

County of Chippewa, Michigan

BASIC FINANCIAL STATEMENTS

December 31, 2022

CHIPPEWA COUNTY, MICHIGAN

ORGANIZATION

COUNTY BOARD OF COMMISSIONERS

CHAIRMAN	JIM MARTIN
COMMISSIONER	SCOTT SHACKLETON
COMMISSIONER	DAMON LIEURANCE
COMMISSIONER	JAMES TRAYNOR
COMMISSIONER	ROBERT SAVOIE

APPOINTED/ELECTED OFFICERS

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

JUDICIARY

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

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ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER AICPA DIVISION FOR
CPA FIRMS

MEMBER MACPA
OFFICES IN MICHIGAN

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of Chippewa County, Michigan, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Chippewa, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the County of Chippewa, Michigan, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principals generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress and budgetary comparison information on pages 4 through 9, pages 73 through 75, and pages 76 through 82 be presented to supplement the basic financial statements. Such information, IS the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2023, on our consideration of the County of Chippewa, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Chippewa County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Chippewa, Michigan's internal control over financial reporting and compliance.



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

June 12, 2023

Management's Discussion and Analysis

As management of Chippewa County, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chippewa County for the year ended December 31, 2022.

Financial Highlights

- The net position of the County exceeded its liabilities at the close of the most recent fiscal year by \$12,328,157. Of this amount, \$2,306,180 is restricted.
- The County's governmental activities net position increased by \$7,824,641 and an increase of \$412,029 in net position of the business-type activities with an overall increase of \$8,236,670 in net position of the primary government.
- During the year, the County had expenses for governmental activities that were \$25,622,074 and expenses for business-type activities that were \$324,757.
- The General Fund reported a net fund balance of \$10,113,735, an increase of \$6,363,350. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,987,867, or 72% of total General Fund expenditures (excluding operating transfers.)

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

The basic governmental fund financial statements can be found on pages 12-14 of this report.

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

The basic proprietary fund financial statements can be found on pages 15-17 of this report.

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.

The basic fiduciary fund financial statements can be found on page 18-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-74 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes funding progress and budget comparison schedules. Funding progress and budget comparison schedules can be found on pages 75-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the combining fund financial statements. Combining fund statements can be found on pages 85-108 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Chippewa County, net position exceeded liabilities by \$12,328,157 at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	\$ 20,941,743	\$ 16,307,292	\$ 13,174,033	\$ 12,588,053	\$ 34,115,776	\$ 28,895,345
Capital Assets	9,998,736	10,027,378	-	-	9,998,736	10,027,378
Total Assets	30,940,479	26,334,670	13,174,033	12,588,053	44,114,512	38,922,723
Deferred Outflows of Resources	8,098,282	5,765,620	-	-	8,098,282	5,765,620
Liabilities						
Current Liabilities	3,388,116	6,223,970	374,604	200,653	3,762,720	6,424,623
Noncurrent Liabilities	29,758,669	27,042,060	-	-	29,758,669	27,042,060
Total Liabilities	33,146,785	33,266,030	374,604	200,653	33,521,389	33,466,683
Deferred Inflows of Resources	6,363,248	7,130,173	-	-	6,363,248	7,130,173
Net Position						
Net Investment in Capital Assets	6,213,736	5,293,420	-	-	6,213,736	5,293,420
Restricted	2,306,180	1,424,977	-	-	2,306,180	1,424,977
Unrestricted	(8,991,188)	(15,014,310)	12,799,429	12,387,400	3,808,241	(2,626,910)
Total Net Position	\$ (471,272)	\$ (8,295,913)	\$ 12,799,429	\$ 12,387,400	\$ 12,328,157	\$ 4,091,487

The current level of unrestricted net position for our governmental activities stands at (\$8,991,188), or about (35%) of expenses. Net Position of the governmental activities had a net increase of \$7,824,641. Net Position of the business-type activities increased \$412,029.

The following table shows the activities of the County.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenues						
Charges for Services	\$ 5,934,933	\$ 6,477,806	\$ 1,159,135	\$ 1,002,781	\$ 7,094,068	\$ 7,480,587
Operating Grants and Contributions	15,505,421	6,620,484	-	-	15,505,421	6,620,484
General Revenues						
Property Taxes	10,606,156	9,775,618	-	-	10,606,156	9,775,618
State Revenue Sharing and Other	779,221	935,333	-	-	779,221	935,333
Interest Income	167,393	89,424	31,242	15,495	198,635	104,919
Total Revenues	32,993,124	23,898,665	1,190,377	1,018,276	34,183,501	24,916,941
Expenses						
Legislative	49,129	47,533	-	-	49,129	47,533
Judicial	3,781,918	3,939,471	-	-	3,781,918	3,939,471
General Government	3,062,856	3,682,227	-	-	3,062,856	3,682,227
Public Safety	7,271,569	7,233,861	-	-	7,271,569	7,233,861
Public Works	486,561	448,544	-	-	486,561	448,544
Health and Welfare	8,603,571	6,283,654	-	-	8,603,571	6,283,654
Interest Expense - Unallocated	231,413	231,413	-	-	231,413	231,413
Other	1,485,814	1,564,940	-	-	1,485,814	1,564,940
Depreciation - Unallocated	649,243	609,714	-	-	649,243	609,714
Tax Collection	-	-	3,831	32,692	3,831	32,692
Other Nonmajor	-	-	320,926	323,464	320,926	323,464
Total Expenses	25,622,074	24,041,357	324,757	356,156	25,946,831	24,397,513
Excess (Deficiency) Before Transfers	7,371,050	(142,692)	865,620	662,120	8,236,670	519,428
Transfers	453,591	674,181	(453,591)	(674,181)	-	-
Changes in Net Position	7,824,641	531,489	412,029	(12,061)	8,236,670	519,428
Net Position - Beginning	(8,295,913)	(8,827,402)	12,387,400	12,399,461	4,091,487	3,572,059
Net Position - Ending	\$ (471,272)	\$ (8,295,913)	\$ 12,799,429	\$ 12,387,400	\$ 12,328,157	\$ 4,091,487

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

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

The County's Funds

Our analysis of the County's major funds begins on page 12 following the entity wide financial statements. The individual funds' financial statements provide detailed information about the most significant funds, not the County as a whole. The County Board of Commissioners creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The County's major funds for 2022 include the General Fund, Health Department, Senior Nutrition, Ambulance, Chippewa County Recycling, American Recovery Plan Act, and Tax Collections Funds.

The General Fund supports most of the County's governmental services. The costliest are the judicial, general government, public safety, and Health and Welfare functions. The Delinquent Tax fund is supported by interest and fees from the collection of taxes.

General Fund Budgetary Highlights

The differences between the original budget and the final amended budget for expenditures and transfers out in the General Fund are indicated in the report.

During the year, general fund revenues were \$158,269 higher than budgetary estimates, while general fund expenditures were \$847,282 less than budgetary estimates. The actual change in fund balance was an increase.

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2022, amounted to \$9,998,736 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was \$28,642.

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

- Purchases include vehicles of \$111,597, building improvements of \$62,318 and various equipment of \$515,812.

Additional information on the County's capital assets can be found in note 4 on page 32-35 of this report.

Debt Administration

At the end of the current fiscal year, the County had a total debt outstanding of \$30,208,669. Of this amount, \$3,785,000 comprises debt backed by the full faith and credit of the government. The remainder of the County's debt is comprised of vested employee benefits, OPEB obligations and net pension liability.

The County reduced its bond debt by \$948,958 in principal payments and issued no new debt.

Additional information on the County's long-term debt can be found in note 6 on pages 37-39 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- As the economy has stabilized, there have been financial impacts to the County. Property tax revenues have remained stable.
- Two Michigan constitutional laws limit property tax growth to the rate of inflation or a maximum allowable increase in assessment of 5.0 percent, whichever is less. Property tax revenue anticipated for the ensuing fiscal year will reflect the restrictions of these laws.

Component Units

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

Requests for Information

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

Basic Financial Statements

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS:				
Cash and Investments - Unrestricted	\$ 18,627,392	\$ 8,318,603	\$ 26,945,995	\$ 6,010,049
Cash and Investments - Restricted	105,719	-	105,719	1,032,229
Receivables:				
Accounts	1,237,350	-	1,237,350	3,153,174
Taxes	2,752,299	1,335,407	4,087,706	920,962
Leases	-	-	-	2,416,699
Interest	1,352	217,755	219,107	-
Due from Governmental Units	1,129,288	378	1,129,666	3,197,651
Internal Loans	(3,301,190)	3,301,190	-	-
Inventory	12,935	-	12,935	1,199,158
Prepaid Items	376,598	700	377,298	133,576
Net OPEB Asset	-	-	-	179,144
Capital Assets (nondepreciable)	231,810	-	231,810	81,573,276
Capital Assets (net of accumulated depreciation)	9,766,926	-	9,766,926	70,972,686
TOTAL ASSETS	30,940,479	13,174,033	44,114,512	170,788,604
DEFERRED OUTFLOWS OF RESOURCES:				
Pension & OPEB Related Items	7,957,975	-	7,957,975	4,094,819
Deferred Charges on Refunding	140,307	-	140,307	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,098,282	-	8,098,282	4,094,819
LIABILITIES:				
Accounts Payable	641,606	-	641,606	2,252,264
Accrued Liabilities	308,298	-	308,298	319,951
Unearned Revenue	1,202,217	-	1,202,217	848,999
Advances	-	-	-	949,262
Accrued Interest Payable	51,015	-	51,015	-
Due to Governmental Units	734,980	374,604	1,109,584	-
Notes Payable - Due within one year	-	-	-	200,602
Notes Payable - Due in more than one year	-	-	-	133,219
Bonds Payable - Due within one year	450,000	-	450,000	-
Bonds Payable - Due in more than one year	3,335,000	-	3,335,000	-
Vested Employee Benefits - Due in more than one year	429,899	-	429,899	700,758
OPEB Obligations - Due in more than one year	5,334,746	-	5,334,746	9,673,328
Net Pension Liability - Due in more than one year	20,659,024	-	20,659,024	21,371,556
TOTAL LIABILITIES	33,146,785	374,604	33,521,389	36,449,939
DEFERRED INFLOWS OF RESOURCES:				
Pension & OPEB Related Items	4,146,310	-	4,146,310	3,736,158
Lease Items	-	-	-	2,416,699
Taxes Levied for a Subsequent Period	2,216,938	-	2,216,938	920,878
TOTAL DEFERRED INFLOWS OF RESOURCES	6,363,248	-	6,363,248	7,073,735
NET POSITION:				
Net Investment in Capital Assets	6,213,736	-	6,213,736	152,212,141
Restricted	2,306,180	-	2,306,180	-
Unrestricted	(9,013,576)	12,799,429	3,785,853	(20,852,392)
TOTAL NET POSITION	\$ (493,660)	\$ 12,799,429	\$ 12,305,769	\$ 131,359,749

County of Chippewa, Michigan

Statement of Activities For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
Governmental Activities:								
Legislative	\$ 49,129	\$ -	\$ -	\$ -	\$ (49,129)	\$ -	\$ (49,129)	\$ -
Judicial	3,781,918	492,889	1,519,031	-	(1,769,998)	-	(1,769,998)	-
General Government	3,062,856	580,352	7,923,075	-	5,440,571	-	5,440,571	-
Public Safety	7,271,569	1,932,883	1,841,086	-	(3,497,600)	-	(3,497,600)	-
Public Works	486,561	-	1,180,940	-	694,379	-	694,379	-
Health and Welfare	8,603,571	2,928,809	3,018,901	-	(2,655,861)	-	(2,655,861)	-
Interest Expense - Unallocated	231,413	-	-	-	(231,413)	-	(231,413)	-
Other	1,485,814	-	-	-	(1,485,814)	-	(1,485,814)	-
Depreciation - Unallocated	649,243	-	-	-	(649,243)	-	(649,243)	-
Total Governmental Activities	25,622,074	5,934,933	15,483,033	-	(4,204,108)	-	(4,204,108)	-
Business-type activities:								
Tax Collection	3,831	515,308	-	-	-	511,477	511,477	-
Other Nonmajor	320,926	643,827	-	-	-	322,901	322,901	-
Total Business-type Activities	324,757	1,159,135	-	-	-	834,378	834,378	-
Total Primary Government	\$ 25,946,831	\$ 7,094,068	\$ 15,483,033	\$ -	(4,204,108)	834,378	(3,369,730)	-
Component Units:								
Road Commission	\$ 12,528,075	\$ 3,921,901	\$ 8,932,778	\$ 5,568,576				5,895,180
Economic Development Corporation	6,224,267	3,605,494	50,000	6,866,687				4,297,914
E.U.P. Transportation Authority	5,661,633	2,507,744	3,022,718	8,503,085				8,371,914
Total Component Units	24,413,975	10,035,139	12,005,496	20,938,348				18,565,008
Total	\$ 50,360,806	\$ 17,129,207	\$ 27,488,529	\$ 20,938,348				
General Revenues and Transfers:								
Taxes- Real Property					10,594,505	-	10,594,505	903,554
Taxes- Personal Property					11,651	-	11,651	-
State Revenue Sharing and Other					779,221	-	779,221	-
Interest Income					167,393	31,242	198,635	140,063
Transfers					453,591	(453,591)	-	-
Gain (Loss) on Disposals					-	-	-	18,327
Total General Revenues and Transfers					12,006,361	(422,349)	11,584,012	1,061,944
Changes in Net Position					7,802,253	412,029	8,214,282	19,626,952
Net Position - Beginning					(8,295,913)	12,387,400	4,091,487	111,732,797
Net Position - Ending					\$ (493,660)	\$ 12,799,429	\$ 12,305,769	\$ 131,359,749

See accompanying notes to financial statements.

County of Chippewa, Michigan

Balance Sheet Governmental Funds December 31, 2022

	General	Health Department 9/30/2022	Senior Nutrition	Ambulance	Chippewa County Recycling	American Recovery Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:								
Cash and Investments - Unrestricted	\$ 12,351,703	\$ 2,499,977	\$ 77,162	\$ 570	\$ 547,236		\$ 3,138,491	\$ 18,615,139
Cash and Investments - Restricted	-	105,719	-	-	-	-	-	105,719
Receivables:								
Accounts	17,547	832,649	-	-	-	-	370,649	1,220,845
Taxes	535,361	-	932,667	534,757	625,177	-	124,337	2,752,299
Interest	1,352	-	-	-	-	-	-	1,352
Inventory	-	8,538	-	-	-	-	-	8,538
Due from Other Funds	562,670	-	-	-	-	-	-	562,670
Due from Governmental Units	637,887	143,212	-	-	-	-	348,189	1,129,288
Prepaid Items	114,928	33,831	-	-	-	-	17,603	166,362
TOTAL ASSETS	\$ 14,221,448	\$ 3,623,926	\$ 1,009,829	\$ 535,327	\$ 1,172,413	\$ -	\$ 3,999,269	\$ 24,562,212
LIABILITIES:								
Due to Other Funds	\$ 3,301,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,909	\$ 3,694,099
Accounts Payable	222,172	357,864	-	-	-	-	61,570	641,606
Accrued Liabilities	126,158	139,413	-	-	-	-	21,796	287,367
Due to Governmental Units	-	734,410	-	570	-	-	-	734,980
Unearned Revenue	458,193	513,527	-	-	-	-	230,497	1,202,217
TOTAL LIABILITIES	4,107,713	1,745,214	-	570	-	-	706,772	6,560,269
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	932,667	534,757	625,177	-	124,337	2,216,938
FUND BALANCES:								
Nonspendable	114,928	42,369	-	-	-	-	17,603	174,900
Restricted	-	105,719	77,162	-	-	-	2,123,299	2,306,180
Committed	-	-	-	-	-	-	7,503	7,503
Assigned	10,940	1,730,624	-	-	547,236	-	1,019,755	3,308,555
Unassigned	9,987,867	-	-	-	-	-	-	9,987,867
TOTAL FUND BALANCES	10,113,735	1,878,712	77,162	-	547,236	-	3,168,160	15,785,005
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,221,448	\$ 3,623,926	\$ 1,009,829	\$ 535,327	\$ 1,172,413	\$ -	\$ 3,999,269	
Reconciliation to amounts reported for governmental activities in the statement of net position:								
Capital assets used by governmental activities								9,998,736
Deferred Charges on Refunding								140,307
Long-term notes and bonds payable for governmental activities								(3,785,000)
Long-term Vested Employee Benefits								(429,899)
Internal service funds included in governmental activities								52,699
Accrued interest expense recognized under full accrual accounting								(51,015)
Net pension & OPEB liabilities and related deferred outflows & inflows								(22,182,105)
Net position of governmental activities								\$ (471,272)

County of Chippewa, Michigan

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds For the Year Ended December 31, 2022

	General	Health Department 9/30/2022	Senior Nutrition	Ambulance	Chippewa County Recycling	American Recovery Plan Act	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES:								
Taxes	\$ 8,443,256	\$ -	\$ 912,514	\$ 519,956	\$ 608,887	\$ -	\$ 121,543	\$ 10,606,156
Licenses and Permits	29,278	-	-	-	-	-	-	29,278
Federal Sources	762,165	1,154,587	-	-	-	7,250,339	361,087	9,528,178
State Sources	1,694,902	771,680	1,733	1,069	1,735	-	1,158,655	3,629,774
Local Sources	72,525	294,916	-	-	-	-	1,417,079	1,784,520
Charges for Services	1,490,109	2,924,419	-	-	-	-	1,406,117	5,820,645
Interest and Rentals	166,645	247	-	-	-	-	501	167,393
Fines and Forfeitures	85,010	-	-	-	-	-	-	85,010
Other Revenue	260,196	347,178	-	-	-	-	734,796	1,342,170
TOTAL REVENUES	13,004,086	5,493,027	914,247	521,025	610,622	7,250,339	5,199,778	32,993,124
EXPENDITURES:								
Legislative	49,129	-	-	-	-	-	-	49,129
Judicial	3,292,133	-	-	-	-	-	680,562	3,972,695
General Government	3,270,002	-	-	-	-	3,420	20,995	3,294,417
Public Safety	5,440,872	-	-	-	-	-	2,115,663	7,556,535
Public Works	1,070	-	-	-	367,000	-	118,491	486,561
Health and Welfare	248,689	5,884,417	840,000	338,666	-	-	319,425	7,631,197
Capital Outlay	14,409	-	-	-	-	-	646,284	660,693
Debt Service	-	-	-	-	-	-	1,168,395	1,168,395
Other Expenditures	1,506,041	-	-	-	-	-	-	1,506,041
TOTAL EXPENDITURES	13,822,345	5,884,417	840,000	338,666	367,000	3,420	5,069,815	26,325,663
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(818,259)	(391,390)	74,247	182,359	243,622	7,246,919	129,963	6,667,461
OTHER FINANCING SOURCES (USES):								
Transfers In	7,832,351	-	-	-	-	-	722,750	8,555,101
Transfers Out	(650,742)	-	-	(182,359)	-	(7,246,919)	(21,490)	(8,101,510)
TOTAL OTHER FINANCING SOURCES (USES)	7,181,609	-	-	(182,359)	-	(7,246,919)	701,260	453,591
NET CHANGE IN FUND BALANCES	6,363,350	(391,390)	74,247	-	243,622	-	831,223	7,121,052
FUND BALANCE BEGINNING OF YEAR	3,750,385	2,270,102	2,915	-	303,614	-	2,336,937	8,663,953
FUND BALANCE END OF YEAR	\$ 10,113,735	\$ 1,878,712	\$ 77,162	\$ -	\$ 547,236	\$ -	\$ 3,168,160	\$ 15,785,005

**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, 2022**

Net changes in fund balances - total governmental funds	\$ 7,121,052
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay and gain or disposal in the current period.	(28,642)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Proceeds from bond issuance is an other financing source in governmental funds but increases the liability in the statement of net position. Discounts and deferred charges result in amortization of these costs for the statement of activities.	948,958
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the following net changes:	
Interest Payable Activity	8,251
Vested Employee Benefits	45,562
OPEB Obligations	1,054,047
Net Pension Liabilities	(1,337,840)
Internal Service Fund Activity	<u>13,253</u>
Changes in net position of governmental activities	<u><u>\$ 7,824,641</u></u>

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
ASSETS:				
Cash and Investments - Unrestricted	\$ 7,382,682	\$ 935,921	\$ 8,318,603	\$ 12,253
Taxes Receivable	1,335,407	-	1,335,407	-
Due from Other Funds	3,301,190	-	3,301,190	-
Due from Governmental Units	-	378	378	16,505
Inventory	-	-	-	4,397
Prepaid Expense	200	500	700	210,236
Accrued Interest Receivable	217,755	-	217,755	-
TOTAL ASSETS	\$ 12,237,234	\$ 936,799	\$ 13,174,033	\$ 243,391
LIABILITIES:				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 169,761
Due to Governmental Units	370,404	4,200	374,604	-
Accounts Payable	-	-	-	20,931
TOTAL LIABILITIES	370,404	4,200	374,604	190,692
NET POSITION:				
Unrestricted	11,866,830	932,599	12,799,429	52,699
TOTAL NET POSITION	\$ 11,866,830	\$ 932,599	\$ 12,799,429	\$ 52,699

**Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2022**

	Business-type Activities Enterprise Funds		Governmental Activities	
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
OPERATING REVENUES:				
Charges for Services	\$ 129,286	\$ 639,285	\$ 768,571	\$ 3,208,471
Penalties and Interest Charges	386,022	4,542	390,564	-
Total Operating Revenues	515,308	643,827	1,159,135	3,208,471
OPERATING EXPENSES:				
Premium Payments	-	-	-	3,183,067
Other Supplies and Expenses	3,831	320,926	324,757	12,151
Total Operating Expenses	3,831	320,926	324,757	3,195,218
OPERATING INCOME (LOSS)	511,477	322,901	834,378	13,253
NON-OPERATING REVENUES (EXPENSES):				
Interest on Deposits	31,242	-	31,242	-
Total Non-Operating Revenues (Expenses)	31,242	-	31,242	-
INCOME (LOSS) BEFORE TRANSFERS	542,719	322,901	865,620	13,253
Operating Transfers In	3,240,288	-	3,240,288	-
Operating Transfers Out	(3,640,842)	(53,037)	(3,693,879)	-
CHANGES IN NET POSITION	142,165	269,864	412,029	13,253
NET POSITION, JANUARY 1	11,724,665	662,735	12,387,400	39,446
NET POSITION, DECEMBER 31	<u>\$ 11,866,830</u>	<u>\$ 932,599</u>	<u>\$ 12,799,429</u>	<u>\$ 52,699</u>

County of Chippewa, Michigan

Statement of Cash Flows Proprietary Fund Types For the Year Ended December 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 446,770	\$ 643,672	\$ 1,090,442	\$ 3,208,817
Payments to Suppliers	165,720	(317,449)	(151,729)	(3,198,773)
Internal Activity - Receipts (Payments) with Other Funds	<u>(3,301,190)</u>	<u>-</u>	<u>(3,301,190)</u>	<u>(31,804)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,688,700)</u>	<u>326,223</u>	<u>(2,362,477)</u>	<u>(21,760)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers In (Out) - net	<u>(400,554)</u>	<u>(53,037)</u>	<u>(453,591)</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(400,554)</u>	<u>(53,037)</u>	<u>(453,591)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Deposits	<u>31,242</u>	<u>-</u>	<u>31,242</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>31,242</u>	<u>-</u>	<u>31,242</u>	<u>-</u>
Net Increase (Decrease) in Cash	(3,058,012)	273,186	(2,784,826)	(21,760)
Balances - Beginning of the Year	<u>10,440,694</u>	<u>662,735</u>	<u>11,103,429</u>	<u>34,013</u>
Balances - End of the Year	<u>\$ 7,382,682</u>	<u>\$ 935,921</u>	<u>\$ 8,318,603</u>	<u>\$ 12,253</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 511,477	\$ 322,901	\$ 834,378	\$ 13,253
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Assets:				
Taxes Receivable	(46,240)	-	(46,240)	-
Accrued Interest Receivable	(22,298)	-	(22,298)	-
Inventory	-	-	-	2,527
Due from Other Funds	(3,301,190)	-	(3,301,190)	-
Due from Governmental Units	-	(155)	(155)	346
Prepaid Items	(200)	(500)	(700)	(27,013)
Increase (Decrease) in Liabilities:				
Accounts Payable	-	-	-	20,931
Due to Other Funds	-	3,977	3,977	(31,804)
Due to Governmental Units	170,287	-	170,287	-
Accrued Liabilities	<u>(536)</u>	<u>-</u>	<u>(536)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,688,700)</u>	<u>\$ 326,223</u>	<u>\$ (2,362,477)</u>	<u>\$ (21,760)</u>

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022**

	<u>Custodial Funds</u>	<u>Other Employee Benefit Trust Funds</u>	<u>Total</u>
ASSETS:			
Cash and Equivalents - Restricted	\$ 1,807,130	\$ -	\$ 1,807,130
Total Cash and Equivalents	<u>1,807,130</u>	<u>-</u>	<u>1,807,130</u>
Investments, at fair value:			
Equity Securities	-	16,183,761	16,183,761
Total Investments	<u>-</u>	<u>16,183,761</u>	<u>16,183,761</u>
TOTAL ASSETS	<u><u>\$ 1,807,130</u></u>	<u><u>\$ 16,183,761</u></u>	<u><u>\$ 17,990,891</u></u>
LIABILITIES:			
Undistributed Tax Collections	1,160,972	-	1,160,972
Other Liabilities	509	-	509
Bond & Restitutions	252,399	-	252,399
Due to Inmates	98,654	-	98,654
Due to Governmental Units	294,596	-	294,596
TOTAL LIABILITIES	<u>1,807,130</u>	<u>-</u>	<u>1,807,130</u>
NET POSITION:			
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ -</u></u>	<u><u>\$ 16,183,761</u></u>	<u><u>\$ 16,183,761</u></u>

**Statement of Changes of Fiduciary Net Position
Fiduciary Funds
December 31, 2022**

	<u>Trust</u>	
	Custodial Funds	Other Employee Benefit Trust Funds
ADDITIONS:		
Contributions		
Members	\$ -	\$ 1,684,964
Interest	-	(1,795,764)
Taxes Collected for Other Governments	10,401,936	-
Fees and Fines Collected on behalf of Other Governments	4,217,107	-
Fees and Fines Collected on behalf of Other Agencies	264,994	-
Bonds, Restitutions, and Payables to Others	712,622	-
Collections from or On Behalf of Inmates	237,059	-
TOTAL ADDITIONS	<u>15,833,718</u>	<u>(110,800)</u>
DEDUCTIONS:		
Payment of Taxes to Other Governments	10,401,936	-
Payment of Trust Benefits and fees	-	1,089,800
Fees and Fines Remitted to Other Units of Government	4,217,107	-
Fees and Fines Remitted to Other Agencies	264,994	-
Payments on Behalf of Inmates	237,059	-
Bonds, Restitutions, and Payables to Others	712,622	-
TOTAL DEDUCTIONS	<u>15,833,718</u>	<u>1,089,800</u>
CHANGE IN NET POSITION	-	(1,200,600)
NET POSITION BEGINNING OF YEAR	<u>-</u>	<u>17,384,361</u>
NET POSITION END OF YEAR	<u>\$ -</u>	<u>\$ 16,183,761</u>

Component Units

County of Chippewa, Michigan

Statement of Net Position Component Units December 31, 2022

	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/2022	Totals
ASSETS:				
Cash and Investments - Unrestricted	\$ 1,020,571	\$ 676,697	\$ 4,312,781	\$ 6,010,049
Cash and Investments - Restricted	-	1,032,229	-	1,032,229
Receivables:				
Accounts	-	1,194,666	1,958,508	3,153,174
Taxes	920,962	-	-	920,962
Lease	-	2,416,699	-	2,416,699
Due from Governmental Units	2,296,113	524,051	377,487	3,197,651
Inventory	1,135,618	63,540	-	1,199,158
Prepaid Items	87,742	-	45,834	133,576
Net OPEB Asset	-	179,144	-	179,144
Capital Assets (Nondepreciable)	61,952,104	10,701,692	8,919,480	81,573,276
Capital Assets (Net of Accumulated Depreciation)	44,679,808	17,511,397	8,781,481	70,972,686
TOTAL ASSETS	112,092,918	34,300,115	24,395,571	170,788,604
DEFERRED OUTFLOWS OF RESOURCES:				
Pension & OPEB Related Items	2,496,850	378,034	1,219,935	4,094,819
LIABILITIES:				
Accounts Payable	450,999	29,335	1,771,930	2,252,264
Accrued Liabilities	255,564	27,549	36,838	319,951
Unearned Revenue	512,596	336,403	-	848,999
Interest Payable	-	-	-	-
Due to State	-	-	-	-
Advances	949,262	-	-	949,262
Notes Payable - Due within one year	200,602	-	-	200,602
Notes Payable - Due in more than one year	133,219	-	-	133,219
Vested Employee Benefits - Due in more than one year	299,776	69,119	331,863	700,758
OPEB Obligation - Due in more than one year	9,673,328	-	-	9,673,328
Net Pension Liability - Due in more than one year	13,021,915	898,734	7,450,907	21,371,556
TOTAL LIABILITIES	25,497,261	1,361,140	9,591,538	36,449,939
DEFERRED INFLOWS OF RESOURCES:				
Pension & OPEB Related Items	2,758,957	156,782	820,419	3,736,158
Lease Items	-	2,416,699	-	2,416,699
Taxes Levied for a Subsequent Period	920,878	-	-	920,878
Total Deferred Inflows of Resources	3,679,835	2,573,481	820,419	7,073,735
NET POSITION:				
Net Investment in Capital Assets	106,298,091	28,213,089	17,700,961	152,212,141
Unrestricted	(20,885,419)	2,530,439	(2,497,412)	(20,852,392)
TOTAL NET POSITION	\$ 85,412,672	\$ 30,743,528	\$ 15,203,549	\$ 131,359,749

**Statement of Activities
Component Units
For the Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/2022	
Road Commission:								
Public Works	\$ 12,528,075	\$ 3,921,901	\$ 8,932,778	\$ 5,568,576	\$ 5,895,180	\$ -	\$ -	\$ 5,895,180
Economic Development Corporation:								
Economic Development	6,224,267	3,605,494	50,000	6,866,687	-	4,297,914	-	4,297,914
E.U.P. Transportation Authority:								
Public Works	5,661,633	2,507,744	3,022,718	8,503,085	-	-	8,371,914	8,371,914
Total Component Units	<u>\$ 24,413,975</u>	<u>\$ 10,035,139</u>	<u>\$ 12,005,496</u>	<u>\$ 20,938,348</u>	<u>5,895,180</u>	<u>4,297,914</u>	<u>8,371,914</u>	<u>18,565,008</u>
General Revenues:								
Taxes - Real Property					903,554	-	-	903,554
Interest Income					-	128,440	11,623	140,063
Gain (Loss) on Disposal					17,900	-	427	18,327
Total General Revenues					<u>921,454</u>	<u>128,440</u>	<u>12,050</u>	<u>1,061,944</u>
Changes in Net Position					6,816,634	4,426,354	8,383,964	19,626,952
Net Position - Beginning					78,596,038	26,317,174	6,819,585	111,732,797
Net Position - Ending					<u>\$ 85,412,672</u>	<u>\$ 30,743,528</u>	<u>\$ 15,203,549</u>	<u>\$ 131,359,749</u>

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A – Reporting Entity

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

Component Units:

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

Discretely Presented Component Units

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

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

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

Eastern Upper Peninsula Transportation Authority – The members of the governing board of the Transportation Authority are appointed as follows: three members by Chippewa County and two members by Luce County. The County exercises oversight responsibility and has accountability of fiscal matters. The Transportation Authority has a September 30, 2022, year end.

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

Discretely Presented Component Units Administrative Offices:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Multi-County Agency

Hiawatha Community Behavioral Health Authority -The County participates jointly in the operation of the Hiawatha Behavioral Health Authority with Mackinac and Schoolcraft Counties. The funding formula requires the County to provide approximately 60% of the budget appropriation requirement, which amounted to \$171,334 for the year ended December 31, 2022.

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

B – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Taxes Receivable

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

Although the County of Chippewa 2021 ad valorem tax is levied and collectible on December 1, 2022, and 2022 ad valorem tax is levied and collectible on July 1, 2022, it is the County of Chippewa’s policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made “available” for the financing of operations. “Available” means collected within the current period or expected to be paid from the delinquent tax revolving funds within one year.

The December 1, 2021 taxable valuation of the County of Chippewa totaled \$1,204,975,422 on which ad valorem taxes levied consisted of .4275 mills for fire/ambulance services, .9879 mills for roads, .5000 mills for recycling, .7500 mills for senior program and .1000 mills for animal shelter. These amounts are recognized in the respective Special Revenue Funds, Debt Service Funds, and Component Units financial statements as revenue.

The July 1, 2022 taxable valuation of the County of Chippewa totaled \$1,258,607,156 on which ad valorem taxes levied consisted of 6.11430 mills for the General Fund. This amount is recognized in the General Fund as revenue.

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

The County reports the following major governmental funds:

General Fund

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

Health Department Fund

This fund accounts for health services and related grant funds.

Senior Nutrition Fund

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ambulance Fund

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

Chippewa County Recycling Fund

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

ARPA Fund

This fund accounts for the activities of the County's American Recover Plan Act grant.

The County reports the following major proprietary funds:

Tax Collection Fund

This fund accounts for property tax administration within the county.

Additionally, the County reports the following fund types:

Internal Service Funds

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

Fiduciary Funds

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's tax collection function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

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

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

NOTE 3 - CASH AND INVESTMENTS

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Cash and Investments					
-Unrestricted	\$ 18,627,392	\$ 8,318,603	\$ 26,945,995	\$ -	\$ 6,010,049
-Restricted	<u>105,719</u>	<u>-</u>	<u>105,719</u>	<u>17,990,891</u>	<u>1,032,229</u>
Total	<u>\$ 18,733,111</u>	<u>\$ 8,318,603</u>	<u>\$ 27,051,714</u>	<u>\$ 17,990,891</u>	<u>\$ 7,042,248</u>

NOTE 3 - CASH AND INVESTMENTS (Continued)

The breakdown between deposits is as follows:

	Primary Government	Fiduciary Funds	Component Units
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 15,535,168	\$ 1,807,130	\$ 7,041,898
Petty Cash and Cash on Hand	13,180	-	350
Investments	11,503,366	16,183,761	-
Total	\$ 27,051,714	\$ 17,990,891	\$ 7,042,248

Investments:

Description	Fair Value	Maturity in Years			S&P Rating
		Less Than 1	1 – 5	6 – 10	
Money Market	\$ 10,048,266	\$ 10,048,266	\$ -	\$ -	N/A
Treasury Bonds	1,455,100	980,901	474,199	-	AA to AAA
Equity Mutual Funds*	16,183,761	16,183,761	-	-	Unavailable
Total Investments	\$ 27,687,127	\$ 27,212,928	\$ 474,199	\$ -	

Investment and Deposit Risk –Primary Government

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

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

Custodial deposit credit risk. Custodial deposit credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require, and the County does not have a policy for deposit custodial credit risk. As of year end, \$16,257,059 of the County’s bank balance of \$17,439,004 was exposed to credit risk because it was uninsured and uncollateralized.

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

NOTE 3 - CASH AND INVESTMENTS (Continued)

Fair value measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County’s assessment of the significance of particular inputs to these fair value measurements required judgment and considers factors specific to each asset or liability.

* The County has the following recurring fair value measurements as of December 31, 2022:

- Investments held in the MERS Investment Services Program, which are primarily mutual funds used to fund retiree defined benefit pensions, with a balance of \$16,183,761 are valued using level 2 inputs.

Statutory Authority:

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

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

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

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the General County year ended December 31, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Deductions</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 231,810	\$ -	\$ -	\$ 231,810
Construction in Progress	<u>123,018</u>	<u>166,262</u>	<u>(289,280)</u>	<u>-</u>
Subtotal	<u>354,828</u>	<u>166,262</u>	<u>(289,280)</u>	<u>231,810</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	209,400	-	-	209,400
Buildings and Improvements	19,625,822	71,763	(9,300)	19,688,285
Furniture and Equipment	4,654,713	629,385	-	5,284,098
Vehicles	<u>1,170,848</u>	<u>111,597</u>	<u>(45,492)</u>	<u>1,236,953</u>
Subtotal	<u>25,660,783</u>	<u>812,745</u>	<u>(54,792)</u>	<u>26,418,736</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(160,050)	(4,260)	-	(164,310)
Buildings and Improvements	(11,170,818)	(405,165)	9,300	(11,566,683)
Furniture and Equipment	(3,898,363)	(170,364)	-	(4,068,727)
Vehicles	<u>(759,002)</u>	<u>(135,799)</u>	<u>42,711</u>	<u>(852,090)</u>
Subtotal	<u>(15,988,233)</u>	<u>(715,588)</u>	<u>52,011</u>	<u>(16,651,810)</u>
Net Capital Assets Being Depreciated	<u>9,672,550</u>	<u>97,157</u>	<u>(2,781)</u>	<u>9,766,926</u>
Capital Assets - Net	<u>\$ 10,027,378</u>	<u>\$ 263,419</u>	<u>\$ (292,061)</u>	<u>\$ 9,998,736</u>

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

Health and Welfare	\$ 66,345
Unallocated	<u>649,243</u>
Total	<u>\$ 715,588</u>

NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity of the Chippewa County Road Commission year ended December 31, 2022, was as follows:

	Beginning Balances	Additions	Adjustments/ Deductions	Ending Balances
<i>Capital Assets Not Being Depreciated</i>				
Land and Improvements	\$ 61,036,690	\$ 915,414	\$ -	\$ 61,952,104
<i>Capital Assets Being Depreciated</i>				
Buildings	5,930,857	371,331	-	6,302,188
Road Equipment	17,357,957	46,338	(26,539)	17,377,756
Shop Equipment	323,648	6,810	-	330,458
Office Equipment	78,077	-	-	78,077
Engineers' Equipment	100,210	67,213	-	167,423
Depletable Assets	1,309,638	-	-	1,309,638
Infrastructure – Roads	45,708,238	4,066,425	(2,076,398)	47,698,265
Infrastructure – Bridges	22,196,461	2,229,140	-	24,425,601
Subtotal	<u>93,005,086</u>	<u>6,787,257</u>	<u>(2,102,937)</u>	<u>97,689,406</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(3,168,037)	(167,884)	-	(3,335,921)
Road Equipment	(14,638,191)	(999,779)	26,539	(15,611,431)
Shop Equipment	(263,064)	(7,144)	-	(270,208)
Office Equipment	(76,922)	(1,155)	-	(78,077)
Engineers' Equipment	(66,782)	(14,851)	-	(81,633)
Depletable Assets	(459,219)	(1,976)	-	(461,195)
Infrastructure – Roads	(21,862,377)	(2,478,767)	2,076,398	(22,264,746)
Infrastructure – Bridges	(10,513,546)	(392,841)	-	(10,906,387)
Subtotal	<u>(51,048,138)</u>	<u>(4,064,397)</u>	<u>2,102,937</u>	<u>(53,009,598)</u>
Net Capital Assets Being Depreciated	<u>41,956,948</u>	<u>2,722,860</u>	<u>-</u>	<u>44,679,808</u>
Total Net Capital Assets	<u>\$ 102,993,638</u>	<u>\$ 3,638,274</u>	<u>\$ -</u>	<u>\$ 106,631,912</u>

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

Total Depreciation Expense – Public Works	<u>\$ 4,064,397</u>
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NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity of the Economic Development Corporation year ended December 31, 2022, was as follows:

	Beginning Balances	Additions	Adjustments/ Deductions	Ending Balances
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,194,958	\$ -	\$ -	\$ 2,194,958
Construction in Progress	<u>930,247</u>	<u>7,576,487</u>	<u>-</u>	<u>8,506,734</u>
Subtotal	<u>3,125,205</u>	<u>7,576,487</u>	<u>-</u>	<u>10,701,692</u>
<i>Capital assets being depreciated:</i>				
Vehicles	2,919,856	-	-	2,919,856
Improvements	28,088,012	30,500	-	28,118,512
Buildings	11,256,339	-	-	11,256,339
Equipment	<u>4,459,252</u>	<u>258,737</u>	<u>-</u>	<u>4,717,989</u>
Subtotal	<u>46,723,459</u>	<u>289,237</u>	<u>-</u>	<u>47,012,696</u>
<i>Less accumulated depreciation:</i>				
Vehicles	(2,025,741)	(191,204)	-	(2,216,945)
Improvements	(15,033,627)	(1,473,619)	-	(16,507,246)
Buildings	(6,902,262)	(343,605)	-	(7,245,867)
Equipment	<u>(3,309,184)</u>	<u>(222,057)</u>	<u>-</u>	<u>(3,531,241)</u>
Subtotal	<u>(27,270,814)</u>	<u>(2,230,485)</u>	<u>-</u>	<u>(29,501,299)</u>
Net Capital Assets Being Depreciated	<u>19,452,645</u>	<u>(1,941,248)</u>	<u>-</u>	<u>17,511,397</u>
Capital assets – Net of depreciation	<u>\$ 22,577,850</u>	<u>\$ 5,635,239</u>	<u>\$ -</u>	<u>\$ 28,213,089</u>

Depreciation expense was charged to business activities for economic development in the amount of \$2,230,485.

NOTE 4 - CAPITAL ASSETS (Continued)

Capital assets activity for the Eastern Upper Peninsula Transportation Authority year ended September 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Deductions/ Adjustments</u>	<u>Ending Balances</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 515,694	\$ -	\$ -	\$ 515,694
Construction in Progress	<u>1,246,380</u>	<u>7,326,126</u>	<u>(168,720)</u>	<u>8,403,786</u>
Subtotal	<u>1,762,074</u>	<u>7,326,126</u>	<u>(168,720)</u>	<u>8,919,480</u>
<i>Capital assets being depreciated:</i>				
EUPA Assets	10,670	-	-	10,670
Busing Assets	892,573	104,469	(51,223)	945,819
Ferry Assets	<u>22,032,644</u>	<u>1,652,500</u>	<u>-</u>	<u>23,685,144</u>
Subtotal	<u>22,935,887</u>	<u>1,756,969</u>	<u>(51,223)</u>	<u>24,641,633</u>
<i>Less accumulated depreciation for:</i>				
EUPA Assets	(7,284)	(1,318)	-	(8,602)
Busing Assets	(535,188)	(101,525)	15,629	(621,084)
Ferry Assets	<u>(14,412,174)</u>	<u>(818,292)</u>	<u>-</u>	<u>(15,230,466)</u>
Subtotal	<u>(14,954,646)</u>	<u>(921,135)</u>	<u>15,629</u>	<u>(15,860,152)</u>
Net Capital Assets Being Depreciated	<u>7,981,241</u>	<u>835,834</u>	<u>(35,594)</u>	<u>8,781,481</u>
Capital Assets - Net	<u>\$ 9,743,315</u>	<u>\$ 8,161,960</u>	<u>\$ (204,314)</u>	<u>\$ 17,700,961</u>

Depreciation expense was charged to business-type activities for the Eastern Upper Peninsula Transportation Authority in the amount of \$921,135.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

		DUE FROM OTHER FUNDS		
		General	Tax Collection	Totals
DUE TO OTHER FUNDS	General	\$ -	\$ 3,301,190	\$ 3,301,190
	Nonmajor Governmental	392,909	-	392,909
	Internal Service	169,761	-	169,761
	Total	\$ 562,670	\$ 3,301,190	\$ 3,863,860

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

		TRANSFERS (OUT)						Total
		General	Ambulance	American Recovery Plan Act	Nonmajor Governmental	Tax Collection	Nonmajor Enterprise	
TRANSFERS IN	General	\$ 110,351	\$ -	\$ 7,246,919	\$ 21,490	\$ 400,554	\$ 53,037	\$ 7,832,351
	Nonmajor Governmental	540,391	182,359	-	-	-	-	722,750
	Tax Collections	-	-	-	-	3,240,228	-	3,240,288
	Total	\$ 650,742	\$ 182,359	\$ 7,246,919	\$ 21,490	\$ 3,640,842	\$ 53,037	\$ 11,795,389

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

NOTE 6 - LONG-TERM DEBT

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

	<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities							
2000 Chippewa Co. Water Supply System Bonds (Series A)	4.50%	2036	\$ 273,958	\$ -	\$ 273,958	\$ -	\$ -
2013 City of Sault Ste. Marie Refunding Bonds	2.00% to 4.50%	2029	4,210,000	-	425,000	3,785,000	450,000
2011 City of Sault Ste. Marie Refunding Bonds	2.00% to 3.63%	2022	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total Governmental Activities			<u>\$ 4,733,958</u>	<u>\$ -</u>	<u>\$ 948,958</u>	<u>\$ 3,785,000</u>	<u>\$ 450,000</u>

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

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 450,000	\$ 153,044
2024	475,000	135,044
2025	500,000	120,200
2026	530,000	100,200
2027	570,000	77,675
2028-2029	<u>1,260,000</u>	<u>79,450</u>
Total	<u>\$ 3,785,000</u>	<u>\$ 665,613</u>

Interest expense of the primary government was unallocated in the amount of \$231,413.

Vested Employee Benefits

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

	<u>Beginning Balances</u>	<u>Net (Deductions)/ Additions</u>	<u>Ending Balances</u>
Vested Employee Benefits	<u>\$ 475,461</u>	<u>\$ (45,562)</u>	<u>\$ 429,899</u>

NOTE 6 - LONG-TERM DEBT (Continued)

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

A summary of vested employee benefits are as follows:

Vacation	\$ 220,080
Sick Leave	206,507
Other	<u>3,312</u>
TOTALS	<u>\$ 429,899</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Installment payable secured by equipment, payable in monthly installments of \$12,103 including interest of 3.31%, due 2023.	\$ 139,599	\$ -	\$ 139,599	\$ -	\$ -
Installment payable secured by equipment, payable in monthly installments of \$3,598 including interest of 3.25%, due 2025.	142,652	-	39,118	103,534	40,412
Installment payable secured by equipment, payable in monthly installments of \$4,226 including interest of 3.25%, due 2025.	163,764	-	46,070	117,694	47,597
Note payable to bank, secured by equipment, payable in monthly installments of \$17,693 including interest of 2.30%, due 2025.	<u>336,358</u>	<u>-</u>	<u>223,765</u>	<u>112,593</u>	<u>112,593</u>
Subtotal	782,373	-	448,552	333,821	<u>\$ 200,602</u>
Compensated Absences - net increase	<u>134,872</u>	<u>173,276</u>	<u>8,372</u>	<u>299,776</u>	
TOTAL LONG-TERM DEBT	<u>\$ 917,245</u>	<u>\$ 173,276</u>	<u>\$ 456,924</u>	<u>\$ 633,597</u>	

NOTE 6 - LONG-TERM DEBT (Continued)

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	200,601	7,217	207,818
2024	90,912	2,971	93,883
2025	<u>42,308</u>	<u>368</u>	<u>42,676</u>
Total	<u>\$ 333,821</u>	<u>\$ 10,556</u>	<u>\$ 344,377</u>

NOTE 7 - RISK MANAGEMENT

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

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

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

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

NOTE 8 - CONTINGENT LIABILITIES

Grants

The County has received significant financial assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the applicable fund of the County. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2022

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

Primary Government

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

Funding Policy. Contribution requirements also are negotiated between the County and employees at varying levels. The County contributes to the cost of current-year premiums for eligible retired plan members. For plan year 2022, the County contributed \$1,036,504 to the plan. Total member contributions were \$0.

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

Eligibility and Benefits

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

Hired Prior to 1984

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

Non-Union and Elected Officials:

Hired between 1/1/1984 – 12/31/2004

Hired on or after June 1, 2005

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

Hired on or after June 1, 2005

- No retiree health care provided.

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

Hired between 1/1/1984 – 5/31/2005

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

Hired on or after June 1, 2005

- No retiree health care provided.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Central Dispatch and Senior Dispatcher:

Hired Prior to January 1, 2008

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

Hired on or after January 1, 2008

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

Road Patrol and Corrections:

Hired Prior to January 1, 2006

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

Hired on or after January 1, 2006

- No retiree health care provided.

Employees Covered by Benefit Terms

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

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

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

Total OPEB Liability and Net OPEB Liability

The County’s total OPEB liability of \$13,437,073 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

As of December 31, 2022, there was \$13,126,439 in assets in the County’s OPEB trust, in MERS Large Cap Blend.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount Rate	5.00%
Year 1 Inflation Rate (Pre / Post 65)	7.25% / 5.50%
Year 2 Inflation Rate (Pre / Post 65)	7.00% / 5.25%
Ultimate Inflation Rate	4.50%
Year Ultimate Inflation Rate is Reached (Pre / Post 65)	2033 / 2026
Return on Plan Assets	5.00%
Salary Increases	3.00%
Actuarial Cost Method	Entry Age Normal

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

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

Significant Changes from the Previous Actuarial Valuation

Trend rates were adjusted to rates prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2022.

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

Discount Rate

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balances at December 31, 2021	\$ 14,773,533	\$ 14,207,163	\$ 566,370
Service cost	85,728	-	85,728
Interest	655,926	-	655,926
Changes in assumptions	(1,403,354)	-	(1,403,354)
Difference between expected and actual experience	-	(2,102,306)	2,102,306
Contributions - Employer	-	1,036,504	(1,036,504)
Net investment income	-	683,340	(683,340)
Benefit payments	(674,759)	(674,759)	-
Administrative expense	-	(23,503)	23,503
Other Changes	-	-	-
Net changes	<u>(1,336,459)</u>	<u>(1,080,724)</u>	<u>(255,735)</u>
Balances as December 31, 2022	<u>\$ 13,437,074</u>	<u>\$ 13,126,439</u>	<u>\$ 310,635</u>

Covered payroll was \$1,683,356.

Actuarial determined contributions as percentage of covered payroll was 6.61%.

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

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

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$12,227,635</u>	<u>\$13,437,074</u>	<u>\$14,849,932</u>
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$12,089,798</u>	<u>\$13,437,074</u>	<u>\$15,010,837</u>

For the year ended December 31, 2022, the County recognized an OPEB expense as follows:

Service Cost	\$ 85,728
Interest	655,926
Recognition of economic/demographics gains or losses	(707,624)
Recognition of assumptions changes or inputs	206,455
Deferred (Inflows)/Outflows from investment activities	(210,676)
Expected investment income	(683,340)
Investment fees	<u>23,503</u>
Net OPEB Expense	<u>\$ (630,028)</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

At December 31, 2021, the County reported deferred outflows / inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 798,179
Changes in assumptions	-	2,878
Net difference between projected and actual earnings on pension plan investments	<u>1,681,848</u>	<u>1,402,839</u>
Total	<u>\$ 1,681,848</u>	<u>\$ 2,203,896</u>

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

<u>Year Ended December 31:</u>	
2023	(812,973)
2024	(253,995)
2025	124,455
2026	<u>420,465</u>
	<u>\$ (522,048)</u>

Chippewa County Health Department

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

Funding Policy. Contribution requirements also are negotiated between the Health Department and employees. The Health Department contributes to the cost of current-year premiums for eligible retired plan members. For plan year ended December 31, 2021, the Health Department contributed \$452,099 to the plan. Total member contributions were \$0.

Eligibility and Benefits.

Hired Prior to 1984

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Eligibility and Benefits. (Continued)

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

Employees Covered by Benefit Terms

As of Actuarial date 1/1/20, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>15</u>
Total participants covered by OPEB Plan	<u><u>49</u></u>

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

Total OPEB Liability and Net OPEB Liability

The Department’s total OPEB liability of \$7,524,809 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2020.

As of December 31, 2021, there was \$2,500,699 in assets in the Department’s OPEB trust, in MERS TOTAL MARKET PORTFOLIO – Large Cap Blend.

Actuarial assumptions and other inputs.

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount Rate	5.00%
Healthcare Cost Trend Rates	
- 2020 (Pre 65 / Post 65 / Rx)	7.50% / 5.75%
- 2021 Trend	7.25% / 5.50%
- Decrement	0.25%
-Ultimate Trend	4.50%
- Year Ultimate Trend is Reached	2035
Return on Plan Assets	5.00%
Salary Increases	3.00%
Actuarial Cost Method	Entry Age Normal

Mortality assumption changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Rate 2006) to Pub- 2010 General Employees Headcount-Weighted Mortality, Fully Generational with Scale MP-2019 (Base Rate 2006), and Pub-2010 General Retirees Headcount-Weighted Mortality, Fully Generational with Scale MP-2019 (Base Rate 2006).

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan’s target asset allocation as of December 31, 2021.

Significant Changes from the Previous Actuarial Valuation

- Trend Rates were adjusted to rates prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2021.
- The morbidity assumptions were updated to use the Dale Yamamoto model published by the Society of Actuaries to give a better projection of anticipated costs as adjusted for age.
- The payroll growth rate was decreased from 3.50% to 3.00 to confirm with the state of Michigan requirements.

Discount Rate

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

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at December 31, 2020	<u>\$ 7,786,520</u>	<u>\$ 2,029,730</u>	<u>\$ 5,756,790</u>
Service cost	50,530	-	50,530
Interest	366,264	-	366,264
Effect of assumption changes or inputs	(243,993)	-	(243,993)
Effect of economic/ demographic gains or losses	-	-	-
Contributions - Employer	-	452,099	(452,099)
Net investment income	-	364,431	(364,431)
Benefit payments	(434,511)	(341,313)	(93,198)
Other Changes	-	-	-
Administrative expense	-	(4,248)	4,248
Net changes	<u>(261,710)</u>	<u>470,969</u>	<u>(732,679)</u>
Balances as December 31, 2021	<u>\$ 7,524,810</u>	<u>\$ 2,500,699</u>	<u>\$ 5,024,111</u>

Covered payroll was \$712,743.

Total OPEB Liability as a percentage of covered payroll was 1155.7%.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The January 1, 2020 valuation was prepared using a discount rate of 5.00%. If the discount rate were 1% higher than what was used in this valuation, the net OPEB Liability would decrease. If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase.

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$8,327,128</u>	<u>\$7,524,810</u>	<u>\$7,043,005</u>
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$6,672,106</u>	<u>\$7,524,810</u>	<u>\$8,490,999</u>

For the year ended September 30, 2022, the Health Department recognized an OPEB expense as follows:

Service Cost	\$ 50,530
Interest on total OPEB liability	366,264
Projected earnings on plan investments	31,825
Investment fees	1,130
Deferred outflows/inflows	
Economic/demographic gains or losses	137,641
Investment gains or losses	(181,541)
Assumption changes or inputs	<u>996,857</u>
Net OPEB Expense	<u>\$ 1,402,706</u>

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

At September 30, 2022, the Health Department reported deferred outflows / (inflows) of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Economic / Demographic Changes	\$ 93,596	\$ -
Assumption Changes or Inputs	208,933	98,759
Investment Gains & Loses	-	532,797
Contributions Subsequent to Measurement Date	<u>450,710</u>	<u>-</u>
Net Deferred Out/(In)flow of resources	<u>\$ 753,239</u>	<u>\$ 631,556</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

<u>Year Ended September 30</u>	
2023	\$ 22,229
2024	(181,541)
2025	(100,842)
2026	<u>(68,873)</u>
	<u>\$ (329,027)</u>

Economic Development Corporation of Chippewa County

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

Funding Policy. Contribution requirements also are negotiated between the Corporation and employees. The Corporation contributes to the cost of current-year premiums for eligible retired plan members. For fiscal year 2022, the Corporation contributed \$99,550 to the plan.

Employees Covered by Benefit Terms

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

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

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

Total OPEB Liability and Net OPEB Liability

The Corporation’s total OPEB liability of \$480,965 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs.

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

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

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at January 1, 2022	\$ 733,926	\$ 676,499	\$ 57,427
Service cost	2,989	-	2,989
Interest on total OPEB liability	23,339	-	23,339
Change in assumptions	(3,540)	-	(3,540)
Difference between expected and actual experience	(257,456)	-	(257,456)
Contributions - Employer	-	99,550	(99,550)
Net investment income	-	(96,478)	96,478
Benefit payments	(18,293)	(18,293)	-
Administrative expense	-	(1,169)	1,169
Net changes	<u>(252,961)</u>	<u>(16,390)</u>	<u>(236,571)</u>
Balances as of December 31, 2022	<u>\$ 480,965</u>	<u>\$ 660,109</u>	<u>\$ (179,144)</u>

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

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$531,514	\$480,965	\$437,678
<u>Trend</u>			
Total OPEB Liability	\$529,062	\$480,965	\$424,644

For the year ended December 31, 2022, the Corporation recognized an OPEB expense as follows:

Service Cost	\$	2,989
Interest on total OPEB liability		23,339
Projected earnings on plan investments		(33,415)
Experience (gains) or losses		(91,921)
Changes in assumptions		1,942
Net investment income		24,163
Investment fees		<u>1,169</u>
Net OPEB Expense (Credit)	\$	<u>(71,734)</u>

At December 31, 2022, the Corporation reported deferred outflows / inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 146,960
Changes in assumptions	-	2,020
Net difference between projected and actual earnings on pension plan investments	<u>119,957</u>	<u>7,802</u>
Total	<u>\$ 119,957</u>	<u>\$ 156,782</u>

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

<u>Year Ended December 31:</u>	
2023	\$ (87,852)
2024	(5,000)
2025	30,049
2026	<u>25,978</u>
	<u>\$ (36,825)</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Chippewa County Road Commission

Plan Description

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

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	69
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>68</u>
Total participants covered by OPEB Plan	<u>137</u>

Contributions

The Plan was established and is funded under the authority of the Employer’s governing body and under agreements with the unions representing various classes of employees. The Plan’s funding policy is that 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. Active participants do not make contributions to the plan. The plan has no legally required reserves.

Total OPEB Liability

The Road Commission’s total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

Actuarial assumptions and other inputs

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022 and the following actuarial assumptions, applies to all periods included in the measurement:

Inflation	2.26%
Salary Increases	4.00%
Investment rate of return	6.70% (including inflation)
20-year Aa Municipal Bond Rate	4.31% (S&P Municipal Bond 20-year High Grade Rate Index)
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted.
Improvement Scale	MP-2021

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.00%
Private Assets	20.0%	7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.70%. The projection of cash flows used to determine the discount rate assumed annual contributions sufficient to maintain a 40% funded status. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”, not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2022, the discount rate used to value OPEB liabilities was 6.70%.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at December 31, 2021	\$ 13,867,824	\$ 3,778,863	\$ 10,088,961
Service cost	93,774	-	93,774
Interest on total OPEB liability	819,643	-	819,643
Experience (gains)/losses	347,527	-	347,527
Change in actuarial assumptions	(637,725)	-	(637,725)
Change in Plan Terms	-	-	-
Contributions to OPEB trust	-	400,000	(400,000)
Employer Contributions	-	1,311,388	(1,311,388)
Net investment income	-	(638,517)	638,517
Benefit payments including refunds of employee contributions	(1,311,388)	(1,311,388)	-
Administrative expense	-	(34,019)	34,019
Net changes	(688,169)	(272,536)	(415,633)
Balances as December 31, 2022	<u>\$ 13,179,655</u>	<u>\$ 3,506,327</u>	<u>\$ 9,673,328</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The following presents the net OPEB Liability (NOL) of the Road Commission, calculated using discount rate of 6.70%, as well as what the Road Commissions net OPEB liability would be using a discount rate that is 1% lower (5.70%) or 1% higher (7.70%) than the current rate.

	Discount		
	1% Decrease 5.70%	Current Rate 6.70%	1% Increase 7.70%
Net OPEB Liability	<u>\$10,898,055</u>	<u>\$9,673,328</u>	<u>\$8,620,940</u>

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

For the year ended December 31, 2022, the Road Commission recognized OPEB expense of \$3,639,537. The Road Commission reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference in experience	\$ -	\$ 1,813,453
Difference in assumptions	-	841,908
Excess (deficit) investment returns	<u>522,365</u>	<u>-</u>
Total	<u>\$ 522,365</u>	<u>\$ 2,655,361</u>

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

<u>Year Ended December 31:</u>	
2023	\$ (1,111,562)
2024	(1,057,714)
2025	(141,184)
2026	<u>177,464</u>
	<u>\$ (2,132,996)</u>

Payable to OPEB Plan

At December 31, 2022, the Road Commission reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended December 31, 2022.

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

Primary Government

Description of Plan and Plan Assets

The County is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.25%, 1% hybrid, and 2.5% for deputies times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2021.

General Information about the Pension Plan

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

01 – Gnrl Other: Closed to new hires, linked to Division HF	
	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
COLA for Current Retirees:	2.50% (Non-Compound)
Employee Contributions	2%
Act 88:	Yes (Adopted 3/15/1974)
02 – County Corrections: Closed to new hires, linked to Division HB	
	<u>2021 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
	55/20
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retirees:	2.50% (Non-Compound)
COLA for Current Retirees:	2.50% (Non-Compound)
Employee Contributions	3%
Act 88:	Yes (Adopted 3/15/1974)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
COLA for Current Retirees:	2.50% (Non-Compound)
Employee Contributions	2%
Act 88:	Yes (Adopted 3/15/1974)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% Multiplier (80% max)
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	2%
Act 88:	Yes (Adopted 3/15/1974)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% Multiplier (80% max)
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	2%
Act 88:	Yes (Adopted 3/15/1974)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25 55/20
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Current Retirees:	2.50% (Non-Compound)
Employee Contributions	3%
Act 88:	Yes (Adopted 3/15/1974)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 5/1/2010)

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

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 5/1/2010)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

HC – General Non-Un hired after 5/1/10: Open Division, Linked to Division 16

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 5/1/2010)

HD – Teamsters after 4/1/11: Open Division, Linked to Division 11

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 3/15/1974)

HE – Non-Union after 4/1/2011: Open Division, Linked to Division 15

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 3/15/1974)

HF – County AFSCME after 04/01/12: Open Division, Linked to Division 01

	<u>2021 Valuation</u>
Benefit Multiplier:	Hybrid Plan – 1.00% Multiplier
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	0%
Act 88:	Yes (Adopted 5/1/2010)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	194
Inactive employees entitled to but not yet receiving benefits	75
Active employees	<u>153</u>
	422

Funding Policy

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

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

01	\$ 36,569	HA	\$ -
02	16,532	HB	2,173
11	15,725	HC	6,236
15	31,677	HD	-
16	41,909	HE	965
20	14,790	HF	3,266

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2022, with the exception of the Health Department which is measured at December 31, 2021, due to the funds September 30, 2022 year end. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

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

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

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2021	\$ 37,798,520	\$ 27,120,764	\$ 10,677,756
Service cost	429,264	-	429,264
Interest on total pension liability	2,801,959	-	2,801,959
Changes in benefits	-	-	-
Difference between expected and actual experience	(862,706)	-	(862,706)
Changes in assumptions	1,471,675	-	1,471,675
Employer contributions	-	2,078,443	(2,078,443)
Employee contributions	-	238,812	(238,812)
Net investment income	-	(2,811,041)	2,811,041
Benefit payments, including employee refunds	(2,290,539)	(2,290,539)	-
Administrative expense	-	(49,963)	49,963
Other changes	73,300	-	73,300
Net changes	1,622,953	(2,834,288)	4,457,241
Balances at December 31, 2022	\$ 39,421,473	\$ 24,286,476	\$ 15,134,997

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County’s net pension liability	\$19,897,827	\$15,134,997	\$11,159,571

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

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

For the year ended December 31, 2021, the County recognized pension expense of \$3,081,599. At December 31, 2022, 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
Difference between expected and actual experience	\$ 368,667	\$ 575,137
Changes in assumptions	1,682,400	-
Net difference between projected and actual earnings on pension plan investments	<u>3,842,851</u>	<u>1,654,328</u>
Total	<u>\$ 5,893,918</u>	<u>\$ 2,229,465</u>

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

<u>Year Ended December 31:</u>	
2023	1,456,462
2024	607,672
2025	639,610
2026	960,709

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Chippewa County Road Commission

Plan Description

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

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

	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% 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:	5 years
COLA for Future Retirees:	N/A
Employee Contributions:	0%
Act 88:	Yes (Adopted 11/20/1970)

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

	<u>2021 Valuation</u>
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:	5 years
COLA for Future Retirees:	N/A
Employee Contributions:	0%
Act 88:	Yes (Adopted 11/20/1970)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>70</u>
	160

Contributions

The Road Commission is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Road Commission may establish contribution rates to be paid by its covered employees. Employer contributions were 59.65% based on annual payroll for open divisions.

Net Pension Liability

The Road Commission’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement:

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

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

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

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

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

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2021	\$ 22,759,349	\$ 12,529,579	\$ 10,229,770
Service cost	397,357	-	397,357
Interest on total pension liability	1,610,296	-	1,610,296
Changes in assumptions	853,527	-	853,527
Difference between expected and actual experience	(83,579)	-	(83,579)
Employer contributions	-	1,299,983	(1,299,983)
Employee contributions	-	64,432	(64,432)
Net investment income	-	(1,297,802)	1,297,802
Benefit payments, including employee refunds	(1,494,108)	(1,494,108)	-
Administrative expense	-	(23,082)	23,082
Other changes	58,075	-	58,075
Net changes	1,341,568	(1,450,577)	2,792,145
Balances as of December 31, 2022	\$ 24,100,917	\$ 11,079,002	\$ 13,021,915

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension liability	\$26,839,679	\$24,100,917	\$21,788,547

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the Road Commission recognized pension expense of \$655,468. At December 31, 2022, the Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference in experience	\$ -	\$ 103,596
Difference in assumptions	1,042,792	-
Excess (deficit) investment returns	<u>931,693</u>	<u>-</u>
Subtotal	<u>1,974,485</u>	<u>\$ 103,596</u>

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

<u>Year Ended December 31:</u>	
2023	513,652
2024	446,892
2025	476,440
2026	433,905

Economic Development Corporation of Chippewa County

Description of Plan and Plan Assets

The Corporation is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.25%, and 1.50% for deputies' times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2021.

General Information about the Pension Plan

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

13 – EDC General: Closed to new hires, linked to Division 17

	<u>2021 Valuation</u>
Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/20
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
COLA for Current Retirees:	2.5% (Non-Compound)
Employee Contributions	2%
Act 88:	Yes (Adopted 3/15/1974)

17 – EDC General after 12/1/13: Open Division, linked to 13

	<u>2021 Valuation</u>
Benefit Multiplier:	1.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Employee Contributions	3%
Act 88:	Yes (Adopted 3/15/1974)

Employees Covered by Benefit Terms

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

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

Funding Policy

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

The level dollar based on valuation payroll contribution rate at December 31, 2022 was \$6,190 per month.

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Net Pension Liability

The Corporation’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.00 percent in the Long Term
Investment rate of return	7.00 percent, net of interest and administrative expense including inflation

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

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of January 1, 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%	.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 10 - 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, 2021	\$ 2,388,701	\$ 1,881,858	\$ 506,843
Service cost	55,366	-	55,366
Interest on total pension liability	179,731	-	179,731
Changes in benefits	-	-	-
Difference between expected and actual experience	(10,765)	-	(10,765)
Changes in assumptions	98,197	-	98,197
Employer contributions	-	98,411	(98,411)
Employee contributions	-	16,921	(16,921)
Net investment income	-	(195,552)	195,552
Benefit payments, including employee refunds	(102,993)	(102,993)	-
Administrative expense	-	(3,508)	3,508
Other changes	(14,366)	-	(14,366)
Net changes	205,170	(186,721)	391,891
Balances at December 31, 2022	\$ 2,593,871	\$ 1,695,137	\$ 898,734

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
EDC net pension liability	\$1,216,275	\$898,734	\$633,466

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the Corporation recognized pension expense of \$118,186. At December 31, 2022, the EDC 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
Difference between expected and actual experience	\$ 9,164	\$ -
Changes in assumptions	97,725	-
Net difference between projected and actual earnings on pension plan investments	<u>151,188</u>	<u>-</u>
Total	<u>\$ 258,077</u>	<u>\$ -</u>

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

<u>Year Ended December 31:</u>	
2023	\$ 90,173
2024	56,859
2025	44,207
2026	66,838

Eastern Upper Peninsula Transportation Authority

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

Description of Plan and Plan Assets

The Authority is in the Municipal Employees’ Retirement System (MERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for units of local government in Michigan. The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. All full-time employees become a member of the System on the first day of employment and are completely vested after 10 years of service. Service retirement allowances are based upon percentages ranging from 1.5 to 2.25 percent of 3 to 5-year final average compensation depending on benefit program selected, social security coverage, etc. The most recent period of which actuarial data was available was for the fiscal year ended December 31, 2021.

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

General Information about the Pension Plan

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

01 – General: Closed to new hires, linked to Division 11	
	2021 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	55/15
Early Retirement (Reduced):	50/25
Final Average Compensation:	3 years
Cola for Future Retirees:	2.5% (non-compound)
Member Contributions:	0%
Act 88:	Yes (Adopted 1/17/19)
10 – Busing Union: Closed to new hires linked to Division 11	
	2021 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	6 Years
Early Retirement (Unreduced):	55/15
Early Retirement (Reduced):	50/25
Final Average Compensation:	3 years
Cola for Future Retirees:	2.5% (non-compound)
Member Contributions:	0%
Act 88:	Yes (Adopted 1/17/19)
11 – Gnrl & Busing Union aft 6/1/16: Open Division, linked to Division 01, 10	
	2021 Valuation
Benefit Multiplier:	1.5% 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
Member Contributions:	0%
Act 88:	Yes (Adopted 1/17/19)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Employees Covered by Benefit Term. At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>21</u>
	56

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer monthly contributions as of September 30, 2022, for General (closed) is \$49,709, Bussing (closed) is \$5,622 and General & Bussing (open) is \$3,080.

Net Pension Asset. The employer’s Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Asset was determined by an annual actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the December 31, 2021, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

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

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

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

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

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

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

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

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

Changes in Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2020	\$ 13,719,969	\$ 5,926,264	\$ 7,793,705
Service cost	133,669	-	133,669
Interest on total pension liability	1,018,004	-	1,018,004
Difference between expected and actual experience	(512,234)	-	(512,234)
Changes in assumptions	508,438	-	508,438
Employer contributions	-	673,767	(673,767)
Net investment income	-	826,386	(826,386)
Benefit payments, including employee refunds	(784,033)	(784,033)	-
Administrative expense	-	(9,479)	9,479
Other changes	-	1	(1)
Net changes	363,844	706,642	(342,798)
Balances as of December 31, 2021	\$ 14,083,813	\$ 6,632,906	\$ 7,450,907

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability at 12/31/21	-	\$7,450,907	-
Change in Net Pension Liability	\$1,638,973	-	(\$1,375,417)
Calculated Net Pension Liability	\$9,089,880	\$7,450,907	\$6,075,490

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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

For the year ended September 30, 2022, the employer recognized pension expense of \$932,955. The employer 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	\$ 95,651	\$ 349,076
Differences in assumptions	568,151	-
Excess (Deficit) Investment Returns	-	471,343
Contributions subsequent to the measurement date	556,133	-
Total	<u>\$ 1,219,935</u>	<u>\$ 820,419</u>

The amount reports as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2022.

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

Year Ended <u>September 30:</u>	
2023	247,476
2024	(195,110)
2025	(132,875)
2026	(76,108)

NOTE 11 - DEFERRED COMPENSATION PLAN

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

Required Supplementary Information

Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended December 31, 2022

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

County of Chippewa, Michigan

Required Supplementary Information Employee Retirement and Benefit Systems Schedule of Contributions For the Year Ended December 31, 2022

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

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

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

Required Supplementary Information
Employee Retirement and Benefit Systems
Schedule of Changes in the OPEB Liability and Related Ratios
Year Ended December 31, 2022

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

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

Key Assumptions:

Census Collection Date	#####
Discount rate	5.00%
Year 1 pre 65 / post 65 inflation rates / RX	7.25%/5.50%
Year 2 inflation rate	7.00%/5.25%
Ultimate inflation rate	4.50%
Year Ultimate inflation rate is reached	2033/2026
Actuarial Cost Method	Entry age normal (percent of salary)
Salary Increase	3.00%

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

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 7,948,229	\$ 7,948,229	\$ 8,443,256	\$ 495,027
Licenses and Permits	38,200	38,200	29,278	(8,922)
Federal Sources	749,968	749,968	762,165	12,197
State Sources	1,728,770	1,728,770	1,694,902	(33,868)
Local Sources	42,500	42,500	72,525	30,025
Charges for Services	1,927,300	1,927,300	1,490,109	(437,191)
Interest and Rentals	100,000	100,000	166,645	66,645
Fines and Forfeitures	92,500	92,500	85,010	(7,490)
Other Revenue	218,350	218,350	260,196	41,846
TOTAL REVENUES	12,845,817	12,845,817	13,004,086	158,269
EXPENDITURES:				
Legislative:				
Board of Commissioners	49,514	49,514	49,129	385
Judicial:				
Juvenile Court	349,585	365,585	328,387	37,198
Circuit Court	516,615	548,215	491,629	56,586
District Court	594,390	630,590	615,559	15,031
Friend of the Court	528,388	565,088	561,742	3,346
Jury Board	10,220	11,220	10,867	353
Prosecuting Attorney	620,421	669,521	659,658	9,863
Probate Court	382,158	453,058	444,789	8,269
Bailiff	166,500	180,000	179,502	498
Total Judicial	3,168,277	3,423,277	3,292,133	131,144
General Government:				
Administrator	331,912	349,712	301,729	47,983
Information Systems	495,341	504,341	485,797	18,544
Elections	42,653	47,653	42,087	5,566
County Clerk	341,607	374,407	363,929	10,478
Equalization	308,816	324,716	312,559	12,157
Crime Victim Advocate	130,128	147,828	144,918	2,910
Remonumentation	122,892	122,892	122,892	-
Register of Deeds	329,988	345,988	227,953	118,035
Treasurer	342,027	356,227	348,886	7,341
Cooperative Extension	139,843	158,543	156,537	2,006
Buildings and Grounds	295,889	311,389	288,537	22,852
Health Set Aside	650,000	650,000	400,554	249,446
Soil Conservation District	26,000	26,000	26,000	-
GIS Mapping	25,000	25,000	25,000	-
Surveyor	23,288	23,288	22,624	664
Total General Government	3,605,384	3,767,984	3,270,002	497,982
Public Safety:				
Sheriff	1,377,650	1,650,751	1,613,353	37,398
Marine	47,500	47,500	12,207	35,293
Correctional Facility	2,917,317	3,338,417	3,329,559	8,858
Regional Planning Commission	23,200	23,200	23,200	-
Trident Task Force	97,251	105,251	103,887	1,364
Snowmobile Patrol Grant	18,400	19,400	18,476	924
O.R.V. Grant	44,541	44,541	25,410	19,131
Animal Control	290,402	317,302	314,780	2,522
Total Public Safety	4,816,261	5,546,362	5,440,872	105,490

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works				
Drain Commission	-	1,100	1,070	30
Total Public Works	-	1,100	1,070	30
Health and Welfare:				
Substance Abuse	81,570	82,000	81,823	177
Medical Examiner	80,000	100,000	90,584	9,416
Veterans Affairs	72,791	79,391	76,282	3,109
Total Health and Welfare	234,361	261,391	248,689	12,702
Other Expenditures:				
Retirees Hospitalization	570,000	636,000	635,950	50
Insurance	358,000	358,000	271,592	86,408
Legal Services	25,000	25,000	16,690	8,310
Audit	25,900	25,900	25,900	-
Postage Meter	3,000	3,000	1,821	1,179
Record Copier	6,000	13,000	12,069	931
Cost Allocation Plan	5,000	5,000	5,000	-
Miscellaneous	88,765	84,356	81,685	2,671
Appropriations	455,334	455,334	455,334	-
Total Other Expenditures	1,536,999	1,605,590	1,506,041	99,549
Capital Outlay:				
Equipment	-	14,409	14,409	-
Total Capital Outlay	-	14,409	14,409	-
TOTAL EXPENDITURES	13,410,796	14,669,627	13,822,345	847,282
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(564,979)	(1,823,810)	(818,259)	1,005,551
OTHER FINANCING SOURCES (USES):				
Transfers In	1,289,809	7,398,148	7,832,351	434,203
Transfers Out	(712,048)	(937,148)	(650,742)	286,406
TOTAL OTHER FINANCING SOURCES (USES)	577,761	6,461,000	7,181,609	720,609
NET CHANGE IN FUND BALANCE	\$ 12,782	\$ 4,637,190	6,363,350	\$ 1,726,160
FUND BALANCE BEGINNING OF YEAR			3,750,385	
FUND BALANCE END OF YEAR			\$ 10,113,735	

**Required Supplementary Information
Budgetary Comparison Schedule
Health Department
For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Federal Sources	\$ 1,966,550	\$ 1,966,550	\$ 1,154,587	\$ (811,963)
State Sources	401,759	401,759	771,680	369,921
Local Sources	273,000	273,000	294,916	21,916
Charges for Services	3,877,218	3,877,218	2,924,419	(952,799)
Interest and Rentals	-	-	247	247
Other Revenue	592,281	592,281	347,178	(245,103)
TOTAL REVENUES	<u>7,110,808</u>	<u>7,110,808</u>	<u>5,493,027</u>	<u>(1,617,781)</u>
EXPENDITURES:				
Health and Welfare	<u>7,106,238</u>	<u>7,106,238</u>	<u>5,884,417</u>	<u>1,221,821</u>
TOTAL EXPENDITURES	<u>7,106,238</u>	<u>7,106,238</u>	<u>5,884,417</u>	<u>1,221,821</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,570</u>	<u>\$ 4,570</u>	(391,390)	<u>\$ (395,960)</u>
FUND BALANCE, OCTOBER 1			<u>2,270,102</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 1,878,712</u>	

**Required Supplementary Information
Budgetary Comparison Schedule
Ambulance
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 524,247	\$ 527,247	\$ 519,956	\$ (7,291)
State Sources	-	-	1,069	1,069
TOTAL REVENUES	524,247	527,247	521,025	(6,222)
EXPENDITURES:				
Health and Welfare	524,247	344,888	338,666	6,222
TOTAL EXPENDITURES	524,247	344,888	338,666	6,222
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	182,359	182,359	-
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	(182,359)	(182,359)	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
FUND BALANCES BEGINNING OF YEAR			-	
FUND BALANCES END OF YEAR			\$ -	

**Required Supplementary Information
Budgetary Comparison Schedule
Senior Nutrition Program
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 919,773	\$ 919,773	\$ 912,514	\$ (7,259)
State Sources	1,450	1,450	1,733	283
TOTAL REVENUES	<u>921,223</u>	<u>921,223</u>	<u>914,247</u>	<u>(6,976)</u>
EXPENDITURES:				
Health and Welfare	911,000	911,000	840,000	71,000
TOTAL EXPENDITURES	<u>911,000</u>	<u>911,000</u>	<u>840,000</u>	<u>71,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ 10,223</u>	<u>\$ 10,223</u>	74,247	<u>\$ 64,024</u>
FUND BALANCES BEGINNING OF YEAR			<u>2,915</u>	
FUND BALANCES END OF YEAR			<u>\$ 77,162</u>	

**Required Supplementary Information
Budgetary Comparison Schedule
Chippewa County Recycling
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 613,155	\$ 613,155	\$ 608,887	\$ (4,268)
State Sources	1,500	1,500	1,735	235
TOTAL REVENUES	<u>614,655</u>	<u>614,655</u>	<u>610,622</u>	<u>(4,033)</u>
EXPENDITURES:				
Public Works	<u>613,155</u>	<u>613,155</u>	<u>367,000</u>	<u>246,155</u>
TOTAL EXPENDITURES	<u>613,155</u>	<u>613,155</u>	<u>367,000</u>	<u>246,155</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 1,500</u></u>	<u><u>\$ 1,500</u></u>	243,622	<u><u>\$ 242,122</u></u>
FUND BALANCES BEGINNING OF YEAR			<u>303,614</u>	
FUND BALANCES END OF YEAR			<u><u>\$ 547,236</u></u>	

County of Chippewa, Michigan

Required Supplementary Information Budgetary Comparison Schedule American Recovery Plan Act For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Federal Sources	\$ -	\$ 7,250,339	\$ 7,250,339	\$ -
TOTAL REVENUES	-	7,250,339	7,250,339	-
EXPENDITURES:				
General Government	100,000	100,000	3,420	96,580
TOTAL EXPENDITURES	100,000	100,000	3,420	96,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(100,000)</u>	<u>7,150,339</u>	<u>7,246,919</u>	<u>96,580</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(690,000)	(7,150,339)	(7,246,919)	(96,580)
NET CHANGE IN FUND BALANCES	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES BEGINNING OF YEAR			-	
FUND BALANCES END OF YEAR			<u>\$ -</u>	

Supplementary Information

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
ASSETS:								
Cash and Investments - Unrestricted	\$ 12,325,541	\$ 4,490	\$ 4,665	\$ 2,767	\$ 1,785	\$ -	\$ 12,455	\$ 12,351,703
Receivables:								
Accounts	14,146	-	-	-	-	-	3,401	17,547
Taxes	535,361	-	-	-	-	-	-	535,361
Interest	1,352	-	-	-	-	-	-	1,352
Due from Other Funds	562,670	-	-	-	-	-	-	562,670
Due from Governmental Units	637,887	-	-	-	-	-	-	637,887
Prepaid Items	114,928	-	-	-	-	-	-	114,928
TOTAL ASSETS	\$ 14,191,885	\$ 4,490	\$ 4,665	\$ 2,767	\$ 1,785	\$ -	\$ 15,856	\$ 14,221,448
LIABILITIES:								
Due to Other Funds	\$ 3,301,190	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 3,301,190
Accounts Payable	206,316	-	-	-	-	-	15,856	222,172
Due to Governmental Units	-	-	-	-	-	-	-	-
Unearned Revenue	458,193	-	-	-	-	-	-	458,193
Accrued Liabilities	123,391	-	-	2,767	-	-	-	126,158
TOTAL LIABILITIES	4,089,090	-	-	2,767	-	-	15,856	4,107,713
FUND BALANCES:								
Nonspendable	114,928	-	-	-	-	-	-	114,928
Assigned	-	4,490	4,665	-	1,785	-	-	10,940
Unassigned	9,987,867	-	-	-	-	-	-	9,987,867
TOTAL FUND BALANCES	10,102,795	4,490	4,665	-	1,785	-	-	10,113,735
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,191,885	\$ 4,490	\$ 4,665	\$ 2,767	\$ 1,785	\$ -	\$ 15,856	\$ 14,221,448

County of Chippewa, Michigan

Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Funds For the Year Ended December 31, 2022

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
REVENUES:								
Taxes	\$ 8,438,766	\$ 4,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,443,256
Licenses and Permits	29,278	-	-	-	-	-	-	29,278
Federal Sources	762,165	-	-	-	-	-	-	762,165
State Sources	1,694,902	-	-	-	-	-	-	1,694,902
Local Sources	72,525	-	-	-	-	-	-	72,525
Charges for Services	1,490,051	-	-	-	58	-	-	1,490,109
Interest and Rentals	166,645	-	-	-	-	-	-	166,645
Fines and Forfeitures	85,010	-	-	-	-	-	-	85,010
Other Revenue	260,196	-	-	-	-	-	-	260,196
TOTAL REVENUES	12,999,538	4,490	-	-	58	-	-	13,004,086
EXPENDITURES:								
Legislative	49,129	-	-	-	-	-	-	49,129
Judicial	3,292,133	-	-	-	-	-	-	3,292,133
General Government	2,869,448	-	-	-	-	400,554	-	3,270,002
Public Safety	5,336,985	-	-	103,887	-	-	-	5,440,872
Public Works	1,070	-	-	-	-	-	-	1,070
Health and Welfare	248,689	-	-	-	-	-	-	248,689
Capital Outlay	14,409	-	-	-	-	-	-	14,409
Other Expenditures	1,506,041	-	-	-	-	-	-	1,506,041
TOTAL EXPENDITURES	13,317,904	-	-	103,887	-	400,554	-	13,822,345
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(318,366)	4,490	-	(103,887)	58	(400,554)	-	(818,259)
OTHER FINANCING SOURCES (USES):								
Operating Transfers In	7,327,910	-	-	103,887	-	400,554	-	7,832,351
Operating Transfers Out	(644,278)	(6,464)	-	-	-	-	-	(650,742)
TOTAL OTHER FINANCING SOURCES (USES)	6,683,632	(6,464)	-	103,887	-	400,554	-	7,181,609
NET CHANGE IN FUND BALANCES	6,365,266	(1,974)	-	-	58	-	-	6,363,350
FUND BALANCES BEGINNING OF YEAR	3,737,529	6,464	4,665	-	1,727	-	-	3,750,385
FUND BALANCES END OF YEAR	\$ 10,102,795	\$ 4,490	\$ 4,665	\$ -	\$ 1,785	\$ -	\$ -	\$ 10,113,735

	Special Revenue Funds							
	50th Circuit Court	Drug Court	Construction Code	District Drug Court	HUD Grant	Family Counseling	Emergency Preparedness Grant	Mental Health Court
ASSETS:								
Cash and Investments - Unrestricted	\$ 95,688	\$ -	\$ 2,196	\$ 2,304	\$ -	\$ 150	\$ 54,736	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	2,050	-	-	-	-	-	-
Due from Governmental Units	56	11,218	-	-	-	-	-	17,936
Prepaid Items	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 95,744	\$ 13,268	\$ 2,196	\$ 2,304	\$ -	\$ 150	\$ 54,736	\$ 17,936
LIABILITIES:								
Due to Other Funds	\$ -	\$ 9,979	\$ -	-	\$ -	\$ -	\$ -	\$ 11,315
Accounts Payable	43	1,571	1,123	2,304	-	-	-	-
Accrued Liabilities	-	-	1,073	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	43	11,550	2,196	2,304	-	-	-	11,315
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	54,736	6,621
Committed	-	-	-	-	-	-	-	-
Assigned	95,701	1,718	-	-	-	150	-	-
TOTAL FUND BALANCES	95,701	1,718	-	-	-	150	54,736	6,621
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 95,744	\$ 13,268	\$ 2,196	\$ 2,304	\$ -	\$ 150	\$ 54,736	\$ 17,936

	Special Revenue Funds							
	Operation Stonegarden	Animal Control Millage	FOC Child Support	Community Service	Superior Twp 2000 Improvements Maintenance	Office of Community Correction	Register of Deeds Automation	Drug Forfeiture
ASSETS:								
Cash and Investments - Unrestricted	\$ -	\$ 258,268	\$ 218,218	\$ 15,029	\$ -	\$ 461,208	\$ 172,713	\$ 19,190
Taxes Receivable	-	124,337	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Governmental Units	181,958	-	-	-	-	56	55	-
Prepaid Items	-	150	-	-	-	-	502	-
TOTAL ASSETS	\$ 181,958	\$ 382,755	\$ 218,218	\$ 15,029	\$ -	\$ 461,264	\$ 173,270	\$ 19,190
LIABILITIES:								
Due to Other Funds	\$ 181,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	8,063	-	166	-	5,089	1,090	-
Accrued Liabilities	-	-	-	386	-	828	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	181,958	8,063	-	552	-	5,917	1,090	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	124,337	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	150	-	-	-	-	502	-
Restricted	-	250,205	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	218,218	14,477	-	455,347	171,678	19,190
TOTAL FUND BALANCES	-	250,355	218,218	14,477	-	455,347	172,180	19,190
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 181,958	\$ 382,755	\$ 218,218	\$ 15,029	\$ -	\$ 461,264	\$ 173,270	\$ 19,190

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue Funds							
	CCSD Salvage Vehicle	Concealed Weapons	Sheriff Law Enforcement Training	Local Corrections Officer's Training	Sheriff Park Patrol	Road Patrol Overtime	Secondary Road Patrol	
ASSETS:								
Cash and Investments - Unrestricted	\$ 6,310	\$ 104,101	\$ 3,196	\$ 11,301	\$ 8,100	\$ 11,474	\$ -	\$ 2,373
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Governmental Units	-	-	-	-	-	6,324	50,384	-
Prepaid Items	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,310	\$ 104,101	\$ 3,196	\$ 11,301	\$ 8,100	\$ 17,798	\$ 50,384	\$ 2,373
LIABILITIES:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,803	\$ -
Accounts Payable	90	-	-	-	-	26	-	-
Accrued Liabilities	-	-	-	-	-	117	3,581	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	90	-	-	-	-	143	50,384	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	104,101	3,196	-	-	-	-	2,373
Committed	-	-	-	-	-	-	-	-
Assigned	6,220	-	-	11,301	8,100	17,655	-	-
TOTAL FUND BALANCES	6,220	104,101	3,196	11,301	8,100	17,655	-	2,373
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,310	\$ 104,101	\$ 3,196	\$ 11,301	\$ 8,100	\$ 17,798	\$ 50,384	\$ 2,373

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue Funds							
	Law Library	Animal Shelter Donations	Highway Safety	Sheriff Search & Rescue	Chippewa County DHS Appropriation	MIDC Indigent Defense	Probate Child Care	Emergency Telephone System
ASSETS:								
Cash and Investments - Unrestricted	\$ 442	\$ 818,895	\$ -	\$ 350	\$ -	\$ 233,589	\$ 40,432	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	545	-	-	-	-	-	186,521
Due from Governmental Units	-	-	27,191	-	-	56	3,724	49,062
Prepaid Items	-	-	-	-	1,015	-	-	4,949
TOTAL ASSETS	\$ 442	\$ 819,440	\$ 27,191	\$ 350	\$ 1,015	\$ 233,645	\$ 44,156	\$ 240,532
LIABILITIES:								
Due to Other Funds		\$ -	\$ 10,453	\$ -	\$ -	\$ -	\$ -	\$ 117,300
Accounts Payable	442	97	16,738	-	-	3,148	9,459	4,340
Accrued Liabilities	-	-	-	-	-	-	396	12,824
Unearned Revenues	-	-	-	-	-	230,497	-	-
TOTAL LIABILITIES	442	97	27,191	-	-	233,645	9,855	134,464
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	1,015	-	-	4,949
Restricted	-	819,343	-	350	-	-	34,301	101,119
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	819,343	-	350	1,015	-	34,301	106,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 442	\$ 819,440	\$ 27,191	\$ 350	\$ 1,015	\$ 233,645	\$ 44,156	\$ 240,532

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue Funds							
	Office of Emergency Services	911 State Training	Correctional Facility Maintenance	School Resource Officer	Elections Information	First Responder Grant	Opioid Settlement	Veteran's Trust
ASSETS:								
Cash and Investments - Unrestricted	\$ 181,561	\$ 29,987	\$ 197,877	\$ 130,600	\$ 700	\$ -	\$ -	\$ 50,000
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	392	-	-	41	-	15,101	165,999	-
Due from Governmental Units	169	-	-	-	-	-	-	-
Prepaid Items	1,312	-	9,675	-	-	-	-	-
TOTAL ASSETS	\$ 183,434	\$ 29,987	\$ 207,552	\$ 130,641	\$ 700	\$ 15,101	\$ 165,999	\$ 50,000
LIABILITIES:								
Due to Other Funds		\$ -	\$ -	\$ -	\$ -	\$ 15,101	\$ -	\$ -
Accounts Payable	7,311	-	-	470	-	-	-	-
Accrued Liabilities	1,838	-	-	753	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	9,149	-	-	1,223	-	15,101	-	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	1,312	-	9,675	-	-	-	-	-
Restricted	172,973	29,987	197,877	129,418	700	-	165,999	50,000
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	174,285	29,987	207,552	129,418	700	-	165,999	50,000
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 183,434	\$ 29,987	\$ 207,552	\$ 130,641	\$ 700	\$ 15,101	\$ 165,999	\$ 50,000

	Debt Service Funds				Capital Project Fund	Totals
	2013 Refunding Debt	Superior Township 2000 Improvement Bond Reserve	Superior Township Improvements Debt	2011 Refunding Debt	Hakola-Ross Drainage	
ASSETS:						
Cash and Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 7,503	\$ 3,138,491
Taxes Receivable	-	-	-	-	-	124,337
Accounts Receivable	-	-	-	-	-	370,649
Due from Governmental Units	-	-	-	-	-	348,189
Prepaid Items	-	-	-	-	-	17,603
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,503</u>	<u>\$ 3,999,269</u>
LIABILITIES:						
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,909
Accounts Payable	-	-	-	-	-	61,570
Accrued Liabilities	-	-	-	-	-	21,796
Unearned Revenues	-	-	-	-	-	230,497
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,772</u>
DEFERRED INFLOWS OF RESOURCES:						
Taxes Levied for a Subsequent Period	-	-	-	-	-	124,337
FUND BALANCES:						
Nonspendable	-	-	-	-	-	17,603
Restricted	-	-	-	-	-	2,123,299
Committed	-	-	-	-	7,503	7,503
Assigned	-	-	-	-	-	1,019,755
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,503</u>	<u>3,168,160</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,503</u>	<u>\$ 3,999,269</u>

Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue Funds							
	50th Circuit Court	Drug Court	Construction Code	District Drug Court	HUD Grant	Family Counseling	Emergency Preparedness Grant	Mental Health Court
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	27,047	-	9,734	22,388	-	25,990	-
State Sources	-	20,038	-	-	-	-	-	46,865
Local Sources	-	27,865	-	1,799	-	-	-	-
Charges for Services	14,170	2,337	130,485	1,740	-	2,835	-	4,907
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	-	444	-	-	-	-	-
TOTAL REVENUES	14,170	77,287	130,929	13,273	22,388	2,835	25,990	51,772
EXPENDITURES:								
Judicial	4,540	81,852	-	13,743	-	-	-	46,838
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	109,439	-	-	-	3,383	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	47,331	2,850	-	-
Capital Outlay	-	-	-	-	-	-	37,767	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,540	81,852	109,439	13,743	47,331	2,850	41,150	46,838
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	9,630	(4,565)	21,490	(470)	(24,943)	(15)	(15,160)	4,934
OTHER FINANCING SOURCES (USES):								
Transfers In	-	873	-	-	-	-	-	-
Transfers Out	-	-	(21,490)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	873	(21,490)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	9,630	(3,692)	-	(470)	(24,943)	(15)	(15,160)	4,934
FUND BALANCES BEGINNING OF YEAR	86,071	5,410	-	470	24,943	165	69,896	1,687
FUND BALANCES END OF YEAR	\$ 95,701	\$ 1,718	\$ -	\$ -	\$ -	\$ 150	\$ 54,736	\$ 6,621

**Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Special Revenue Funds							
	Operation Stonegarden	Animal Control Millage	FOC Child Support	Community Service	Superior Twp 2000 Improvements Maintenance	Office of Community Correction	Register of Deeds Automation	
REVENUES:								
Taxes	\$ -	\$ 121,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	210,752	-	-	-	-	-	-	-
State Sources	-	347	-	-	-	50,000	-	-
Local Sources	-	-	-	-	12,655	-	-	-
Charges for Services	-	-	20,572	-	-	341,644	48,505	-
Interest and Rentals	-	-	-	-	73	-	-	-
Other Revenue	-	1,275	-	32,755	-	1,176	-	4,837
TOTAL REVENUES	210,752	123,165	20,572	32,755	12,728	392,820	48,505	4,837
EXPENDITURES:								
Judicial	-	-	3,200	-	-	-	-	-
General Government	-	-	-	-	-	-	20,995	-
Public Safety	15,120	127,976	-	-	-	180,359	-	8,506
Public Works	-	-	-	31,408	87,083	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	195,632	8,481	-	-	-	199,000	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	210,752	136,457	3,200	31,408	87,083	379,359	20,995	8,506
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	(13,292)	17,372	1,347	(74,355)	13,461	27,510	(3,669)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(13,292)	17,372	1,347	(74,355)	13,461	27,510	(3,669)
FUND BALANCES BEGINNING OF YEAR	-	263,647	200,846	13,130	74,355	441,886	144,670	22,859
FUND BALANCES END OF YEAR	\$ -	\$ 250,355	\$ 218,218	\$ 14,477	\$ -	\$ 455,347	\$ 172,180	\$ 19,190

**Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Special Revenue Funds							
	CCSD Salvage Vehicle	Concealed Weapons	Sheriff Law Enforcement Training	Local Corrections Officer's Training	Sheriff Park Patrol	Road Patrol Overtime	Secondary Road Patrol	Sheriff Mental Health
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	-
State Sources	-	-	2,121	-	-	35,981	83,820	-
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	600	16,270	-	7,307	-	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUES	600	16,270	2,121	7,307	-	35,981	83,820	-
EXPENDITURES:								
Judicial	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	445	-	600	9,275	-	27,643	169,097	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	445	-	600	9,275	-	27,643	169,097	-
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	155	16,270	1,521	(1,968)	-	8,338	(85,277)	-
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	85,277	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	85,277	-
NET CHANGE IN FUND BALANCES	155	16,270	1,521	(1,968)	-	8,338	-	-
FUND BALANCES BEGINNING OF YEAR	6,065	87,831	1,675	13,269	8,100	9,317	-	2,373
FUND BALANCES END OF YEAR	\$ 6,220	\$ 104,101	\$ 3,196	\$ 11,301	\$ 8,100	\$ 17,655	\$ -	\$ 2,373

County of Chippewa, Michigan

Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds For the Year Ended December 31, 2022

	Special Revenue Funds							
	Law Library	Animal Shelter Donations	Highway Safety	Sheriff Search & Rescue	Chippewa County DHS Appropriation	MIDC Indigent Defense	Probate Child Care	Emergency Telephone System
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	27,489	-	-	-	-	-
State Sources	-	-	-	-	-	290,862	275,628	170,058
Local Sources	-	-	-	-	-	-	7,500	233,465
Charges for Services	-	-	-	-	-	-	-	814,045
Interest and Rentals	-	-	-	-	-	428	-	-
Other Revenue	4,500	501,003	-	-	-	258	374	-
TOTAL REVENUES	4,500	501,003	27,489	-	-	291,548	283,502	1,217,568
EXPENDITURES:								
Judicial	5,059	-	-	-	-	525,330	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	-	7,994	27,489	-	-	-	-	1,084,075
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	20,043	-	249,201	-
Capital Outlay	-	-	-	-	-	-	-	29,698
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	5,059	7,994	27,489	-	20,043	525,330	249,201	1,113,773
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(559)	493,009	-	-	(20,043)	(233,782)	34,301	103,795
OTHER FINANCING SOURCES (USES):								
Transfers In	559	-	-	-	19,900	233,782	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	559	-	-	-	19,900	233,782	-	-
NET CHANGE IN FUND BALANCES	-	493,009	-	-	(143)	-	34,301	103,795
FUND BALANCES BEGINNING OF YEAR	-	326,334	-	350	1,158	-	-	2,273
FUND BALANCES END OF YEAR	\$ -	\$ 819,343	\$ -	\$ 350	\$ 1,015	\$ -	\$ 34,301	\$ 106,068

**Supplementary Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Special Revenue Funds							
	Office of Emergency Services	911 State Training	Correctional Facility Maintenance	School Resource Officer	Elections Information	First Responder Grant	Opioid Settlement	Veteran's Trust
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	37,687	-	-	-	-	-	-	-
State Sources	-	15,230	89,500	-	-	28,205	-	50,000
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	700	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	21,356	-	619	200	-	-	165,999	-
TOTAL REVENUES	59,043	15,230	90,119	200	700	28,205	165,999	50,000
EXPENDITURES:								
Judicial	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	201,066	12,333	31,876	70,782	-	28,205	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	9,445	-	166,261	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	210,511	12,333	198,137	70,782	-	28,205	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(151,468)	2,897	(108,018)	(70,582)	700	-	165,999	50,000
OTHER FINANCING SOURCES (USES):								
Transfers In	182,359	-	-	200,000	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	182,359	-	-	200,000	-	-	-	-
NET CHANGE IN FUND BALANCES	30,891	2,897	(108,018)	129,418	700	-	165,999	50,000
FUND BALANCES BEGINNING OF YEAR	143,394	27,090	315,570	-	-	-	-	-
FUND BALANCES END OF YEAR	\$ 174,285	\$ 29,987	\$ 207,552	\$ 129,418	\$ 700	\$ -	\$ 165,999	\$ 50,000

Supplementary Information
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Nonmajor Governmental Funds
 For the Year Ended December 31, 2022**

	Debt Service Funds			2011 Refunding Debt	Capital Project Fund	Totals
	2013 Refunding Debt	Superior Twp 2000 Improvement Bond Reserve	Superior Township Improvements Debt		Hakola-Ross Drainage	
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,543
Federal Sources	-	-	-	-	-	361,087
State Sources	-	-	-	-	-	1,158,655
Local Sources	592,919	-	281,814	259,062	-	1,417,079
Charges for Services	-	-	-	-	-	1,406,117
Interest and Rentals	-	-	-	-	-	501
Other Revenue	-	-	-	-	-	734,796
TOTAL REVENUES	<u>592,919</u>	<u>-</u>	<u>281,814</u>	<u>259,062</u>	<u>-</u>	<u>5,199,778</u>
EXPENDITURES:						
Judicial	-	-	-	-	-	680,562
General Government	-	-	-	-	-	20,995
Public Safety	-	-	-	-	-	2,115,663
Public Works	-	-	-	-	-	118,491
Health and Welfare	-	-	-	-	-	319,425
Capital Outlay	-	-	-	-	-	646,284
Debt Service	592,919	34,600	281,814	259,062	-	1,168,395
TOTAL EXPENDITURES	<u>592,919</u>	<u>34,600</u>	<u>281,814</u>	<u>259,062</u>	<u>-</u>	<u>5,069,815</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(34,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,963</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	-	-	-	722,750
Transfers Out	-	-	-	-	-	(21,490)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>701,260</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(34,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>831,223</u>
FUND BALANCES BEGINNING OF YEAR	<u>-</u>	<u>34,600</u>	<u>-</u>	<u>-</u>	<u>7,503</u>	<u>2,336,937</u>
FUND BALANCES END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,503</u>	<u>\$ 3,168,160</u>

County of Chippewa, Michigan

Supplementary Information
Combining Statement of Net Position
Major Tax Collection Enterprise Fund
December 31, 2022

	2019 Tax Revolving	2020 Tax Revolving	2021 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
ASSETS:						
Cash and Investments - Unrestricted	\$ 681,572	\$ 1,990,343	\$ 2,093,339	\$ 2,574,822	\$ 42,606	\$ 7,382,682
Taxes Receivable	2,491	250,581	1,082,335	-	-	1,335,407
Due from Other Funds	-	-	301,190	3,000,000	-	3,301,190
Accrued Interest Receivable	-	93,933	123,822	-	-	217,755
Prepaid	-	-	-	-	200	200
TOTAL ASSETS	\$ 684,063	\$ 2,334,857	\$ 3,600,686	\$ 5,574,822	\$ 42,806	\$ 12,237,234
LIABILITIES:						
Due to Governmental Units	\$ 111,379	\$ 64,278	\$ 58,690	\$ 136,057	\$ -	\$ 370,404
TOTAL LIABILITIES	111,379	64,278	58,690	136,057	-	370,404
NET POSITION:						
Unrestricted	572,684	2,270,579	3,541,996	5,438,765	42,806	11,866,830
TOTAL NET POSITION	572,684	2,270,579	3,541,996	5,438,765	42,806	11,866,830
TOTAL LIABILITIES AND NET POSITION	\$ 684,063	\$ 2,334,857	\$ 3,600,686	\$ 5,574,822	\$ 42,806	\$ 12,237,234

County of Chippewa, Michigan

Supplementary Information Combining Statement of Revenues, Expenses, and Changes in Net Position - Major Tax Collection Enterprise Fund For the Year Ended December 31, 2022

	2019 Tax Revolving	2020 Tax Revolving	2021 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
OPERATING REVENUES:						
Charges for Services	\$ 1,062	\$ 38,099	\$ 90,125	\$ -	\$ -	\$ 129,286
Penalties and Interest Charges	8,388	144,249	197,277	36,108	-	386,022
TOTAL OPERATING REVENUES	9,450	182,348	287,402	36,108	-	515,308
OPERATING EXPENSES:						
Other Supplies and Expenses	1,552	313	1,346	-	620	3,831
Total Operating Expenses	1,552	313	1,346	-	620	3,831
OPERATING INCOME (LOSS)	7,898	182,035	286,056	36,108	(620)	511,477
NON-OPERATING REVENUES (EXPENSES):						
Interest on Deposits	-	15,590	15,652	-	-	31,242
Total Non-operating Revenues (Expenses)	-	15,590	15,652	-	-	31,242
INCOME (LOSS) BEFORE TRANSFERS	7,898	197,625	301,708	36,108	(620)	542,719
Transfers In	-	-	3,240,288	-	-	3,240,288
Transfers Out	(1,500,000)	(1,740,288)	-	(400,554)	-	(3,640,842)
CHANGES IN NET POSITION	(1,492,102)	(1,542,663)	3,541,996	(364,446)	(620)	142,165
NET POSITION BEGINNING OF YEAR	2,064,786	3,813,242	-	5,803,211	43,426	11,724,665
NET POSITION END OF YEAR	\$ 572,684	\$ 2,270,579	\$ 3,541,996	\$ 5,438,765	\$ 42,806	\$ 11,866,830

Note: In the December 31, 2021 "Combining Statement of Revenues, Expenses, and Changes in Net Position - Major Tax Collection Enterprise Fund" the ending fund balance for the "Prior Year Tax Revolving Fund", and the "2018 Tax Revolving Fund" were \$5,801,454, \$1,757 respectively. These are shown combined as the beginning fund balance for the "Prior Year Tax Revolving Fund" as it is the County's practice to only break out the three most current years in their combining statement.

**Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2022**

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
ASSETS:									
Cash and Investments - Unrestricted	\$ 2,705	\$ 137,272	\$ 142,471	\$ 156,071	\$ 138,967	\$ 313,645	\$ 4,200	\$ 40,590	\$ 935,921
Due from Governmental Units	-	-	-	-	-	-	-	378	378
Prepaid Items	-	-	500	-	-	-	-	-	500
TOTAL ASSETS	<u>\$ 2,705</u>	<u>\$ 137,272</u>	<u>\$ 142,971</u>	<u>\$ 156,071</u>	<u>\$ 138,967</u>	<u>\$ 313,645</u>	<u>\$ 4,200</u>	<u>\$ 40,968</u>	<u>\$ 936,799</u>
LIABILITIES:									
Due to Governmental Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ -	\$ 4,200
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200</u>	<u>-</u>	<u>4,200</u>
NET POSITION:									
Unrestricted	\$ 2,705	\$ 137,272	\$ 142,971	\$ 156,071	\$ 138,967	\$ 313,645	\$ -	\$ 40,968	\$ 932,599
TOTAL NET POSITION	<u>\$ 2,705</u>	<u>\$ 137,272</u>	<u>\$ 142,971</u>	<u>\$ 156,071</u>	<u>\$ 138,967</u>	<u>\$ 313,645</u>	<u>\$ -</u>	<u>\$ 40,968</u>	<u>\$ 932,599</u>

Supplementary Information
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2022

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
OPERATING REVENUES:									
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,394	\$ -	\$ 320,891	\$ 639,285
Penalties and Interest Charges	3,297	-	-	-	-	-	-	1,245	4,542
TOTAL OPERATING REVENUES	3,297	-	-	-	-	318,394	-	322,136	643,827
OPERATING EXPENSES:									
Other Supplies and Expenses	592	-	-	-	20,717	4,749	-	294,868	320,926
TOTAL OPERATING EXPENSES	592	-	-	-	20,717	4,749	-	294,868	320,926
OPERATING INCOME (LOSS)	2,705	-	-	-	(20,717)	313,645	-	27,268	322,901
INCOME (LOSS) BEFORE TRANSFERS	2,705	-	-	-	(20,717)	313,645	-	27,268	322,901
Transfers Out	(3,037)	-	-	-	-	-	-	(50,000)	(53,037)
CHANGES IN NET POSITION	(332)	-	-	-	(20,717)	313,645	-	(22,732)	269,864
NET POSITION BEGINNING OF YEAR	3,037	137,272	142,971	156,071	159,684	-	-	63,700	662,735
NET POSITION END OF YEAR	\$ 2,705	\$ 137,272	\$ 142,971	\$ 156,071	\$ 138,967	\$ 313,645	\$ -	\$ 40,968	\$ 932,599

**Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022**

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from Customers	\$ 3,297	\$ -	\$ -	\$ -	\$ -	\$ 318,394	\$ 223	\$ 321,758	\$ 643,672
Payments to Suppliers	(592)	-	(500)	-	(20,717)	(4,749)	3,977	(294,868)	(317,449)
Net Cash Provided (Used) by Operating Activities	2,705	-	(500)	-	(20,717)	313,645	4,200	26,890	326,223
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:									
Operating Transfers Out	(3,037)	-	-	-	-	-	-	(50,000)	(53,037)
Net Cash Provided (Used) by Noncapital Financing Activities	(3,037)	-	-	-	-	-	-	(50,000)	(53,037)
Net Increase (Decrease) in Cash and Investments	(332)	-	(500)	-	(20,717)	313,645	4,200	(23,110)	273,186
Balances - Beginning of the Year	3,037	137,272	142,971	156,071	159,684	-	-	63,700	662,735
Balances - End of the Year	\$ 2,705	\$ 137,272	\$ 142,471	\$ 156,071	\$ 138,967	\$ 313,645	\$ 4,200	\$ 40,590	\$ 935,921
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Operating Income (Loss)	\$ 2,705	\$ -	\$ -	\$ -	\$ (20,717)	\$ 313,645	\$ -	\$ 27,268	\$ 322,901
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Change in Assets and Liabilities:									
(Increase)Decrease in Assets:									
Due from Governmental Units	-	-	-	-	-	-	223	(378)	(155)
Prepaid Items	-	-	(500)	-	-	-	-	-	(500)
Increase(Decrease) in Liabilities:									
Accounts Payable	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	3,977	-	3,977
Net Cash Provided (Used) by Operating Activities	\$ 2,705	\$ -	\$ (500)	\$ -	\$ (20,717)	\$ 313,645	\$ 4,200	\$ 26,890	\$ 326,223

**Supplementary Information
Combining Statement of Net Position
Internal Service Funds
December 31, 2022**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
ASSETS:				
Cash and Investments - Unrestricted	\$ -	\$ 12,253	\$ -	\$ 12,253
Due from Governmental Units	16,505	-	-	16,505
Inventory	-	-	4,397	4,397
Prepaid Expense	178,828	31,408	-	210,236
TOTAL ASSETS	\$ 195,333	\$ 43,661	\$ 4,397	\$ 243,391
LIABILITIES:				
Due to Other Funds	\$ 166,911	\$ -	\$ 2,850	\$ 169,761
Accounts Payable	20,931	-	-	20,931
TOTAL LIABILITIES	187,842	-	2,850	190,692
NET POSITION:				
Unrestricted	7,491	43,661	1,547	52,699
TOTAL NET POSITION	7,491	43,661	1,547	52,699
TOTAL LIABILITIES AND NET POSITION	\$ 195,333	\$ 43,661	\$ 4,397	\$ 243,391

**Supplementary Information
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Internal Service Funds
For the Year Ended December 31, 2022**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
OPERATING REVENUES:				
Charges for Services	\$ 3,068,599	\$ 127,915	\$ 11,957	\$ 3,208,471
Total Operating Revenues	<u>3,068,599</u>	<u>127,915</u>	<u>11,957</u>	<u>3,208,471</u>
OPERATING EXPENSES:				
Premium Payments	3,062,051	121,016	-	3,183,067
Supplies	-	-	12,151	12,151
Total Operating Expenses	<u>3,062,051</u>	<u>121,016</u>	<u>12,151</u>	<u>3,195,218</u>
OPERATING INCOME (LOSS)	6,548	6,899	(194)	13,253
NET POSITION BEGINNING OF YEAR	<u>943</u>	<u>36,762</u>	<u>1,741</u>	<u>39,446</u>
NET POSITION END OF YEAR	<u>\$ 7,491</u>	<u>\$ 43,661</u>	<u>\$ 1,547</u>	<u>\$ 52,699</u>

Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 3,066,196	\$ 130,664	\$ 11,957	\$ 3,208,817
Payments to Suppliers	(3,036,725)	(152,424)	(9,624)	(3,198,773)
Internal Activity - Receipts(Payments) with Other Funds	(29,471)	-	(2,333)	(31,804)
Net Cash Provided (Used) by Operating Activities	-	(21,760)	-	(21,760)
Net Increase (Decrease) in Cash and Investments	-	(21,760)	-	(21,760)
Balances - Beginning of the Year	-	34,013	-	34,013
Balances - End of the Year	\$ -	\$ 12,253	\$ -	\$ 12,253
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 6,548	\$ 6,899	\$ (194)	\$ 13,253
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Assets:				
Accounts Receivable	(2,403)	2,749	-	346
Inventory	-	-	2,527	2,527
Prepaid Items	4,395	(31,408)	-	(27,013)
Increase (Decrease) in Liabilities:				
Accounts Payable	20,931	-	-	20,931
Due to Other Funds	(29,471)	-	(2,333)	(31,804)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (21,760)	\$ -	\$ (21,760)

Supplementary Information
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	Total Custodial Funds
ASSETS:						
Cash and Equivalents - Restricted	\$ 1,518,772	\$ 81,893	\$ 55,960	\$ 51,851	\$ 98,654	\$ 1,807,130
TOTAL ASSETS	1,518,772	81,893	55,960	51,851	98,654	1,807,130
LIABILITIES:						
Undistributed Tax Collections	1,105,012	-	55,960	-	-	1,160,972
Other Liabilities	509	-	-	-	-	509
Bond & Restitutions	170,506	81,893	-	-	-	252,399
Due to Inmates	-	-	-	-	98,654	98,654
Due to Governmental Units	242,745	-	-	51,851	-	294,596
TOTAL LIABILITIES	1,518,772	81,893	55,960	51,851	98,654	1,807,130
NET POSITION:						
Restricted for:						
Individuals, Organizations, and Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Supplementary Information
Combining Statement of Changes of Custodial Funds
Cash Position
For the Year Ended December 31, 2022

	Custodial Funds					Total
	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	
ADDITIONS:						
Contributions						
Taxes Collected for Other Governments	\$ 3,259,055	\$ -	\$ 7,142,881	\$ -	\$ -	\$ 10,401,936
Fees and Fines Collected on behalf of						
Other Governments	4,095,379	-	-	121,728	-	4,217,107
Fees and Fines Collected on behalf of Other Agencies	125,165	139,829	-	-	-	264,994
Bonds, Restitutions, and Payables to Others	712,622	-	-	-	-	712,622
Collections from or On Behalf of Inmates	-	-	-	-	237,059	237,059
TOTAL ADDITIONS	8,192,221	139,829	7,142,881	121,728	237,059	15,833,718
DEDUCTIONS:						
Payment of Taxes to Other Governments	3,259,055	-	7,142,881	-	-	10,401,936
Fees and Fines Remitted to Other Units						
of Government	4,095,379	-	-	121,728	-	4,217,107
Fees and Fines Remitted to Other Agencies	125,165	139,829	-	-	-	264,994
Payments on Behalf of Inmates	-	-	-	-	237,059	237,059
Bonds, Restitutions, and Payables to Others	712,622	-	-	-	-	712,622
TOTAL DEDUCTIONS	8,192,221	139,829	7,142,881	121,728	237,059	15,833,718
Net Increase (Decrease) in Net Position	-	-	-	-	-	-
Net Position, Beginning of Year	-	-	-	-	-	-
Net Position, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reports on Compliance



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Chippewa, Michigan as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Chippewa's basic financial statements and have issued our report thereon dated June 12, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Members of the Board
County of Chippewa, Michigan

Report on Compliance and Other Matters

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

Purpose of this Report

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



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

June 12, 2023



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Chippewa, Michigan's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Chippewa, Michigan's major federal programs for the year ended December 31, 2022. The County of Chippewa, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Chippewa, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

To the Board of Commissioners
County of Chippewa, Michigan

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

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

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



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

June 12, 2023

Federal Agency / Cluster / Program Title	COVID-19 Related	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture						
* Women, Infant and Children - Resident Services	N	10.557	MDHHS	E20220738	\$ -	\$ 199,230
* Women, Infant and Children - Breastfeeding	N	10.557	MDHHS	E20220903	-	12,049
Program Subtotal					-	211,279
Forest Service Schools and Roads Cluster						
Schools and Roads Grants to States - Title III	N	10.665	MDNR	NA	-	25,990
Schools and Roads Grants to States - Title I	N	10.665	MDNR	N/A	297,033	297,033
Program & Cluster Subtotal					297,033	323,023
Total U.S. Department of Agriculture						297,033
U.S. Department of Commerce						534,302
Building Construction	N	11.300	Direct	06-01-06245	-	203,144
U.S. Department of Housing & Urban Development						
Community Development Block Grant	N	14.228	MEDC	NA	-	22,388
U.S. Department of Interior						
Federal Forest PILT	N	15.226	Direct	NA	-	327,417
U.S. Department of Justice						
Coronavirus Emergency Supplemental Funding Program	Y	16.034	MSP	CESF-15-2020	-	7,516
Coronavirus Emergency Supplemental Funding Program	Y	16.034	MSP	CESF-8-17-0318	-	8,614
Program Subtotal					-	16,130
Edward Byrne Memorial Justice Assistance Grant		16.738	MCS	25596	-	18,767
Edward Byrne Memorial Justice Assistance Grant	N	16.738	MCS	28933	-	8,280
Program Subtotal					-	27,047
Total U.S. Department of Justice						43,177
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Federal Transit Capital Grants						
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 209545/209546	-	95,607
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 203928NI/213237NI	-	1,426,992
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 211733NI	-	930,958
Capital Grant - Section 70	N	20.205	MDOT	2022-0049 214672NI	-	55,312
Subtotal Highway Planning and Construction Cluster					-	2,508,869
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 212054NI	-	150,000
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 130398/130402	-	23,713
Operating Assistance - Section 5311 CARES	Y	20.509	MDOT	2017-0047 211546NI P27	-	216,495
Operating Assistance - Section 5311 CARES	Y	20.509	MDOT	2017-0047 211546NI P28	-	610,965
Rural Transit Assistance Program (RTAP)	N	20.509	MDOT	N/A	-	15,469
Program Subtotal					-	1,016,642
Airport Improvement Programs						
Rehab Runway, Lighting & Design (See Note F)	N	20.106	MDOT	3-26-0139-043-2021	-	219,449
Airport Coronavirus Relief	Y	20.106	MDOT	3-26-0139-044-2021	-	5,224
Reconstruct Terminal Building (See Note F)	N	20.106	MDOT	3-26-0139-046-2021	-	4,764,100
Airport Rescue (See Note F)	N	20.106	MDOT	3-26-0139-047-2021	-	709,332
Rehab Taxiway,Rehab Runway, Aircraft Rescue (See Note F)	N	20.106	MDOT	3-26-0139-048-2022	-	757,590
Program Subtotal					-	6,455,695
Highway Safety Cluster						
Office of Highway Safety Planning	N	20.600	MSP	PT-21-34	-	27,489
Office of Highway Safety Planning	N	20.601	MSP	25823	-	9,734
Subtotal Highway Safety Cluster					-	37,223
Total U.S. Department of Transportation						10,018,429
U.S. Department of Treasury						
State & Local Fiscal Recovery Funds	Y	21.027	Direct	NA	-	7,250,339
U.S. Environmental Protection Agency						
Drinking Water State Revolving Fund Cluster						
Type II Operator Assisted	N	66.468	MEGLE	FS97548720	-	938
Type II Supply Supervisor	N	66.468	MEGLE	FS97548720	-	2,934
Program Subtotal					-	3,872
Great Lakes Beach Monitoring	N	66.472	MEGLE	2022-7207	-	8,091
Great Lakes Beach Monitoring	N	66.472	MEGLE	2021-0207	-	189
Program Subtotal					-	8,280
Total U.S. Environmental Protection Agency						12,152

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

Federal Agency / Cluster / Program Title	COVID-19 Related	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services						
* Public Health Emergency Preparedness	N	93.069	MDHHS	E20220684	-	86,719
* Public Health Emergency Preparedness	N	93.069	MDHHS	E20224825	-	28,441
Program Subtotal					-	115,160
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	N	93.116	MDHHS	E20220737	-	2
Family Planning/BCCCP	N	93.217	MDHHS	E20220810	-	42,952
Immunization - Vaccines (noncash)	N	93.268	MDHHS	NA	-	82,730
Immunization - COVID	Y	93.268	MDHHS	E20221181	-	52,072
CSHCS Vaccine Initiative	N	93.268	MDHHS	E20224385	-	1,930
Immunization - Fixed Fee	N	93.268	MDHHS	E20221968	-	3,500
Immunization - IAP	N	93.268	MDHHS	E20221828	-	15,711
Program Subtotal					-	155,943
ELC Contact Tracing Testing, Investigation, Testing Coordination, Monitoring and Wraparound	Y	93.323	MDHHS	E20221398	-	144,215
ELC COVID-19 Infection Prevention	Y	93.323	MDHHS	E20221397	-	4,818
Reopening Schools HRA	Y	93.323	MDHHS	E20224273	-	59,682
Program Subtotal					-	208,715
CDC COVID Health Disparities	Y	93.391	MDHHS	6	-	8,274
Provider Relief Fund	Y	93.498	MDHHS	NA	-	155,664
Child Support Enforcement	N	93.563	MDHHS	CSCOM-17-17003	-	330,810
Child Support Enforcement - Federal Incentive	N	93.563	MDHHS	CSCOM-17-17003	-	47,750
Program Subtotal					-	378,560
IV-E Foster Care Program - FY 2022	N	93.658	MDHHS	E20221678	-	21,795
IV-E Foster Care Program - FY 2023	N	93.658	MDHHS	E202234540	-	6,415
Program Subtotal					-	28,210
Medicaid Cluster						
Medicaid Outreach & Advocacy	N	93.778	MDHHS	E20220808	-	14,462
Medicaid Outreach -Other	N	93.778	MDHHS	E20220807	-	2,082
Medicaid Outreach -Care Coordination	N	93.778	MDHHS	E20220806	-	289
Medicaid Outreach	N	93.778	MDHHS	E20220902	-	2,622
Subtotal Medicaid Cluster					-	19,455
Harm Reduction Supportive Services	N	93.788	MDHHS	E20220901	-	51,593
BCCCP Planning	N	93.898	MDHHS	E20221063	-	396
Substance Abuse Prevention	N	93.959	NCN	NA	-	75,005
Substance Abuse Prevention COVID Supplemental	N	93.959	NCN	NA	-	36,026
Program Subtotal					-	111,031
Family Planning Services	N	93.991	MDHHS	E20220810	-	3,042
MCH-All Other	N	93.994	MDHHS	E20221967	-	19,274
MCH-Children	N	93.994	MDHHS	E20221966	-	2,750
Family Planning Services	N	93.994	MDHHS	E20220810	-	14,519
CSHCS Care Coordination	N	93.994	MDHHS	E20220806	-	722
Program Subtotal					-	37,265
Total U.S. Department of Health and Human Services					-	1,316,262
U.S. Department of Homeland Security						
2022 Marine Safety Program	N	97.012	MDNR	N/A	-	11,848
Immunization-COVID	Y	97.036	MDHHS	E20221181	-	21,664
Emergency Management Performance Grant	N	97.042	MSP	EMC-2022-EP-00001	-	22,791
Operation Stonegarden Grant-2019	N	97.067	MSP	EMW-2019-SS-00042-S01	-	178,330
Operation Stonegarden Grant-2020	N	97.067	MSP	EMW-2020-SS-00021	-	10,859
Operation Stonegarden Grant-2021	N	97.067	MSP	EMW-2021-SS-00011	-	21,563
Program Subtotal					-	210,752
Homeland Security Grant - 2019	N	97.067	DC	N/A	-	2,032
Homeland Security Grant - 2020	N	97.067	DC	N/A	-	12,864
Program Subtotal					-	14,896
Total U.S. Department of Homeland Security					-	281,951
Total Expenditures of Federal Awards					\$ 297,033	20,009,561

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

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Chippewa, Michigan under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Chippewa, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Chippewa, Michigan.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - COGNIZANT AGENCY:

The County has not been assigned a cognizant agency. Therefore, the County is under the general oversight of the U.S. Department of Treasury which provided the greatest amount of direct federal funding to the County during 2022.

NOTE D - INDIRECT COST:

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

NOTE E - MDOT ADMINISTRATION:

The Highway Planning and Construction Grants (Chippewa County Road Commission), Capital Grants – Section 5311 (EUP Transportation Authority) and Airport Improvement Grants (Chippewa County Economic Development Corporation) include various contracted projects. Accordingly, the federal expenditures recognized on each negotiated project do not necessarily relate to the County's actual costs for that project. Contracted projects are administered by MDOT which monitors the applicable compliance requirements of those projects.

NOTE F - AIRPORT IMPROVEMENT PROJECTS:

During the year ended December 31, 2022, Chippewa County Airport received and expended \$6,450,471 in federal funding. Projects utilizing this aid were administered by the Michigan Bureau of Aeronautics and will be audited for compliance by the State of Michigan. The State of Michigan is responsible for including these projects in its schedule of expenditures of federal awards.

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

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

Total Federal Sources per Financial Statements	
Primary Government	\$ 9,528,178
Federal Grants of Component Units	10,184,350
Federal Grants in Trust & Agency	<u>297,033</u>
Total Federal Revenue Recognized per Schedule of Expenditures of Federal Awards	<u>\$ 20,009,561</u>

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of Major Programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.027	State and local Fiscal Recovery Funds
10.665	Forest Service Schools and Roads Cluster
Dollar threshold used to distinguish between types A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

NONE.

Section III – Federal Award Findings and Questioned Costs

NONE.

Section III – Federal Award Findings and Questioned Costs

NONE.

Other Information

CHIPPEWA COUNTY, MICHIGAN

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ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

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

LESLIE A. BOHN, CPA
TORI N. KRUISE, CPA

**MEMBER AICPA DIVISION FOR
CPA FIRMS**

**MEMBER MACPA
OFFICES IN MICHIGAN**

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

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

Our report on our audit of the basic financial statements of County of Chippewa, Michigan, as of and for the year ended December 31, 2022, appears on page 1. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The other information listed on the following pages regarding the municipal securities disclosure requirements of the Securities Exchange Commission (SEC) Rule 15c2-12 is presented for purposes of additional analysis and is not a required part of the basic financial statements, and accordingly, we express no opinion on it.

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

June 12, 2023

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

Debt issues of \$1,000,000 or more sold on or after July 3, 1995 are applicable to SEC rule 15c2-12 disclosure requirements. As of December 31, 2022, the County has the following debt issues which apply to SEC Rule 15c2-12.

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

NOTE 2 - TABLES:

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

A. Population:

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

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

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

Use	2021		2022	
	Amount	Percent of Total	Amount	Percent of Total
Agricultural	\$ 34,465,291	2.86%	\$ 35,409,382	2.81%
Commercial (R&P)	163,343,589	13.56%	169,052,663	13.43%
Industrial (R&P)	30,494,089	2.53%	29,566,541	2.35%
Residential	924,478,753	76.72%	971,270,770	77.17%
Utility	52,193,700	4.33%	53,307,800	4.24%
Total	<u>\$ 1,204,479,422</u>	<u>100.00%</u>	<u>\$ 1,258,607,156</u>	<u>100.00%</u>

NOTE 2 – TABLES: (Continued)

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

Class	2021		2022	
	Amount	Percent of Total	Amount	Percent of Total
Real Property	\$ 1,124,753,822	93.34%	\$ 1,178,366,456	93.62%
Personal Property	80,221,600	6.66%	80,238,200	6.38%
Total	<u>\$ 1,204,975,422</u>	<u>100.00%</u>	<u>\$ 1,258,604,656</u>	<u>100.00%</u>

Source: County of Chippewa

C. Taxable Value:

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

Per Capita Total taxable value for the fiscal year ending December 31, 2022, \$34,225.

Source: County of Chippewa

NOTE 2 - TABLES: (Continued)

D. SEV by Use and Class:

Use	Fiscal Year Ended or Ending December 31							
	2019	%	2020	%	2021	%	2022	%
Agriculture	\$ 49,023,800	3%	\$ 47,680,200	3%	\$ 48,155,000	3%	\$ 132,193,894	8%
Commercial	192,783,375	14%	211,985,000	15%	222,243,450	15%	226,054,000	14%
Industrial	30,230,600	2%	29,660,400	2%	34,017,300	3%	34,543,200	2%
Residential	1,046,296,300	77%	1,083,043,940	76%	1,125,008,450	76%	1,193,362,086	73%
Utility	48,394,500	4%	51,448,600	4%	52,193,700	3%	53,305,300	3%
Total	\$ 1,366,728,575	100%	\$ 1,423,818,140	100%	\$ 1,481,617,900	100%	\$ 1,639,458,480	100%
Class								
Real Property	\$ 1,291,408,100	94%	\$ 1,346,020,340	95%	\$ 1,401,396,300	95%	\$ 1,559,524,280	95%
Personal Property	75,320,475	6%	77,797,800	5%	80,221,600	5%	79,934,200	5%
Total	\$ 1,366,728,575	100%	\$ 1,423,818,140	100%	\$ 1,481,617,900	100%	\$ 1,639,458,480	100%

Source: County of Chippewa

E. Maximum Tax Rates:

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

(1) Cumulative.

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

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

Source: County of Chippewa

NOTE 2 - TABLES: (Continued)

F. Revenues from the State of Michigan

<u>Fiscal Year Ended/Ending</u>	<u>Revenue Sharing Payments</u>
December 31, 2018	\$733,169
December 31, 2019	\$735,454
December 31, 2020	\$574,850
December 31, 2021	\$754,994
December 31, 2022	\$779,221

Source: County of Chippewa

G. Property Tax Rates:

Levy 1-Dec	Fiscal Years Ended or Ending 31-Dec	Allocated	Fire/ Ambulance	Road Improvements	Recycling	Jail	Senior Program	Animal Shelter	Total
			(1)	(1)	(1)	(1)	(1)	(1)	
2016	2017	6.1500	0.4275	0.9879	0.5000	0.7078	0.4994	0.1000	9.3726
2017	2018	6.1500	0.4275	0.9879	0.5000	0.7078	0.4994	0.1000	9.3726
2018	2019	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2019	2020	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2020	2021	6.1500	0.4275	0.9879	0.5000	0.0000	0.4994	0.1000	8.6648
2021	2022	6.1500	0.4275	0.9879	0.5000	Expired	0.7500	0.1000	8.9154
2022	2023	6.1500	0.4275	0.9821	0.5000	Expired	0.7456	0.1000	8.9052

(1) Voted.

Source: County of Chippewa

H. Highest and Lowest Tax Rates:

The highest and lowest tax rates for properties allowed special exemption status and all other taxable properties within the County for its fiscal year ending December 31, 2022:

Property Classification	Highest Tax Rate		Lowest Tax Rate	
	Municipality	Tax Rate	Municipality	Tax Rate
Special Exemption*	Sault Ste. Marie	43.7322 mills	Bay Mills	39.7919 mills
Other	Sault Ste. Marie	61.7322 mills	Bay Mills	21.7919 mills

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

Source: County of Chippewa

NOTE 2 - TABLES: (Continued)

I. Property Tax Collections:

<u>July/Dec. 1 Levy</u>	<u>Fiscal Years Ended or Ending December 31</u>	<u>County Tax Levy (1)</u>	<u>Collections to March 1 Following Levy</u>	<u>Percent Collected to March 1 Following Levy</u>
2015	2016	\$ 9,732,114	\$ 9,025,722	92.74%
2016	2017	9,814,287	9,110,481	92.82%
2017	2018	9,958,351	9,295,768	93.34%
2018	2019	9,513,458	8,881,752	93.36%
2019	2020	9,606,555	9,137,606	95.12%
2020	2021	9,748,866	9,176,827	94.13%
2021	2022	10,346,489	9,723,079	93.97%

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

Source: County of Chippewa

J. Top 10 Largest Taxpayers:

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>December 31, 2022</u>	
		<u>Taxable Value (1)</u>	<u>Percent of of Total (2)</u>
State of Michigan	Government	\$ 39,910,855	32.3%
Cloverland Electric Cooperative	Utility	24,176,526	19.6%
American Transmission	Utility	20,279,032	16.4%
Cloverland Electric Cooperative	Utility	11,289,931	9.1%
Cascade X LLC	Retail	6,190,200	5.0%
DTE Gas Company	Utility	5,790,638	4.7%
Continental Teves Inc	Auto Testing Service	4,399,700	3.6%
Pointe West I LP	Apartment Rental	4,186,779	3.4%
Good Will Company, Inc	Retail	3,904,414	3.2%
Pickford Solar, LLC	Solar Energy	3,455,800	2.8%

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

(2) Based on \$1,258,607,156 which is the County's Total Taxable Value for the fiscal year ending December 31, 2022. Includes the Equivalent Taxable Value of property granted tax abatement under Act 198.

Source: County of Chippewa

NOTE 2 - TABLES: (Continued)

K. Legal Debt Margin:

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

Debt Limit (1)	\$ 163,945,848
Debt Outstanding (2)	<u>(3,785,000)</u>
Legal Debt Margin	<u>\$ 160,160,848</u>

- (1) 10% of \$1,639,458,480 which is the County's Total SEV for its fiscal year ending December 31, 2022. Includes the SEV of property granted tax abatement under Act 198.
- (2) Includes the Bonds described herein.

Source: County of Chippewa and Municipal Advisory Council of Michigan

L. Debt Schedule:

The following table reflects a summary of the County's direct and underlying debt as of December 31, 2022:

<u>County Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Water and Sewer Bonds: Dated December 13, 2013	<u>3,785,000</u>	<u>3,785,000</u>	<u>-</u>
Total	<u>\$ 3,785,000</u>	<u>\$ 3,785,000</u>	<u>\$</u>
Per Capita Net County Direct Debt			\$ 0
Percent of Net Direct Debt to Total SEV			0%

NOTE 2 - TABLES: (Continued)

L. Debt Schedule: (Continued)

<u>Underlying Debt of County (5)</u>	<u>Total</u>
City	\$ 10,200,000
Townships	931,104
School Districts	<u>29,864,793</u>
 Total Underlying Debt	 <u>\$ 40,995,897</u>
 Per Capita Underlying Debt (3)	 \$ 1114.47
Percent of Underlying Debt to Total SEV (4)	2.50%
 Total Direct and Underlying Debt	 <u>\$ 44,780,897</u>
Per Capita Net Direct and Underlying Debt (3)	\$ 1217.36
Percent of Net Direct and Underlying Debt to Total SEV (4)	2.73%

- (1) The Bonds described herein.
- (2) Secured by the City of Sault Ste. Marie’s full faith and credit and limited taxing power.
- (3) Based on the County’s 2020 census of 36,785
- (4) Based on \$1,639,458,480 which is the County’s Total SEV for its fiscal year ending December 31, 2022. Includes the SEV of property granted tax abatement under Act 198.
- (5) Underlying Debt is the debt of the municipal entities located in the County.

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

M. Debt History:

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

N. Installment Purchase Obligations:

See Notes to Financial Statements.

NOTE 2 - TABLES: (Continued)

O. Short Term Borrowings:

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

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

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

Source: County of Chippewa

P. Future Financing:

Not Anticipated.

Q. Vacation and Sick Leave:

Employees earn varying amounts of annual vacation and sick leave based on number of years of service up to a maximum and on the various labor union contract terms and administration policies of the different County operating units. Vacation is accumulated and taken annually. Sick leave can accumulate up to 168 hours. In addition, each year sheriff employees are given 96 days of sick time for jail employees and 64 days sick time for road patrol employees with 100 percent vesting after three years of service for the Sheriff's department only. At December 31, 2022, the accumulated unpaid compensated absences amounted to \$429,899.

NOTE 2 - TABLES: (Continued)

R. Pension:

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

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

Source: County of Chippewa

S. Other Post-Employment Benefits:

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

Source: Chippewa County

T. Labor Contracts:

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

<u>Employee Group</u>	<u>Membership</u>	<u>Current Expiration Date</u>
Technical, Professional and Office workers		
Association of Michigan	31	December 31, 2026
Michigan Fraternal Order of Police Labor Council	17	December 31, 2025
Non-Union Employees	83	Not applicable
Police Officers Association of Michigan	12	December 31, 2025
Michigan Fraternal Order of Police Labor Council:		
Dispatchers	<u>11</u>	December 31, 2025
Total Permanent County Employees	<u>154</u>	

Source: County of Chippewa

U. Profile of Major Employers:

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

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

Source: Eastern Upper Peninsula Regional Planning

NOTE 2 - TABLES: (Continued)

V. Employment:

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

County of Chippewa	2017	2018	2019	2020	2021	2022
Employed	15,115	15,168	15,082	14,400	14,754	14,988
Unemployed	<u>1,237</u>	<u>1,088</u>	<u>1,030</u>	<u>1,505</u>	<u>1,032</u>	<u>1,018</u>
Labor Force	<u><u>16,352</u></u>	<u><u>16,256</u></u>	<u><u>16,112</u></u>	<u><u>15,905</u></u>	<u><u>15,786</u></u>	<u><u>16,006</u></u>
Unemployed as % Of Labor Force (1)	7.6%	6.7%	6.4%	9.5%	6.5%	6.4%

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

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



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

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

LESLIE A. BOHN, CPA
TORI N. KRUISE, CPA

**MEMBER AICPA DIVISION FOR
CPA FIRMS**

**MEMBER MACPA
OFFICES IN MICHIGAN**

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Chippewa, Michigan for the year ended December 31, 2022, and have issued our report thereon dated June 12, 2023. 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. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County of Chippewa, Michigan are described in Note 1 to the financial statements. One new accounting pronouncement was adopted regarding GASB statement number 87, and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions that have been recognized in the financial statements in the proper period.

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

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

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

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreement with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 12, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Upcoming Accounting Standards

GASB Statement No. 96 – Subscription based Information Technology Arrangements

In May 2020, GASB issued Statement No. 96, *Subscription based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

This Statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible assets, as specified in the contract for a period of time in exchange or exchange-like transaction; (2) established that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for the year ending December 31, 2023

GASB Statement No. 100, Accounting Changes and Error Corrections

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

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

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

GASB Statement No. 101, Compensated Absences

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

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

Other Matters

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

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

Restrictions on Use

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



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

June 12, 2023