727,287	$ 502,979	$ 19,918	$ 256,325	$ 7,682,489
LIABILITIES:									
Accounts Payable	$ -	$ -	$ -	$ 800	$ 10,996	$ 21,612	$ -	$ 3,554	$ 36,962
Due to Other Funds	-	-	-	-	198,815	-	-	-	198,815
Advance from Primary Government	-	-	-	-		470,000	-	-	470,000
TOTAL LIABILITIES	-	-	-	800	209,811	491,612	-	3,554	705,777
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue	1,477,111	-	89,470	-	-	-	-	-	1,566,581
FUND BALANCES:									
Restricted for Debt Service	607,334	-	-	-	-	-	-	-	607,334
Restricted for Capital Projects	-	50	-	1,215	4,517,476	11,367	19,918	252,771	4,802,797
TOTAL FUND BALANCES	607,334	50	-	1,215	4,517,476	11,367	19,918	252,771	5,410,131
TOTAL LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCES	$ 2,084,445	$ 50	$ 89,470	$ 2,015	$ 4,727,287	$ 502,979	$ 19,918	$ 256,325	$ 7,682,489

Supplementary Information
Reconciliation of the Combining Balance Sheet to the
Statement of Net Position - Component Unit - Drainage Districts
December 31, 2025

Total fund balances - governmental funds		$ 5,410,131
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		5,010,301
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		1,566,581
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	(1,672,480)	
Accrued interest payable	(2,707)	
		(1,675,187)
Net position of governmental activities		$ 10,311,826

Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Drainage Districts - Component Unit
For the Year Ended December 31, 2025

	Debt Service Funds			Capital Project Funds					
	Drain Debt	Henderson Drain Debt	Byron Water Project Debt	Lake Level	Regular Drain	Revolving Drain	Revolving Drain Maintenance	Drain Equipment Revolving	Totals
REVENUES									
Special Assessment	$ 129,984	$ -	$ -	$ 1,500	$ 1,163,881	$ -	$ -	$ -	$ 1,295,365
Interest	69,821	-	-	-	48,112	-	819	-	118,752
Other	-	-	51,901	-	378,556	-	-	6,051	436,508
Total Revenues	199,805	-	51,901	1,500	1,590,549	-	819	6,051	1,850,625
EXPENDITURES									
Public Works	-	-	-	-	550,532	-	-	106,616	657,148
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	162,598	-	51,901	-	-	-	-	-	214,499
Total Expenditures	162,598	-	51,901	-	550,532	-	-	106,616	871,647
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	37,207	-	-	1,500	1,040,017	-	819	(100,565)	978,978
Other Financing Sources/(Uses)									
Transfers In	-	-	-	-	-	500,000	813	175,227	676,040
Transfers Out	-	-	-	-	(176,040)	(500,000)	-	-	(676,040)
Total Other Financing Sources/(Uses)	-	-	-	-	(176,040)	-	813	175,227	-
NET CHANGE IN FUND BALANCES	37,207	-	-	1,500	863,977	-	1,632	74,662	978,978
FUND BALANCE BEGINNING OF YEAR	570,127	50	-	(285)	3,653,499	11,367	18,286	178,109	4,431,153
FUND BALANCE END OF YEAR	$ 607,334	$ 50	-	$ 1,215	$ 4,517,476	$ 11,367	$ 19,918	$ 252,771	$ 5,410,131

Supplementary Information
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, 2025

Net changes in fund balances governmental funds - Drains - Component Unit		$	978,978
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	(229,538)		
Excess of depreciation expense			(229,538)
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			(667,963)
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	460		
Note principal retirement	173,009		
			173,469
Changes in net position of governmental activities		$	254,946

Supplementary Information
Balance Sheet
Governmental Fund County Airport - Component Unit
December 31, 2025

ASSETS:		
Cash and Equivalents	$	96,984
Accounts Receivable		85,268
Inventory		8,962
TOTAL ASSETS	$	191,214
LIABILITIES:		
Accounts Payable	$	2,800
Accrued Liabilities		3,242
TOTAL LIABILITIES		6,042
FUND BALANCES:		
Nonspendable:		8,962
Unassigned		176,210
TOTAL FUND BALANCES		185,172
TOTAL LIABILITIES AND FUND BALANCES	$	191,214

Supplementary Information
Reconciliation of the Fund Balances of the
Governmental Fund to Net Position of the
County Airport - Component Unit
December 31, 2025

Fund balance governmental fund - County Airport - Component Unit	$	185,172
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		1,431,810
Net position of the County Airport - Component Unit	$	1,616,982

Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund - County Airport - Component Unit
For the Year Ended December 31, 2025

REVENUES:		
Intergovernmental	$	75,298
Charges for Services		263,907
Total Revenues		339,205
EXPENDITURES:		
Public Works		285,439
Capital Outlay		33,520
Total Expenditures		318,959
NET CHANGE IN FUND BALANCES		20,246
FUND BALANCE BEGINNING OF YEAR		164,926
FUND BALANCE END OF YEAR	$	185,172

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, 2025

Net change in fund balance - County Airport - Component Unit	$	20,246
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		42,720
Depreciation expense		(68,227)
Change in net position of County Airport - Component Unit	$	(5,261)

Reports on Compliance

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

TORI N. KRUISE, CPA

MEMBER AICPA
MEMBER MICPA

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, 2025, 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 30, 2026. 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.

16978 S. RILEY AVENUE
KINCHELOE, MICHIGAN 49788

(906) 495-5952 / FAX (906) 495-7312
E-MAIL: reception@antack.com

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 & Co. PLC

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

June 30, 2026

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

TORI N. KRUISE, CPA

MEMBER AICPA
MEMBER MICPA

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, 2025. 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 $2,176,142 and $796,974, 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, 2025.

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.

16978 S. RILEY AVENUE
KINCHELOE, MICHIGAN 49788

(906) 495-5952 / FAX (906) 495-7312
E-MAIL: reception@antack.com

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 Unform 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 30, 2026

County of Shiawassee, Michigan

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

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	E20252162	$ 45,758
Women, Infants and Children - Breastfeeding Admin		10.557	E20263500	15,399
Women, Infants and Children - Resident Services		10.557	E20251445	271,601
Women, Infants and Children - Resident Services		10.557	E20263499	90,900
Total U.S. Department of Agriculture				**423,658**
U.S. DEPARTMENT OF JUSTICE:				
Pass-through from the Michigan State Police				
Edward Byrne Memorial		16.738	JAG-72382-4-19	69,546
Edward Byrne Memorial		16.738	JAG-U10064-26	16,172
Total U.S. Department of Justice				**85,718**
U.S. DEPARTMENT OF TRANSPORTATION:				
Pass-through from the Michigan Office of Highway Safety Planning				
Shiawassee County OT.Distracted Driving.Impaired,Seat Belt, and Speed Enforcement		20.600	PT-23-35/PT-00-78	29,088
Total U.S. Department of Transportation				**29,088**
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 10/1-6/30		93.069	E20256030	86,705
Public Health Emergency - Preparedness 7/1-9/30		93.069	E20263032	29,304
Tuberculosis Control Program FY24-25		93.116	E20251235	76
Tuberculosis Control Program FY25-26		93.116	E20262734	24
Immunization Program IAP FY-24-25		93.268	E20251077	27,593
Immunization Program IAP FY-25-26		93.268	E20263777	9,198
Immunization Program - Fixed Fees		93.268	E20251236	3,650
Covid Immunization-Children		93.268	E20251105	56,235

See accompanying notes to scheduled of expenditures of federal awards.

County of Shiawassee, Michigan

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

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)				
Vaccine Provided - Value		93.268	N/A	60,347
Epidemiology & Laboratory COVID-19 Infection Prevention		93.323	E20251232	149,861
Reopening Schools HRA		93.323	E20251106	637,870
Title IV-D Child Enforcement Services		93.563	CS/COM-24-78003	747,249
Title IV-D Incentive Payments		93.563	CSCOM-24-78003	110,226
Foster Care Title IV-E Child & Parent Legal Representation		93.658	E20251973	4,125
Foster Care Title IV-E Child & Parent Legal Representation		93.658	E20262076	1,337
Medicaid Outreach - Children's Special Health		93.778	E20251483	11,093
Medicaid Elevated Blood Lead Case Management - Children's Special Health		93.778	E20251233	3,160
Medicaid Admin		93.778	E20251479	276
Medicaid Outreach & Advocacy - Children's Special Health		93.778	E20251482	19,278
Medicaid Outreach & Advocacy - Children's Special Health		93.778	E20263084	6,302
Strengthen MI PH Workforce and Infrastructure		93.967	E20251234	173,573
Strengthen MI PH Workforce and Infrastructure		93.967	E20262896	44,046
Maternal & Child Health Services FY24-25		93.994	E20251780	19,100
Maternal & Child Health Services FY25-26		93.994	E20263085	7,037
Maternal & Child Health Services -Other FY-24-25		93.994	E20251779	11,733
Maternal & Child Health Services -Other FY25-26		93.994	E20263086	3,241
Total U.S. Department of Health and Human Services				**1,923,800**
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Pass-through from the Michigan State Police				
Hazard Mitigation Grant		97.039	4547.13-P	
Emergency Management Performance Grant		97.042	EMC-2023-EP-00005	
Emergency Management Performance Grant ARPA Supplemental		97.042	EMC-2021-EP-00005	
Pass-through from the County of Ingham				
FY 2022 Homeland Security		97.067	EMW-2022-SS-0031-501	2,890
Total U.S. Department of Homeland Security				**2,890**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 2,465,154**

See accompanying notes to scheduled of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

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, 2025. 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 15% 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, 2025, the Federal aid received and expended by the Road Commission was $2,176,142 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.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

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

CFDA Numbers	Name of Federal Program or Cluster
93.563	Child Support Enforcement

Dollar threshold used to distinguish between types A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Section II – Financial Statement Findings

NONE.

Section III – Federal Award Findings and Questioned Costs

NONE.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

NONE.

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

TORI N. KRUISE, CPA

MEMBER AICPA
MEMBER MICPA

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, 2025, and have issued our report thereon dated June 16, 2026. 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 March 30, 2026 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. There were no new policies adopted in 2025 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.

16978 S. RILEY AVENUE
KINCHELOE, MICHIGAN 49788

(906) 495-5952 / FAX (906) 495-7312
E-MAIL: reception@antack.com

- 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 30, 2026.

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. 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 & Co. PLC

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

June 30, 2026