

County of Chippewa, Michigan

BASIC FINANCIAL STATEMENTS

December 31, 2024

CHIPPEWA COUNTY, MICHIGAN

ORGANIZATION

COUNTY BOARD OF COMMISSIONERS

CHAIRMAN	JIM MARTIN
COMMISSIONER	JUSTIN KNEPPER
COMMISSIONER	DAMON LIEURANCE
COMMISSIONER	JAMES TRAYNOR
COMMISSIONER	SCOTT SHACKLETON

APPOINTED/ELECTED OFFICERS

COUNTY ADMINISTRATOR	KELLY CHURCH
COUNTY TREASURER	CARMEN FAZZARI
COUNTY CLERK	STEVE WOODGATE
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

KINROSS OFFICE

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

TORI N. KRUISE, CPA

MEMBER AICPA
MEMBER MICPA

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, 2024, 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, 2024, 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 74 through 76, and pages 77 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 6, 2025, 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 6, 2025

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, 2024.

Financial Highlights

- The net position of the County exceeded its liabilities at the close of the most recent fiscal year by \$19,388,137. Of this amount, \$2,086,975 is restricted.
- The County's governmental activities net position increased by \$4,457,187 and an increase of \$400,731 in net position of the business-type activities with an overall increase of \$4,857,918 in net position of the primary government.
- During the year, the County had expenses for governmental activities that were \$22,555,805 and expenses for business-type activities that were \$294,374.
- The General Fund reported a net fund balance of \$8,784,420, a decrease of \$2,009,158. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,630,246, or 50% 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.

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.

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.

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

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

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to the discussion and analysis, required pension and OPEB funding progress information, and budgetary and actual presentation.

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 of the general, nonmajor governmental, enterprise, and internal service funds.

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 \$19,392,521 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	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 18,730,408	\$ 20,772,543	\$ 13,916,635	\$ 13,497,677	\$ 32,647,043	\$ 34,270,220
Capital Assets	12,456,191	10,150,065	-	-	12,456,191	10,150,065
Total Assets	31,186,599	30,922,608	13,916,635	13,497,677	45,103,234	44,420,285
Deferred Outflows of Resources	3,411,623	3,642,221	-	-	3,411,623	3,642,221
Liabilities						
Current Liabilities	3,397,112	3,065,577	293,403	275,176	3,690,515	3,340,753
Noncurrent Liabilities	21,797,897	25,656,526	-	-	21,797,897	25,656,526
Total Liabilities	25,195,009	28,722,103	293,403	275,176	25,488,412	28,997,279
Deferred Inflows of Resources	3,638,308	4,539,762	-	-	3,638,308	4,539,762
Net Position						
Net Investment in Capital Assets	9,596,191	6,815,065	-	-	9,596,191	6,815,065
Restricted	2,665,521	2,549,361	-	-	2,665,521	2,549,361
Unrestricted	(6,496,807)	(8,061,462)	13,623,232	13,222,501	7,126,425	5,161,039
Total Net Position	\$ 5,764,905	\$ 1,302,964	\$ 13,623,232	\$ 13,222,501	\$ 19,388,137	\$ 14,525,465

The largest portion of the County's net position, \$9,596,191, reflects its investments in capital assets (e.g., land and improvements, buildings and improvements, equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to the citizens; consequently, these assets are not available for future spending.

An additional portion of the County's net position, \$2,086,975, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$7,709,355 may be used to meet the government's ongoing obligations.

The current level of unrestricted net position for our governmental activities stands at (\$6,496,807), or about (29%) of expenses. Net Position of the governmental activities had a net increase of \$4,461,571.

Net position of the business-type activities increased by \$400,731 during fiscal year 2024. This is comparable to the prior year increase of \$423,072.

The following table shows the activities of the County.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges for Services	\$ 5,045,804	\$ 6,396,673	\$ 1,077,515	\$ 1,113,931	\$ 6,123,319	\$ 7,510,604
Operating Grants and Contributions	7,482,237	9,988,199	-	-	7,482,237	9,988,199
General Revenues						
Property Taxes	12,011,794	11,191,251	-	-	12,011,794	11,191,251
State Revenue Sharing and Other	875,064	818,687	-	-	875,064	818,687
Interest Income	838,928	765,980	376,755	240,421	1,215,683	1,006,401
Total Revenues	26,253,827	29,160,790	1,454,270	1,354,352	27,708,097	30,515,142
Expenses						
Judicial	4,806,156	4,291,683	-	-	4,806,156	4,291,683
General Government	3,450,248	5,615,869	-	-	3,450,248	5,615,869
Public Safety	8,149,630	7,261,401	-	-	8,149,630	7,261,401
Public Works	584,500	907,679	-	-	584,500	907,679
Health and Welfare	4,036,413	8,489,780	-	-	4,036,413	8,489,780
Economic and Community Development	594,244	543,826	-	-	594,244	543,826
Interest Expense - Unallocated	147,634	199,658	-	-	147,634	199,658
Depreciation - Unallocated	786,980	753,856	-	-	786,980	753,856
Tax Collection	-	-	13,576	11,382	13,576	11,382
Other Nonmajor	-	-	280,798	390,893	280,798	390,893
Total Expenses	22,555,805	28,063,752	294,374	402,275	22,850,179	28,466,027
Excess (Deficiency) Before Transfers	3,698,022	1,097,038	1,159,896	952,077	4,857,918	2,049,115
Transfers	759,165	529,005	(759,165)	(529,005)	-	-
Changes in Net Position	4,457,187	1,626,043	400,731	423,072	4,857,918	2,049,115
Net Position - Beginning Restated	1,307,718	(323,079)	13,222,501	12,799,429	14,530,219	12,476,350
Net Position - Ending	\$ 5,764,905	\$ 1,302,964	\$ 13,623,232	\$ 13,222,501	\$ 19,388,137	\$ 14,525,465

Governmental Activities - Operating grants and contributions decreased by \$2,505,962 when compared to the previous year. This is primarily due to a decrease in Covid-19 related grant funding.

Taxes increased by \$820,543 due largely to an increase in taxable value of property within the County.

Judicial expenses increased by \$514,473, general government expenses decreased by \$2,165,621, and public safety expenses increased by \$888,229.

Business-type Activities- The County's total business type revenues decreased by \$36,416, primarily due to a decrease in charges for services in the 2021 tax foreclosure fund. Total business type program expenses decreased by \$107,901. This is primarily due to a decrease in excess proceed expenditures in the 2019 tax foreclosure fund.

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. 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 2024 include the General Fund, Health Department, Senior Nutrition, Ambulance, Chippewa County Recycling, 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 general fund's fund balance decreased by \$2,009,158 from \$10,793,578 in the prior year to \$8,784,420 in the current year. Total revenues for the general fund increased by \$1,983,070 compared to the prior year. The primary reason is due to the sale of the War Memorial hospital property to My Michigan Health in the prior year, followed by a decrease in federal and an increase in state revenues in the current year. Total expenditures for the general fund increased by \$619,951 compared to the previous year. The primary cause of this is due to additional capital outlay expenditures relating to the construction of a sheriff storage building.

The Health Department Fund ended the year with a fund balance of \$348,981, which was a decrease of \$871,600 from the prior year. This is primarily due to an additional expenditure of \$1,000,000 to fund the OPEB liability in the current year. The Senior Nutrition Fund ended the year with a fund balance of \$244,266, which is an increase of \$60,065 from the prior year. The increase is primarily due to an increase in millage in the current year. The Ambulance fund had an ending fund balance of \$0. While the Chippewa County Recycling Fund ended the year with an ending fund balance of \$547,894, a increase of \$179,212 from the prior year. This was due to an increase of expenditures in the prior year for additional equipment needs.

The Delinquent Tax fund is supported by interest and fees from the collection of taxes.

General Fund Budgetary Highlights

Over the course of the year, the County board amended the budget to take into account events during the year. 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 \$860,242 higher than budgetary estimates, while general fund expenditures were \$549,044 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, 2024, amounted to \$12,456,191 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was \$2,306,126.

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

- Purchases include vehicles of \$325,477, various equipment of \$334,902 and building improvements of \$2,456,575 of this amount, \$12,507 relates to the construction in progress.

Debt Administration

At the end of the current fiscal year, the County had a total debt outstanding of \$22,297,897. Of this amount, \$2,860,000 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 and net pension liability.

The County reduced its bond debt by \$475,000 in principal payments and issued no new debt.

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. In 2025, the County plans again to use current revenues to provide essential services and to maintain the County's financial reserve at similar levels. The ongoing cost of providing essential services for the citizens of the County will again need to be monitored to maintain the financial position of the County.

Component Units

A separate management 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

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS:				
Cash and Investments - Unrestricted	\$ 12,800,481	\$ 12,219,429	\$ 25,019,910	\$ 7,220,635
Cash and Investments - Restricted	108,705	-	108,705	1,674,005
Receivables:				
Accounts	344,952	-	344,952	1,017,651
Taxes	3,116,176	1,466,230	4,582,406	1,058,249
Leases	-	-	-	2,211,022
Interest	1,535	230,976	232,511	-
Due from Governmental Units	1,154,018	-	1,154,018	3,058,411
Inventory	123,576	-	123,576	1,495,570
Prepaid Items	502,419	-	502,419	160,777
Net OPEB Asset	578,546	-	578,546	294,110
Capital Assets (nondepreciable)	244,317	-	244,317	86,867,951
Capital Assets (net of accumulated depreciation)	12,211,874	-	12,211,874	81,325,181
TOTAL ASSETS	31,186,599	13,916,635	45,103,234	186,383,562
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Related Items	2,123,507	-	2,123,507	2,361,665
OPEB Related Items	1,217,961	-	1,217,961	136,857
Deferred Charges on Refunding	70,155	-	70,155	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,411,623	-	3,411,623	2,498,522
LIABILITIES:				
Accounts Payable	487,578	-	487,578	1,589,115
Accrued Liabilities	344,294	-	344,294	788,724
Unearned Revenue	715,938	-	715,938	297,701
Advances	-	-	-	616,928
Accrued Interest Payable	40,067	-	40,067	-
Due to Governmental Units	1,309,235	293,403	1,602,638	-
Notes Payable - Due within one year	-	-	-	102,176
Notes Payable - Due in more than one year	-	-	-	302,847
Bonds Payable - Due within one year	500,000	-	500,000	-
Bonds Payable - Due in more than one year	2,360,000	-	2,360,000	-
Vested Employee Benefits - Due in more than one year	454,961	-	454,961	1,121,357
OPEB Obligations - Due in more than one year	-	-	-	-
Net Pension Liability - Due in more than one year	18,982,936	-	18,982,936	20,071,075
TOTAL LIABILITIES	25,195,009	293,403	25,488,412	24,889,923
DEFERRED INFLOWS OF RESOURCES:				
Pension Related Items	265,112	-	265,112	104,406
OPEB Related Items	870,314	-	870,314	1,041,327
Lease Items	-	-	-	1,977,089
Taxes Levied for a Subsequent Period	2,502,882	-	2,502,882	1,058,249
TOTAL DEFERRED INFLOWS OF RESOURCES	3,638,308	-	3,638,308	4,181,071
NET POSITION:				
Net Investment in Capital Assets	9,596,191	-	9,596,191	167,788,109
Restricted	2,665,521	-	2,665,521	1,849,473
Restricted for County Roads	-	-	-	(17,039,255)
Unrestricted	(6,496,807)	13,623,232	7,126,425	616,867
TOTAL NET POSITION	\$ 5,764,905	\$ 13,623,232	\$ 19,388,137	\$ 153,215,194

County of Chippewa, Michigan

Statement of Activities For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
Governmental Activities:								
Judicial	4,806,156	454,902	1,993,193	-	(2,358,061)	-	(2,358,061)	-
General Government	3,450,248	512,715	1,505,686	-	(1,431,847)	-	(1,431,847)	-
Public Safety	8,149,630	2,063,033	1,381,526	-	(4,705,071)	-	(4,705,071)	-
Public Works	584,500	-	39,309	-	(545,191)	-	(545,191)	-
Health and Welfare	4,036,413	2,015,154	2,541,471	-	520,212	-	520,212	-
Economic and Community Development	594,244	-	21,052	-	(573,192)	-	(573,192)	-
Interest Expense - Unallocated	147,634	-	-	-	(147,634)	-	(147,634)	-
Depreciation - Unallocated	786,980	-	-	-	(786,980)	-	(786,980)	-
Total Governmental Activities	22,555,805	5,045,804	7,482,237	-	(10,027,764)	-	(10,027,764)	-
Business-type activities:								
Tax Collection	13,576	529,083	-	-	-	515,507	515,507	-
Other Nonmajor	280,798	548,432	-	-	-	267,634	267,634	-
Total Business-type Activities	294,374	1,077,515	-	-	-	783,141	783,141	-
Total Primary Government	\$ 22,850,179	\$ 6,123,319	\$ 7,482,237	\$ -	(10,027,764)	783,141	(9,244,623)	-
Component Units:								
Road Commission	\$ 16,196,340	\$ 5,121,012	\$ 9,598,755	\$ 3,058,962				1,582,389
Economic Development Corporation	6,775,728	3,528,109	50,000	6,714,302				3,516,683
E.U.P. Transportation Authority	6,600,025	2,904,107	3,018,275	2,632,240				1,954,597
Total Component Units	29,572,093	11,553,228	12,667,030	12,405,504				7,053,669
Total	\$ 52,422,272	\$ 17,676,547	\$ 20,149,267	\$ 12,405,504				
General Revenues and Transfers:								
Taxes- Real Property					12,003,416	-	12,003,416	1,003,033
Taxes- Personal Property					8,378	-	8,378	-
State Revenue Sharing and Other					875,064	-	875,064	-
Interest Income					838,928	376,755	1,215,683	222,983
Transfers					759,165	(759,165)	-	-
Gain (Loss) on Disposals					-	-	-	39,590
Total General Revenues and Transfers					14,484,951	(382,410)	14,102,541	1,265,606
Changes in Net Position					4,457,187	400,731	4,857,918	8,319,275
Net Position - Beginning (as restated see note 12)					1,307,718	13,222,501	14,530,219	144,895,919
Net Position - Ending					<u>\$ 5,764,905</u>	<u>\$ 13,623,232</u>	<u>\$ 19,388,137</u>	<u>\$ 153,215,194</u>

See accompanying notes to financial statements.

County of Chippewa, Michigan

Balance Sheet
Governmental Funds
December 31, 2024

	General	Health Department 9/30/2024	Senior Nutrition	Ambulance	Chippewa County Recycling	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and Investments - Unrestricted	\$ 7,180,628	\$ 1,492,615	\$ 244,266	\$ 31	\$ 547,894	\$ 3,268,694	\$ 12,734,128
Cash and Investments - Restricted	-	108,705	-	-	-	-	108,705
Receivables:							
Accounts	49,676	47,044	-	-	-	220,908	317,628
Taxes	613,294	-	1,052,977	603,722	705,864	140,319	3,116,176
Interest	1,535	-	-	-	-	-	1,535
Inventory	-	120,807	-	-	-	-	120,807
Due from Other Funds	451,988	-	-	-	-	-	451,988
Due from Governmental Units	768,410	164,587	-	-	-	221,021	1,154,018
Prepaid Items	147,416	44,271	-	-	-	101,327	293,014
TOTAL ASSETS	<u>\$ 9,212,947</u>	<u>\$ 1,978,029</u>	<u>\$ 1,297,243</u>	<u>\$ 603,753</u>	<u>\$ 1,253,758</u>	<u>\$ 3,952,269</u>	<u>\$ 18,297,999</u>
LIABILITIES:							
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,483	\$ 217,483
Accounts Payable	214,133	186,391	-	-	-	87,054	487,578
Accrued Liabilities	214,394	92,786	-	-	-	36,270	343,450
Due to Governmental Units	-	1,309,204	-	31	-	-	1,309,235
Unearned Revenue	-	40,667	-	-	-	675,271	715,938
TOTAL LIABILITIES	<u>428,527</u>	<u>1,629,048</u>	<u>-</u>	<u>31</u>	<u>-</u>	<u>1,016,078</u>	<u>3,073,684</u>
DEFERRED INFLOWS OF RESOURCES:							
Taxes Levied for a Subsequent Period	-	-	1,052,977	603,722	705,864	140,319	2,502,882
FUND BALANCES:							
Nonspendable	147,416	165,078	-	-	-	101,327	413,821
Restricted	-	108,705	244,266	-	-	1,734,004	2,086,975
Committed	-	-	-	-	-	7,503	7,503
Assigned	6,758	75,198	-	-	547,894	953,038	1,582,888
Unassigned	8,630,246	-	-	-	-	-	8,630,246
TOTAL FUND BALANCES	<u>8,784,420</u>	<u>348,981</u>	<u>244,266</u>	<u>-</u>	<u>547,894</u>	<u>2,795,872</u>	<u>12,721,433</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 9,212,947</u>	<u>\$ 1,978,029</u>	<u>\$ 1,297,243</u>	<u>\$ 603,753</u>	<u>\$ 1,253,758</u>	<u>\$ 3,952,269</u>	
Reconciliation to amounts reported for governmental activities in the statement of net position:							
Capital assets used by governmental activities							12,456,191
Deferred Charges on Refunding							70,155
Long-term notes and bonds payable for governmental activities							(2,860,000)
Long-term Vested Employee Benefits							(454,961)
Internal service funds included in governmental activities							70,502
Accrued interest expense recognized under full accrual accounting							(40,067)
Net pension & OPEB liabilities and related deferred outflows & inflows							(16,198,348)
Net position of governmental activities							<u>\$ 5,764,905</u>

County of Chippewa, Michigan

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

	General	Health Department 9/30/24	Senior Nutrition	Ambulance	Chippewa County Recycling	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES:							
Taxes	\$ 9,635,381	\$ -	\$ 999,572	\$ 573,094	\$ 670,528	\$ 133,219	\$ 12,011,794
Licenses and Permits	28,488	-	-	-	-	-	28,488
Federal Sources	819,938	1,021,710	-	-	-	179,388	2,021,036
State Sources	1,938,598	750,346	5,493	1,580	3,684	1,462,815	4,162,516
Local Sources	50,000	228,962	-	-	-	859,202	1,138,164
Charges for Services	1,575,623	2,015,154	-	-	-	1,347,208	4,937,985
Interest and Rentals	817,360	247	-	-	-	21,321	838,928
Fines and Forfeitures	79,331	-	-	-	-	-	79,331
Other Revenue	371,934	506,621	-	-	-	157,030	1,035,585
TOTAL REVENUES	15,316,653	4,523,040	1,005,065	574,674	674,212	4,160,183	26,253,827
EXPENDITURES:							
Judicial	3,845,443	-	-	-	-	1,342,974	5,188,417
General Government	3,912,989	-	-	-	-	30,317	3,943,306
Public Safety	6,290,230	-	-	-	-	2,417,945	8,708,175
Public Works	57,082	-	-	-	495,000	32,418	584,500
Health and Welfare	630,817	5,394,640	945,000	372,890	-	72,508	7,415,855
Community and Economic Development	601,934	-	-	-	-	-	601,934
Capital Outlay	1,804,499	-	-	-	-	1,272,795	3,077,294
Debt Service	-	-	-	-	-	610,044	610,044
TOTAL EXPENDITURES	17,142,994	5,394,640	945,000	372,890	495,000	5,779,001	30,129,525
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(1,826,341)	(871,600)	60,065	201,784	179,212	(1,618,818)	(3,875,698)
OTHER FINANCING SOURCES (USES):							
Transfers In	887,705	-	-	-	-	1,187,771	2,075,476
Transfers Out	(1,070,522)	-	-	(201,784)	-	(44,005)	(1,316,311)
TOTAL OTHER FINANCING SOURCES (USES)	(182,817)	-	-	(201,784)	-	1,143,766	759,165
NET CHANGE IN FUND BALANCES	(2,009,158)	(871,600)	60,065	-	179,212	(475,052)	(3,116,533)
FUND BALANCE BEGINNING OF YEAR (as Restated, See Note 12)	10,793,578	1,220,581	184,201	-	368,682	3,270,924	15,837,966
FUND BALANCE END OF YEAR	\$ 8,784,420	\$ 348,981	\$ 244,266	\$ -	\$ 547,894	\$ 2,795,872	\$ 12,721,433

See accompanying notes to financial statements.

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

Net changes in fund balances - total governmental funds \$ (3,116,533)

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 capital outlay \$3,116,954 exceeded depreciation (\$810,828). 2,306,126

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. 457,462

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	4,948
Vested Employee Benefits	(5,715)
OPEB Obligations	3,980,230
Net Pension Liabilities	817,447

Internal Service Fund Activity	13,222
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Changes in net position of governmental activities	<u>\$ 4,457,187</u>
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County of Chippewa, Michigan

Statement of Net Position Proprietary Funds December 31, 2024

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
ASSETS:				
Cash and Investments - Unrestricted	\$ 10,921,098	\$ 1,298,331	\$ 12,219,429	\$ 66,353
Taxes Receivable	1,466,230	-	1,466,230	-
Due from Governmental Units	-	-	-	27,324
Inventory	-	-	-	2,769
Prepaid Expense	-	-	-	209,405
Accrued Interest Receivable	230,976	-	230,976	-
TOTAL ASSETS	\$ 12,618,304	\$ 1,298,331	\$ 13,916,635	\$ 305,851
LIABILITIES:				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 234,505
Due to Governmental Units	282,574	10,829	293,403	-
Accounts Payable	-	-	-	844
TOTAL LIABILITIES	282,574	10,829	293,403	235,349
NET POSITION:				
Unrestricted	12,335,730	1,287,502	13,623,232	70,502
TOTAL NET POSITION	\$ 12,335,730	\$ 1,287,502	\$ 13,623,232	\$ 70,502

County of Chippewa, Michigan

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

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Totals	Internal Service Funds
OPERATING REVENUES:				
Charges for Services	\$ 196,779	\$ 542,593	\$ 739,372	\$ 3,683,003
Penalties and Interest Charges	332,304	5,839	338,143	-
Total Operating Revenues	529,083	548,432	1,077,515	3,683,003
OPERATING EXPENSES:				
Premium Payments	-	-	-	3,662,056
Other Supplies and Expenses	13,576	280,798	294,374	7,725
Total Operating Expenses	13,576	280,798	294,374	3,669,781
OPERATING INCOME (LOSS)	515,507	267,634	783,141	13,222
NON-OPERATING REVENUES (EXPENSES):				
Interest on Deposits	376,755	-	376,755	-
Total Non-Operating Revenues (Expenses)	376,755	-	376,755	-
INCOME (LOSS) BEFORE TRANSFERS	892,262	267,634	1,159,896	13,222
Operating Transfers In	4,231,215	-	4,231,215	-
Operating Transfers Out	(4,970,380)	(20,000)	(4,990,380)	-
CHANGES IN NET POSITION	153,097	247,634	400,731	13,222
NET POSITION, JANUARY 1	12,182,633	1,039,868	13,222,501	57,280
NET POSITION, DECEMBER 31	<u>\$ 12,335,730</u>	<u>\$ 1,287,502</u>	<u>\$ 13,623,232</u>	<u>\$ 70,502</u>

County of Chippewa, Michigan

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

	Business-type Activities Enterprise Funds			Governmental Activities
	Tax Collections	Nonmajor Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 435,501	\$ 548,591	\$ 984,092	\$ 3,679,612
Payments to Suppliers	(1,513)	(274,134)	(275,647)	(3,693,689)
Internal Activity - Receipts (Payments) with Other Funds	-	-	-	26,778
Net Cash Provided by Operating Activities	433,988	274,457	708,445	12,701
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers In (Out) - net	(739,165)	(20,000)	(759,165)	-
Net Cash Used by Noncapital Financing Activities	(739,165)	(20,000)	(759,165)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Deposits	376,755	-	376,755	-
Net Cash Provided by Investing Activities	376,755	-	376,755	-
Net Increase in Cash	71,578	254,457	326,035	12,701
Balances - Beginning of the Year	10,849,520	1,043,874	11,893,394	53,652
Balances - End of the Year	\$ 10,921,098	\$ 1,298,331	\$ 12,219,429	\$ 66,353
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 515,507	\$ 267,634	\$ 783,141	\$ 13,222
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	(107,430)	-	(107,430)	-
Accrued Interest Receivable	13,848	-	13,848	-
Inventory	-	-	-	(207)
Due from Other Funds	-	-	-	-
Due from Governmental Units	-	159	159	(3,391)
Prepaid Items	500	-	500	(23,707)
Increase (Decrease) in Liabilities:				
Accounts Payable	-	6,664	6,664	6
Due to Other Funds	-	-	-	26,778
Due to Governmental Units	11,563	-	11,563	-
Net Cash Provided by Operating Activities	\$ 433,988	\$ 274,457	\$ 708,445	\$ 12,701

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Custodial Funds	Other Employee Benefit Trust Funds	Total
ASSETS:			
Cash and Equivalents - Restricted	\$ 2,347,180	\$ -	\$ 2,347,180
Total Cash and Equivalents	2,347,180	-	2,347,180
Investments, at fair value:			
Equity Securities	-	22,621,034	22,621,034
Total Investments	-	22,621,034	22,621,034
TOTAL ASSETS	\$ 2,347,180	\$ 22,621,034	\$ 24,968,214
LIABILITIES:			
Undistributed Tax Collections	1,292,336	-	1,292,336
Other Liabilities	47,174	-	47,174
Bond & Restitutions	523,368	-	523,368
Due to Inmates	145,636	-	145,636
Due to Governmental Units	338,666	-	338,666
TOTAL LIABILITIES	2,347,180	-	2,347,180
NET POSITION:			
Held in Trust for Pension Benefits and Other Purposes	\$ -	\$ 22,621,034	\$ 22,621,034

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

		Trust
	Custodial Funds	Other Employee Benefit Trust Funds
ADDITIONS:		
Contributions		
Members	\$ -	\$ 1,499,460
Interest	-	1,858,451
Taxes Collected for Other Governments	10,262,493	-
Fees and Fines Collected on behalf of Other Governments	1,931,777	-
Fees and Fines Collected on behalf of Other Agencies	286,062	-
Bonds, Restitutions, and Payables to Others	127,905	-
Collections from or On Behalf of Inmates	136,786	-
TOTAL ADDITIONS	<u>12,745,023</u>	<u>3,357,911</u>
DEDUCTIONS:		
Payment of Taxes to Other Governments	10,262,493	-
Payment of Trust Benefits and fees	-	1,261,218
Fees and Fines Remitted to Other Units of Government	1,931,777	-
Fees and Fines Remitted to Other Agencies	286,062	-
Payments on Behalf of Inmates	136,786	-
Bonds, Restitutions, and Payables to Others	127,905	-
TOTAL DEDUCTIONS	<u>12,745,023</u>	<u>1,261,218</u>
CHANGE IN NET POSITION	-	2,096,693
NET POSITION BEGINNING OF YEAR	<u>-</u>	<u>20,524,341</u>
NET POSITION END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 22,621,034</u></u>

Component Units

County of Chippewa, Michigan

Statement of Net Position Component Units December 31, 2024

	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/24	Totals
ASSETS:				
Cash and Investments - Unrestricted	\$ 480,083	481,107	\$ 6,259,445	\$ 7,220,635
Cash and Investments - Restricted	-	1,674,005	-	1,674,005
Receivables:				
Accounts	-	741,510	276,141	1,017,651
Taxes	1,058,249	-	-	1,058,249
Lease	-	2,211,022	-	2,211,022
Due from Governmental Units	2,795,014	128,016	135,381	3,058,411
Inventory	1,439,623	55,947	-	1,495,570
Prepaid Items	115,740	-	45,037	160,777
Net OPEB Asset	-	294,110	-	294,110
Capital Assets (Nondepreciable)	64,446,813	8,987,312	13,433,826	86,867,951
Capital Assets (Net of Accumulated Depreciation)	44,382,591	23,691,329	13,251,261	81,325,181
TOTAL ASSETS	114,718,113	38,264,358	33,401,091	186,383,562
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Related Items	1,109,209	129,512	1,122,944	2,361,665
OPEB Related Items	68,383	68,474	-	136,857
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,177,592	197,986	1,122,944	2,498,522
LIABILITIES:				
Accounts Payable	1,030,595	417,481	141,039	1,589,115
Accrued Liabilities	674,283	41,927	72,514	788,724
Unearned Revenue	-	287,372	10,329	297,701
Interest Payable	-	-	-	-
Due to State	-	-	-	-
Advances	616,928	-	-	616,928
Notes and Leases Payable - Due within one year	102,176	-	-	102,176
Notes and Leases Payable - Due in more than one year	302,847	-	-	302,847
Vested Employee Benefits - Due in more than one year	628,312	74,797	418,248	1,121,357
OPEB Obligation - Due in more than one year	6,595,896	-	-	6,595,896
Net Pension Liability - Due in more than one year	10,931,136	939,111	8,200,828	20,071,075
TOTAL LIABILITIES	20,882,173	1,760,688	8,842,958	31,485,819
DEFERRED INFLOWS OF RESOURCES:				
Pension Related Items	-	-	104,406	104,406
OPEB Related Items	1,014,794	26,533	-	1,041,327
Lease Items	-	1,977,089	-	1,977,089
Taxes Levied for a Subsequent Period	1,058,249	-	-	1,058,249
TOTAL DEFERRED INFLOWS OF RESOURCES	2,073,043	2,003,622	104,406	4,181,071
NET POSITION:				
Net Investment in Capital Assets	108,424,381	32,678,641	26,685,087	167,788,109
Restricted	1,555,363	294,110	-	1,849,473
Restricted for County Roads	(17,039,255)	-	-	(17,039,255)
Unrestricted	-	1,725,283	(1,108,416)	616,867
TOTAL NET POSITION	\$ 92,940,489	\$ 34,698,034	\$ 25,576,671	\$ 153,215,194

See accompanying notes to financial statements.

County of Chippewa, Michigan

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Economic Development Corporation	E.U.P. Transportation Authority 9/30/24	
Road Commission:								
Public Works	\$ 16,196,340	\$ 5,121,012	\$ 9,598,755	\$ 3,058,962	\$ 1,582,389	\$ -	\$ -	\$ 1,582,389
Economic Development Corporation:								
Economic Development	6,775,728	3,528,109	50,000	6,714,302	-	3,516,683	-	3,516,683
E.U.P. Transportation Authority:								
Public Works	6,600,025	2,904,107	3,018,275	2,632,240	-	-	1,954,597	1,954,597
Total Component Units	<u>\$ 29,572,093</u>	<u>\$ 11,553,228</u>	<u>\$ 12,667,030</u>	<u>\$ 12,405,504</u>	<u>1,582,389</u>	<u>3,516,683</u>	<u>1,954,597</u>	<u>7,053,669</u>
General Revenues:								
Taxes - Real Property					1,003,033	-	-	1,003,033
Interest Income					10,174	116,122	96,687	222,983
Gain (Loss) on Disposal					38,090	-	1,500	39,590
Total General Revenues					<u>1,051,297</u>	<u>116,122</u>	<u>98,187</u>	<u>1,265,606</u>
Changes in Net Position					2,633,686	3,632,805	2,052,784	8,319,275
Net Position - Beginning (as Restated, See Note 12)					<u>90,306,803</u>	<u>31,065,229</u>	<u>23,523,887</u>	<u>144,895,919</u>
Net Position - Ending					<u>\$ 92,940,489</u>	<u>\$ 34,698,034</u>	<u>\$ 25,576,671</u>	<u>\$ 153,215,194</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, 2024, 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, 2024.

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 2024 ad valorem tax is levied and collectible on December 1, 2024, and 2024 ad valorem tax is levied and collectible on July 1, 2024, 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, 2023 taxable valuation of the County of Chippewa totaled \$1,326,557,410 on which ad valorem taxes levied consisted of .4275 mills for fire/ambulance services, .9821 mills for roads, .5000 mills for recycling, .7456 mills for senior program and .0994 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, 2024 taxable valuation of the County of Chippewa totaled \$1,423,731,100 on which ad valorem taxes levied consisted of 6.1402 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

The County collapses certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as other supplementary information to show the various components.

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.

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	\$ 12,800,481	\$ 12,219,429	\$ 25,019,910	\$ -	\$ 7,220,635
-Restricted	<u>108,705</u>	<u>-</u>	<u>108,705</u>	<u>24,968,214</u>	<u>1,674,005</u>
Total	<u>\$ 12,909,186</u>	<u>\$ 12,219,429</u>	<u>\$ 25,128,615</u>	<u>\$ 24,968,214</u>	<u>\$ 8,894,640</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)	\$ 24,101,444	\$ 2,347,180	\$ 8,892,740
Petty Cash and Cash on Hand	3,275	-	1,900
Investments	1,023,896	22,621,034	-
Total	<u>\$ 25,128,615</u>	<u>\$ 24,968,214</u>	<u>\$ 8,894,640</u>

Investments:

Description	Fair Value	Maturity in Years			S&P Rating
		Less Than 1	1 – 5	6 – 10	
Treasury Bonds	\$ 1,023,896	\$ 1,023,896	-	-	AA to AAA
Equity Mutual Funds*	22,621,034	22,621,034	-	-	Unavailable
Total Investments	<u>\$ 23,644,930</u>	<u>\$ 23,644,930</u>	<u>\$ -</u>	<u>\$ -</u>	

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 custodial deposit credit risk. As of yearend, \$4,782,181 of the County's bank balance of \$21,999,563 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, 2024:

- Investments held in the MERS Investment Services Program, which are primarily mutual funds used to fund retiree defined benefit pensions, with a balance of \$22,621,034 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, 2024, 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>407,500</u>	<u>12,507</u>	<u>(407,500)</u>	<u>12,507</u>
Subtotal	<u>639,310</u>	<u>12,507</u>	<u>(407,500)</u>	<u>244,317</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	209,400	-	-	209,400
Buildings and Improvements	19,702,065	2,444,068	407,500	22,553,633
Furniture and Equipment	5,515,853	334,902	(82,490)	5,768,265
Vehicles	<u>1,415,222</u>	<u>325,477</u>	<u>(46,812)</u>	<u>1,693,887</u>
Subtotal	<u>26,842,540</u>	<u>3,104,447</u>	<u>278,198</u>	<u>30,225,185</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(168,570)	(4,260)	-	(172,830)
Buildings and Improvements	(11,944,113)	(375,672)	-	(12,319,785)
Furniture and Equipment	(4,298,096)	(254,665)	82,490	(4,470,271)
Vehicles	<u>(921,006)</u>	<u>(176,231)</u>	<u>46,812</u>	<u>(1,050,425)</u>
Subtotal	<u>(17,331,785)</u>	<u>(810,828)</u>	<u>129,302</u>	<u>(18,013,311)</u>
Net Capital Assets Being Depreciated	<u>9,510,755</u>	<u>2,293,619</u>	<u>407,500</u>	<u>12,211,874</u>
Capital Assets - Net	<u>\$ 10,150,065</u>	<u>\$ 2,306,126</u>	<u>\$ -</u>	<u>\$ 12,456,191</u>

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

Health and Welfare	\$ 23,848
Unallocated	<u>786,980</u>
Total	<u>\$ 810,828</u>

NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity of the Chippewa County Road Commission year ended December 31, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Deductions</u>	<u>Ending Balances</u>
<i>Capital Assets Not Being Depreciated</i>				
Land and Improvements	\$ 63,872,886	\$ 573,927	\$ -	\$ 64,446,813
<i>Capital Assets Being Depreciated</i>				
Buildings	6,545,404	170,652	(4,108)	6,711,948
Road Equipment	17,591,860	1,160,581	(214,460)	18,537,981
Shop Equipment	350,254	52,524	299	403,077
Office Equipment	77,595	3,920	(7,080)	74,435
Engineers' Equipment	167,423	4,451	-	171,874
Depletable Assets	1,551,477	-	-	1,551,477
Infrastructure – Roads	48,718,058	874,881	(3,576,740)	46,016,199
Infrastructure – Bridges	24,425,601	1,846,235	-	26,271,836
Subtotal	99,427,672	4,113,244	(3,802,089)	99,738,827
<i>Less Accumulated Depreciation</i>				
Buildings	(3,517,115)	(182,144)	4,108	(3,695,151)
Road Equipment	(16,138,255)	(746,034)	185,477	(16,698,812)
Shop Equipment	(278,424)	(15,106)	(299)	(293,829)
Office Equipment	(75,221)	(1,048)	7,080	(69,189)
Engineers' Equipment	(107,346)	(25,881)	-	(133,227)
Depletable Assets	(468,655)	(5,018)	-	(473,673)
Infrastructure – Roads	(23,191,832)	(2,559,485)	3,576,740	(22,174,577)
Infrastructure – Bridges	(11,362,082)	(455,696)	-	(11,817,778)
Subtotal	(55,138,930)	(3,990,412)	3,773,106	(55,356,236)
Net Capital Assets Being Depreciated	44,288,742	122,832	(28,983)	44,382,591
Total Net Capital Assets	\$ 108,161,628	\$ 696,759	\$ (28,983)	\$ 108,829,404

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

Total Depreciation Expense – Public Works	<u>\$ 3,990,412</u>
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NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity of the Economic Development Corporation year ended December 31, 2024, 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>1,001,309</u>	<u>6,147,960</u>	<u>(356,915)</u>	<u>6,792,354</u>
Subtotal	<u>3,196,267</u>	<u>6,147,960</u>	<u>(356,915)</u>	<u>8,987,312</u>
<i>Capital assets being depreciated:</i>				
Vehicles	2,919,856	288,840	-	3,208,696
Improvements	30,891,565	59,093	-	30,950,658
Buildings	18,667,288	-	-	18,667,288
Equipment	<u>4,970,585</u>	<u>68,075</u>	<u>-</u>	<u>5,038,660</u>
Subtotal	<u>57,449,294</u>	<u>416,008</u>	<u>-</u>	<u>57,865,302</u>
<i>Less accumulated depreciation:</i>				
Vehicles	(2,408,148)	(204,852)	-	(2,613,000)
Improvements	(17,901,586)	(1,368,561)	-	(19,270,147)
Buildings	(7,772,073)	(526,186)	-	(8,298,259)
Equipment	<u>(3,784,910)</u>	<u>(207,657)</u>	<u>-</u>	<u>(3,992,567)</u>
Subtotal	<u>(31,866,717)</u>	<u>(2,307,256)</u>	<u>-</u>	<u>(34,173,973)</u>
Net Capital Assets Being Depreciated	<u>25,582,577</u>	<u>(1,891,248)</u>	<u>-</u>	<u>23,691,329</u>
Capital assets – Net of depreciation	<u>\$ 28,778,844</u>	<u>\$ 4,256,712</u>	<u>\$ (356,915)</u>	<u>\$ 32,678,641</u>

Depreciation expense was charged to business activities for economic development in the amount of \$2,307,256.

NOTE 4 - CAPITAL ASSETS (Continued)

Capital assets activity for the Eastern Upper Peninsula Transportation Authority year ended September 30, 2024, was as follows:

	Beginning Balances	Additions/ Adjustments	Deductions/ Adjustments	Ending Balances
<i>Capital assets not being depreciated:</i>				
Land	\$ 515,694	\$ -	\$ -	\$ 515,694
Construction in Progress	10,828,076	2,236,731	(146,675)	12,918,132
Subtotal	11,343,770	2,236,731	(146,675)	13,433,826
<i>Capital assets being depreciated:</i>				
EUPA Assets	10,670	3,034	-	13,704
Busing Assets	1,136,526	429,857	(213,510)	1,352,873
Ferry Assets	30,245,489	244,724	-	30,490,213
Subtotal	31,392,685	677,615	(213,510)	31,856,790
<i>Less accumulated depreciation for:</i>				
EUPA Assets	(9,542)	(1,169)	-	(10,711)
Busing Assets	(724,126)	(190,424)	209,073	(705,477)
Ferry Assets	(16,472,157)	(1,417,184)	-	(17,889,341)
Subtotal	(17,205,825)	(1,608,777)	209,073	(18,605,529)
Net Capital Assets Being Depreciated	14,186,860	(931,162)	(4,437)	13,251,261
Capital Assets - Net	\$ 25,530,630	\$ 1,305,569	\$ (151,112)	\$ 26,685,087

Depreciation expenses were charged to business-type activities for the Eastern Upper Peninsula Transportation Authority in the amount of \$1,608,777.

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	
DUE TO OTHER FUNDS	Nonmajor Governmental	\$	217,483
	Internal Service		<u>234,505</u>
	Total	\$	<u>451,988</u>

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)					
TRANSFERS IN		General	Ambulance	Nonmajor Governmental	Tax Collection	Nonmajor Enterprise	Total
	General	\$ 115,408	\$ -	\$ 44,005	\$ 708,292	\$ 20,000	\$ 887,705
	Nonmajor Governmental	955,114	201,784	-	30,873	-	1,187,771
	Tax Collections	-	-	-	4,231,215	-	4,231,215
	Total	\$ 1,070,522	\$ 201,784	\$ 44,005	\$ 4,970,380	\$ 20,000	\$ 6,306,691

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							
2013 City of Sault Ste. Marie							
Refunding Bonds	2.00% to 4.50%	2029	\$ 3,335,000	\$ -	\$ 475,000	\$ 2,860,000	\$ 500,000

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

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 500,000	\$ 120,200
2026	530,000	100,200
2027	570,000	77,675
2028	610,000	53,450
2029	650,000	26,000
Total	\$ 2,860,000	\$ 377,525

Interest expense of the primary government was unallocated in the amount of \$135,044.

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	\$ 449,246	\$ 5,715	\$ 454,961

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	\$ 276,315
Sick Leave	170,800
Other	<u>7,846</u>
TOTALS	<u>\$ 454,961</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 \$3,598 including interest of 3.25%, due 2025.	63,126	-	41,787	21,339	21,339
Installment payable secured by equipment, payable in monthly installments of \$4,226 including interest of 3.25%, due 2025.	70,104	-	49,299	20,805	20,805
Note payable to bank, secured by equipment, payable in monthly installments of \$5,003 including interest of 4.99%, due 2030.	<u>-</u>	<u>362,879</u>	<u>-</u>	<u>362,879</u>	<u>60,032</u>
Subtotal	133,230	362,879	91,086	405,023	<u>\$ 102,176</u>
Compensated Absences - net increase	<u>413,565</u>	<u>214,747</u>	<u>-</u>	<u>628,312</u>	
TOTAL LONG-TERM DEBT	<u>\$ 546,795</u>	<u>\$ 577,626</u>	<u>\$ 91,086</u>	<u>\$ 1,033,335</u>	

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 102,176	\$ 15,425	\$ 117,601
2026	68,575	13,581	82,156
2027	72,076	10,080	82,156
2028	75,756	6,400	82,156
2029	79,624	2,532	82,156
2030	<u>6,816</u>	<u>31</u>	<u>6,847</u>
Total	<u>\$ 405,023</u>	<u>\$ 48,049</u>	<u>\$ 453,072</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, 2024.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS***Primary Government***

The County provides post-retirement hospitalization to employees of the government pursuant to the terms of union contracts. Additionally, some elected County officials who served more than 20 years and are retired receive post-retirement hospitalization, pursuant to Board of Commissioner's resolution.

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 various agencies and employees. The Retiree Health Plan does not issue a publicly available financial report.

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

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.

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.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

Funding Policy. Contribution requirements are also negotiated between the County and employees at varying levels. The County contributed \$748,560 to the plan for the fiscal year ending December 31, 2024. Total member contributions were \$0.

Employees Covered by Benefit Terms

Actual valuation date of January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	61
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>30</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

The County’s total OPEB liability of \$15,067,269 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Assets In Trust

As of December 31, 2024, the OPEB trust has assets totaling \$16,332,363 for the County.

Actuarial Assumptions and Other Inputs

Census Collection Date	January 1, 2024
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)	2035 / 2028
Return on Plan Assets	5.00%
Actuarial Cost Method	Entry Age Normal (Percent of Salary)
Salary Increases	3.25%

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The discount rate was based on the County's expected rate of return on the assets held in the MERS trust as of December 31, 2024.

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Contingent Survivors Headcount-Weighted Mortality.

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, 2024, 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 prescribed by Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2024.
- The payroll growth rate was increased to 3.25%.
- The mortality table was updated to use improvement scale MP-2021.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Net OPEB Liability, January 1, 2024	<u>\$ 13,637,727</u>	<u>\$ 14,956,171</u>	<u>\$ (1,318,444)</u>
Service cost	86,561	-	86,561
Interest	735,312	-	735,312
Changes in assumptions	1,356,229	-	1,356,229
Contributions - Employer	-	1,497,120	(1,497,120)
Expected investment income	-	(748,560)	748,560
(Gain) Loss attributable to investment income	-	1,406,419	(1,406,419)
Benefit payments	(748,560)	(748,560)	-
Investment fees	-	(30,227)	30,227
Net changes	<u>1,429,542</u>	<u>1,376,192</u>	<u>53,350</u>
Net OPEB Liability, December 31, 2024	<u><u>\$ 15,067,269</u></u>	<u><u>\$ 16,332,363</u></u>	<u><u>\$ (1,265,094)</u></u>

Covered payroll was \$1,489,416. Actuarial determined contributions as percentage of covered payroll was 50.44%.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB Liability, calculated using the discount rate of 5.00%, as well as what the total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$13,728,265</u>	<u>\$15,067,269</u>	<u>\$16,548,577</u>
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$13,592,178</u>	<u>\$15,067,269</u>	<u>\$16,700,591</u>

For the year ended December 31, 2024, the County recognized an OPEB expense as follows:

Service Cost	\$ 86,561
Interest	735,312
Recognition of economic/demographics gains or losses	732,671
Recognition of assumptions changes or inputs	(110,308)
Deferred (Inflows)/Outflows from investment activities	(360,121)
Expected investment income	(782,213)
Investment fees	<u>30,227</u>
Net OPEB Expense	<u>\$ 332,129</u>

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

For the year ended December 31, 2024 the County recognized OPEB expense (credit) of \$332,129.

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 679,422	\$ -
Changes in assumptions	-	107,140
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>494,576</u>
Total	<u>\$ 679,422</u>	<u>\$ 601,716</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>	
2025	\$ 391,855
2026	115,579
2027	(304,886)
2028	<u>(124,842)</u>
	<u>\$ 77,706</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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, 2023, the Health Department contributed \$548,910 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

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 1/1/22, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>11</u>
Total participants covered by OPEB Plan	<u>41</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 \$5,526,023 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

As of December 31, 2023, there was \$4,839,475 in assets in the Department’s OPEB trust, in MERS TOTAL MARKET PORTFOLIO – Large Cap Blend.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions and other inputs.

The total OPEB liability in the January 1, 2021 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)	7.25% / 5.50%
- 2021 Trend	7.00% / 5.25%
- Decrement	0.25%
-Ultimate Trend	4.50%
- Year Ultimate Trend is Reached	2034/2037
Return on Plan Assets	5.00%
Salary Increases	3.25%
Actuarial Cost Method	Entry Age Normal

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

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, 2023.

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 2023.
- The payroll growth rate was increased to 3.25%.
- The mortality table was updated to use improvement scale MP-2021.

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</u>
Balances at December 31, 2022	<u>\$ 5,556,604</u>	<u>\$ 2,397,213</u>	<u>\$ 3,159,391</u>
Service cost	37,260	-	37,260
Interest	272,669	-	272,669
Effect of assumption changes or inputs	59,524	-	59,524
Effect of economic/ demographic gains or losses	-	-	-
Contributions - Employer	-	2,586,182	(2,586,182)
Net investment income	-	261,198	(261,198)
Benefit payments	(400,034)	(400,034)	-
Other Changes	-	-	-
Administrative expense	-	(5,084)	5,084
Net changes	<u>(30,581)</u>	<u>2,442,262</u>	<u>(2,472,843)</u>
Balances as December 31, 2023	<u><u>\$ 5,526,023</u></u>	<u><u>\$ 4,839,475</u></u>	<u><u>\$ 686,548</u></u>

Covered payroll was \$666,337.

Total OPEB Liability as a percentage of covered payroll was 13.04%.

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>\$5,040,185</u>	<u>\$5,526,023</u>	<u>\$6,091,185</u>
<u>Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$4,937,816</u>	<u>\$5,526,023</u>	<u>\$6,212,387</u>

For the year ended September 30, 2024, the Health Department recognized an OPEB expense as follows:

Service Cost	\$ 37,260
Interest on total OPEB liability	272,669
Projected earnings on plan investments	(180,917)
Investment fees	5,084
Deferred outflows/inflows	
Economic/demographic gains or losses	(811,415)
Investment gains or losses	(119,670)
Assumption changes or inputs	<u>42,719</u>
Net OPEB Expense	<u><u>\$ (754,270)</u></u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

At September 30, 2024, the Health Department reported deferred outflows / (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Economic / Demographic Changes	\$ -	\$ 267,768
Assumption Changes or Inputs	14,769	672
Investment Gains & Loses	-	158
Contributions Subsequent to Measurement Date	<u>523,770</u>	<u>-</u>
Net Deferred Out/(In)flow of resources	<u>\$ 538,539</u>	<u>\$ 268,598</u>

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:

Year Ended September 30:

2025	\$ (292,642)
2026	(7,003)
2027	61,871
2028	<u>(16,055)</u>
	<u>\$ (253,829)</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 2024, the Corporation contributed \$106,022 to the plan.

Employees Covered by Benefit Terms

As of December 31, 2023, 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.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability and Net OPEB Liability

The Corporation’s total OPEB liability of \$494,521 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs.

The total OPEB liability in the January 1, 2023 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).	

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, 2024 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.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at January 1, 2023	<u>\$ 496,071</u>	<u>\$ 735,486</u>	<u>\$ (239,415)</u>
Service cost	3,467	-	3,467
Interest on total OPEB liability	24,811	-	24,811
Change in assumptions	(6,333)	-	(6,333)
Difference between expected and actual experience	29,516	-	29,516
Contributions - Employer	-	106,022	(106,022)
Net investment income	-	1,620	(1,620)
Benefit payments	(53,011)	(53,011)	-
Administrative expense	-	(1,486)	1,486
Net changes	<u>(1,550)</u>	<u>53,145</u>	<u>(54,695)</u>
Balances as of December 31, 2023	<u><u>\$ 494,521</u></u>	<u><u>\$ 788,631</u></u>	<u><u>\$ (294,110)</u></u>

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

The January 1, 2023 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	\$450,558	\$494,521	\$543,132
<u>Trend</u>			
Total OPEB Liability	\$446,107	\$494,521	\$548,127

For the year ended December 31, 2024, the Corporation recognized an OPEB expense as follows:

Service Cost	\$ 3,467
Interest on total OPEB liability	24,811
Projected earnings on plan investments	(38,103)
Experience (gains) or losses	(19,403)
Changes in assumptions	(2,453)
Net investment income	25,114
Investment fees	<u>1,486</u>
Net OPEB Expense (Credit)	<u><u>\$ (5,081)</u></u>

At December 31, 2024, the Corporation reported deferred outflows / inflows of resources related to OPEB from the following sources:

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,455	\$ -
Changes in assumptions	-	2,673
Net difference between projected and actual earnings on pension plan investments	56,019	23,860
Total	<u>\$ 68,474</u>	<u>\$ 26,533</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>	
2025	\$ 32,971
2026	19,126
2027	(6,852)
2028	<u>(3,304)</u>
	<u>\$ 41,941</u>

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>62</u>
Total participants covered by OPEB Plan	<u>130</u>

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Contributions

The Plan was established and is funded under the authority of the Road Commission's governing body and under agreements with the unions representing various classes of employees. The Plan's funding policy is that the Road Commission will contribute \$400,000 per year while continuing to pay retiree benefits from general operating funds until 100% funded status is obtained. Currently, benefit payments are made from general operating funds. There are no long-term contract for contributions to the plan.

Net OPEB Liability

The Road Commission's net OPEB liability was measured as of December 31, 2024

Actuarial Assumptions

The total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of December 31, 2024. The following actuarial assumptions, applies to all periods included in the measurement:

Inflation	Included in the investment return
Salary Increases	2.00%
Investment rate of return	7.47% (including inflation)
20-year Aa Municipal Bond Rate	4.28% (S&P Municipal Bond 20-year High Grade Rate Index)
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted.
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

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 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 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>
Large Cap US	24.00%	9.45%
Mid Cap US	5.10%	9.80%
Small Cap US	2.90%	9.60%
International Equities	25.00%	8.40%
Emerging Mkt Equity	8.00%	10.00%
US Equity (Other) – Convertible	3.00%	9.40%
Short Term Fixed Inc.	14.00%	3.40%
US Fixed Inc.	9.00%	3.90%
International Fixed Inc.	1.00%	3.60%
Inflations – Linked	1.00%	4.50%
High Yield	3.00%	5.40%
Precious Metals (Commodities)	4.00%	4.20%

The sum of each large allocation times its long-term expected rate of return, plus inflation, is 7.47%.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.47%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make annual contributions of 400,000 until the plan is fully funded. 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, 2024, the discount rate used to value OPEB liabilities was 6.46%.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2023	\$ 12,778,230	\$ 4,626,337	\$ 8,151,893
Service cost	62,536	-	62,536
Interest on total OPEB liability	796,019	-	796,019
Experience (gains)/losses	73,923	-	73,923
Change in actuarial assumptions	(963,433)	-	(963,433)
Change in Plan Terms	-	-	-
Contributions to OPEB trust	-	-	-
Employer Contributions	-	1,136,989	(1,136,989)
Net investment income	-	424,429	(424,429)
Benefit payments including refunds of employee contributions	(1,036,989)	(1,036,989)	-
Administrative expense	-	(36,376)	36,376
Net changes	(1,067,944)	488,053	(1,555,997)
Balances as December 31, 2024	\$ 11,710,286	\$ 5,114,390	\$ 6,595,896

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the Net OPEB Liability of the Road Commission, calculated using discount rate of 7.47%, as well as what the Road Commission's Net OPEB liability would be using a discount rate that is 1% lower (6.47%) or 1% higher (8.47%) than the current rate.

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Net OPEB Liability	<u>\$7,589,091</u>	<u>6,595,896</u>	<u>\$5,735,211</u>

The following presents the Net OPEB Liability of the Road Commission, calculated using the current healthcare cost trend rates as well as what the Road Commission's Net OPEB liability would be using a trend rate that is 1% lower or 1% higher than the current trend rate.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	<u>\$5,586,543</u>	<u>\$6,595,896</u>	<u>\$7,755,793</u>

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

For the year ended December 31, 2024, the Road Commission recognized OPEB expense/(benefit) of \$(2,051,782). The Road Commission reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference in experience	\$ -	\$ 525,468
Difference in assumptions	-	489,326
Excess (deficit) investment returns	<u>68,383</u>	<u>-</u>
Total	<u>\$ 68,363</u>	<u>\$ 1,014,794</u>

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

Year Ended December 31:	
2025	(592,298)
2026	(239,773)
2027	(89,659)
2028	<u>(24,701)</u>
	<u>\$ (946,431)</u>

Payable to OPEB Plan

At December 31, 2024, 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, 2024.

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, 2023.

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

2023 Valuation

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

2023 Valuation

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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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

	2023 Valuation
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 32, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	202
Inactive employees entitled to but not yet receiving benefits	75
Active employees	<u>150</u>
	427

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, 2024 are as follows:

01	\$ 37,995	HA	\$ -
02	17,288	HB	2,379
11	22,821	HC	8,786
15	34,811	HD	-
16	40,128	HE	3,008
20	13,450	HF	4,661

Net Pension Liability

The County's net pension liability was measured as of December 31, 2024, with the exception of the Health Department which is measured at December 31, 2023, due to the funds September 30, 2024 year end. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

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

Inflation	2.5%
Salary increases	3.00% in the Long Term
Investment rate of return	6.93%, 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 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 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%	0.43%
Private Investments	20.0%	1.30%

Discount Rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2023	\$ 55,394,599	\$ 34,888,266	\$ 20,506,333
Service cost	592,280	-	592,280
Interest on total pension liability	3,911,340	-	3,911,340
Changes in benefits	-	-	-
Difference between expected and actual experience	(78,102)	-	(78,102)
Changes in assumptions	409,799	-	409,799
Employer contributions	-	3,357,299	(3,357,299)
Employee contributions	-	61,949	(61,949)
Net investment income	-	2,866,398	(2,866,398)
Benefit payments, including employee refunds	(3,482,423)	(3,482,423)	-
Administrative expense	-	(78,233)	78,233
Other changes	(22,864)	128,437	(151,301)
Net changes	1,330,030	2,853,427	(1,523,397)
Balances at December 31, 2024	\$ 56,724,629	\$ 37,741,693	\$ 18,982,936

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 7.18%, 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 (6.18%) or 1-percentage-point higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
County's net pension liability	\$25,434,211	\$18,982,936	13,574,693

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, 2024, the County recognized pension expense of \$2,340,265. At December 31, 2024, 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	\$ 30,879	\$ 265,112
Changes in assumptions	273,199	-
Net difference between projected and actual earnings on pension plan investments	1,485,495	-
Contributions subsequent to the measurement date	333,934	-
Total	\$ 2,123,507	\$ 265,112

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

Year Ended December 31:	
2025	456,741
2026	1,041,416
2027	94,731
2028	(68,427)

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 – Gnrl: Closed to new hires, linked to Division 10

	2023 Valuation
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

	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
COLA for Future Retirees:	N/A
Employee Contributions:	2%
Act 88:	Yes (Adopted 11/20/1970)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>63</u>
	156

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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.

The contribution rates as a percentage of payroll as of December 31, 2023, are as follows:

	<u>Employer Contributions*</u>	<u>Employee Contributions</u>
Division 01 - Gnrl; closed	\$ 88,944	0.00%
Division 10 - After 2/04; open	12.76%	2.00%

*For open divisions, a percentage of pay contribution is shown. For closed divisions, a monthly dollar contribution is show.

Net Pension Liability

The Road Commission's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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	6.93%, 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.

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%	4.50%
Global Fixed Income	20%	2.00%
Private Investments	20%	7.00%

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. 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, 2023	\$ 24,869,515	\$ 14,261,741	\$ 10,607,774
Service cost	468,820	-	468,820
Interest on total pension liability	1,763,238	-	1,763,238
Changes in assumptions	190,889	-	190,889
Difference between expected and actual experience	533,691	-	533,691
Employer contributions	-	1,466,329	(1,466,329)
Employee contributions	-	78,280	(78,280)
Net investment income	-	1,063,768	(1,063,768)
Benefit payments, including employee refunds	(1,566,832)	(1,566,832)	-
Administrative expense	-	(31,740)	31,740
Other changes	(56,638)	1	(56,639)
Net changes	1,333,168	1,009,806	323,362
Balances as of December 31, 2024	\$ 26,202,683	\$ 15,271,547	\$ 10,931,136

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 Road Commission, calculated using the discount rate of 7.18%, 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 (6.18%) or 1-percentage-point higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Total Pension liability	\$13,916,740	\$10,931,136	\$8,406,837

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense.

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

For the year ended December 31, 2024, the Road Commission recognized pension expense of \$314,541. The Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference in experience	\$ 410,269	\$ -
Difference in assumptions	340,640	-
Excess (deficit) investment returns	358,300	-
Subtotal	1,109,209	\$ -

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

Year Ended December 31:	
2025	\$ 677,972
2026	560,067
2027	(115,364)
2028	(13,466)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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, 2023.

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.

13 – Economic General: Closed to new hires

	2023 Valuation
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 – Economic General after 12/1/13: Open Division

	2023 Valuation
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)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>13</u>
	20

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, 2024 was \$7,349 per month.

Net Pension Liability

The Corporation's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Inflation	2.50 percent
Salary increases	3.00 percent
Investment rate of return	6.93 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, 2009, through December 31, 2013.

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:

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	2.70%
Global Fixed Income	20.0%	.43%
Private Investments	20.0%	1.30%

Discount Rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2023	\$ 2,806,164	\$ 1,896,646	\$ 909,518
Service cost	73,351	-	73,351
Interest on total pension liability	202,372	-	202,372
Changes in benefits	-	-	-
Difference between expected and actual experience	29,623	-	29,623
Changes in assumptions	23,580	-	23,580
Employer contributions	-	121,519	(121,519)
Employee contributions	-	21,855	(21,855)
Net investment income	-	142,916	(142,916)
Benefit payments, including employee refunds	(102,993)	(102,993)	-
Administrative expense	-	(4,286)	4,286
Other changes	(17,329)	-	(17,329)
Net changes	208,604	179,011	29,593
Balances at December 31, 2024	\$ 3,014,768	\$ 2,075,657	\$ 939,111

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 7.18%, 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 (6.18%) or 1-percentage-point higher (8.18%) than the current rate:

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

	1% Decrease	Current Discount Rate	1% Increase
	(6.18%)	(7.18%)	(8.18%)
EDC net pension liability	\$528,445	\$939,111	\$1,310,379

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, 2024, the Corporation recognized pension expense of \$188,987. 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	\$ 46,415	\$ -
Changes in assumptions	15,720	-
Net difference between projected and actual earnings on pension plan investments	67,377	-
Total	\$ 129,512	\$ -

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

Year Ended December 31:	
2025	\$ 74,325
2026	70,291
2027	(14,283)
2028	(821)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

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, 2023.

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

	2023 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

	2023 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)

NOTE 10 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

11 – Gnrl & Busing Union aft 6/1/16: Open Division, linked to Division 01, 10

	2023 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)

Employees Covered by Benefit Term

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

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>24</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, 2024, for General (closed) is \$58,772, Bussing (closed) is \$7,152 and General & Busing (open) is \$7,049.

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

Actuarial Assumptions

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

- Inflation: 2.5%
- Salary Increases: 3.00% in the long-term, 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.

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%	1.45%

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, 2022	\$ 14,116,726	\$ 5,901,999	\$ 8,214,727
Service cost	168,695	-	168,695
Interest on total pension liability	999,842	-	999,842
Difference between expected and actual experience	173,947	-	173,947
Changes in assumptions	108,823	-	108,823
Employer contributions	-	823,229	(823,229)
Net investment income	-	655,876	(655,876)
Benefit payments, including employee refunds	(820,298)	(820,298)	-
Administrative expense	-	(13,898)	13,898
Other changes	1	-	1
Net changes	631,010	644,909	(13,899)
Balances as of December 31, 2023	\$ 14,747,736	\$ 6,546,908	\$ 8,200,828

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 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 12/31/22	-	8,200,828	-
Change in Net Pension Liability	\$1,709,916	-	(\$1,438,052)
Calculated Net Pension Liability	\$9,910,744	\$8,200,828	\$6,762,776

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

For the year ended September 30, 2024, the employer recognized pension expense of \$714,331. 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	\$ 130,460	\$ 104,406
Differences in assumptions	81,617	-
Excess (Deficit) Investment Returns	305,155	-
Contributions subsequent to the measurement date	605,712	-
Total	<u>\$ 1,122,944</u>	<u>\$ 104,406</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, 2024.

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

<u>Year Ended September 30:</u>	
2025	\$ 20,017
2026	181,189
2027	257,295
2028	(45,675)

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.

NOTE 12 - RESTATEMENT

	Special Revenue Fund	
	Chippewa County Health Department	
	Governmental Activities	General Fund
Beginning net position, previously stated at October 1, 2023	\$ (8,531,182)	\$ 1,215,827
Adjustment to deferred revenue to actual	<u>4,754</u>	<u>4,754</u>
Beginning net position as restated at October 1, 2023	<u>\$ (8,526,428)</u>	<u>\$ 1,220,581</u>
		Component Units
		EDC
Beginning net position as previously stated at January 1, 2024		\$ 30,986,966
Adjustment to adjust for changes in lease receivable		(116,947)
Adjustment to adjust for changes in deferred inflows - leases		<u>195,210</u>
Beginning net position as restated at January 1, 2024		<u>\$ 31,065,229</u>
		Road Commission
Beginning net position as previously stated at January 1, 2024		\$ 90,335,786
Adjustment to adjust for changes in capital assets		<u>(28,983)</u>
Beginning net position as restated at January 1, 2024		<u>\$ 90,306,803</u>

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

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

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

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

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

The County implemented GASB Statement No. 101, Compensated Absences, for the period ending December 31, 2024. The effects of the implementation were limited to presentation of the footnote disclosures.

Required Supplementary Information

County of Chippewa Michigan

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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 592,280	\$ 585,912	\$ 569,334	\$ 482,863	\$ 605,128	\$ 639,114	\$ 634,541	\$ 658,712	\$ 684,077	\$ 688,332
Interest	3,911,340	3,879,390	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	(78,102)	(546,496)	(864,764)	1,225,430	239,477	(154,500)	(333,125)	96,527	166,122	-
Change in assumptions	409,799	-	1,998,993	2,170,758	1,280,006	-	-	-	1,584,621	-
Benefit payments, including refund of member contributions	(3,482,423)	(3,412,858)	(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	(22,864)	(32,140)	123,498	138,353	136,328	(36,367)	(75,393)	(79,187)	26,654	(48,905)
Net change in total pension liability	1,330,030	473,808	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	55,394,599	54,920,791	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	\$ 56,724,629	\$ 55,394,599	\$ 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	\$ 3,357,299	\$ 2,594,043	\$ 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	61,949	66,054	257,746	85,467	92,163	101,006	101,742	111,720	158,580	127,301
Net investment income	2,866,398	1,638,221	(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	(3,482,423)	(3,412,858)	(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	128,437	(184,464)	-	(48,455)	48,448	-	-	-	-	-
Administrative expense	(78,233)	(74,497)	(64,584)	(55,951)	(63,027)	(63,684)	(58,248)	(57,209)	(57,545)	(58,964)
Net change in plan fiduciary net position	2,853,427	626,499	(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	34,888,266	34,261,767	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	\$ 37,741,693	\$ 34,888,266	\$ 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	\$ 18,982,936	\$ 20,506,333	\$ 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	67%	63%	62%	69%	68%	67%	65%	68%	65%	68%
Covered - employee payroll	\$ 8,041,742	\$ 7,742,846	\$ 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	236%	265%	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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,223,742	\$ 2,594,043	\$ 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	(3,357,299)	(2,594,043)	(2,551,437)	(2,213,940)	(1,525,024)	(1,775,846)	(1,608,967)	(1,477,710)	(1,149,992)	(1,169,588)
Contribution deficiency (excess)	<u>\$ (1,133,557)</u>	<u>\$ -</u>	<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	\$ 8,041,742	\$ 7,742,846	\$ 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	28%	34%	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, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning of Year	\$ 19,194,331	\$ 20,961,884	\$ 22,560,053	\$ 21,690,199	\$ 19,924,142	\$ 18,327,589	\$ 17,987,754
Service cost	123,821	127,500	136,258	159,870	136,528	114,754	153,104
Interest	1,007,981	939,955	1,022,190	1,092,157	1,110,707	1,272,839	1,463,014
Assumption changes and differences							
between actual and expected experience	1,415,753	145,073	(249,034)	319,150	4,296,304	1,370,953	335,885
Effect of economic/demographic gains or losses		(1,890,597)	(1,398,313)	368,876	(2,769,944)	(73,939)	(505,929)
Benefit payments	(1,148,594)	(1,089,484)	(1,109,270)	(1,070,199)	(1,007,538)	(1,088,054)	(1,049,927)
OPEB Liability - End of Year	<u>\$ 20,593,292</u>	<u>\$ 19,194,331</u>	<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	\$ 4,083,302	\$ 1,512,892	\$ 1,488,603	\$ 1,694,250	\$ 1,804,222	\$ 1,855,878	\$ 1,684,225
Net investment income	919,057	1,281,805	(1,093,344)	2,261,452	1,701,352	1,710,877	1,081,405
Benefit payments	(1,148,594)	(1,036,180)	(977,263)	(943,959)	(1,023,959)	(1,049,412)	(1,017,435)
Administrative expense	(35,311)	(32,271)	(27,751)	(26,510)	(19,614)	(17,714)	(18,227)
Other Changes	-	-	-	-	-	94,555	-
Net change in plan fiduciary net position	3,818,454	1,726,246	(609,755)	2,985,233	2,462,001	2,594,184	1,729,968
Plan fiduciary net position - Beginning of Year	<u>\$ 17,353,384</u>	<u>\$ 15,627,138</u>	<u>\$ 16,236,893</u>	<u>\$ 13,251,660</u>	<u>\$ 10,789,659</u>	<u>\$ 8,195,475</u>	<u>\$ 6,465,507</u>
Plan fiduciary net position - End of Year	<u>\$ 21,171,838</u>	<u>\$ 17,353,384</u>	<u>\$ 15,627,138</u>	<u>\$ 16,236,893</u>	<u>\$ 13,251,660</u>	<u>\$ 10,789,659</u>	<u>\$ 8,195,475</u>
Net OPEB liability - End of Year	<u>\$ (578,546)</u>	<u>\$ 1,840,947</u>	<u>\$ 5,334,746</u>	<u>\$ 6,323,160</u>	<u>\$ 8,438,539</u>	<u>\$ 9,134,483</u>	<u>\$ 10,188,426</u>
Plan fiduciary net position as a percentage of the total OPEB liability	103%	90%	75%	72%	61%	54%	45%
Covered Payroll	\$ 2,155,753	\$ 2,383,429	\$ 2,396,099	\$ 2,949,439	\$ 2,797,300	\$ 2,891,706	\$ 3,646,510
Net OPEB liability as a percentage of covered payroll	-26.84%	77.24%	222.64%	214.39%	301.67%	315.89%	279.40%
Schedule of Employer Contributions							
Service cost	\$ 130,013	\$ 133,876	\$ 136,258	\$ 159,870	\$ 136,528	\$ 114,754	\$ 153,104
25 year amortization of NOL at 5.0%	(45,788)	124,044	358,445	492,903	1,411,937	1,630,679	1,671,807
Actuarially determined contribution	84,225	257,920	494,703	652,773	1,548,465	1,745,433	1,824,911
Actual Contribution	1,280,315	1,089,484	1,062,290	1,694,250	1,804,222	1,855,878	1,066,331
Contribution deficiency/(excess)	<u>\$ (1,196,090)</u>	<u>\$ (831,564)</u>	<u>\$ (567,587)</u>	<u>\$ (1,041,477)</u>	<u>\$ (255,757)</u>	<u>\$ (110,445)</u>	<u>\$ 758,580</u>
Covered Payroll	\$ 2,155,753	\$ 2,383,429	\$ 2,396,099	\$ 2,949,439	\$ 2,797,300	\$ 2,891,706	\$ 3,646,510
ADC as a percentage of payroll	3.91%	10.82%	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 statements.

Key Assumptions:

Census Collection Date	January 1, 2024
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	2035/2028
Actuarial Cost Method	Entry age normal (percent of salary)
Salary Increase	#####

Mortality rates were based Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2020.

Significant Changes for the Previous Actuarial Valuation:

- The electio rate reduced to 95% based on future expectations.
- The marital assumption was changed to 65% based on future expectations

County of Chippewa, Michigan

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Taxes	\$ 8,922,283	\$ 8,910,283	\$ 9,635,381	\$ 725,098
Licenses and Permits	38,500	38,500	28,488	(10,012)
Federal Sources	822,292	780,917	819,938	39,021
State Sources	2,051,585	2,006,375	1,938,598	(67,777)
Local Sources	50,000	50,000	50,000	-
Charges for Services	1,455,825	1,458,325	1,575,623	117,298
Interest and Rentals	720,000	720,000	817,360	97,360
Fines and Forfeitures	84,500	84,500	79,331	(5,169)
Other Revenue	343,450	407,511	371,934	(35,577)
TOTAL REVENUES	14,488,435	14,456,411	15,316,653	860,242
EXPENDITURES:				
Judicial:				
Juvenile Court	374,021	427,521	418,117	9,404
Circuit Court	505,305	590,905	586,428	4,477
District Court	648,626	768,626	729,610	39,016
Friend of the Court	587,272	706,272	676,856	29,416
Jury Board	14,895	14,895	14,168	727
Prosecuting Attorney	710,603	856,603	834,020	22,583
Probate Court	433,513	433,513	421,399	12,114
Crime Victim Advocate	121,040	171,540	164,845	6,695
Total Judicial	3,395,275	3,969,875	3,845,443	124,432
General Government:				
Legislative				
Board of Commissioners	71,862	76,862	73,982	2,880
Chief Executive				
Administrator	329,141	379,141	352,023	27,118
Financial and Tax Administration				
Cost Allocation Plan	5,000	5,000	5,000	-
County Clerk	336,883	336,883	268,180	68,703
Audit	25,900	26,900	25,351	1,549
Information Systems	483,415	525,715	523,730	1,985
Remuneration	112,027	112,027	112,027	-
Treasurer	330,353	381,853	373,145	8,708
Equalization	318,593	375,093	364,259	10,834
Employee Benefits	700,000	750,000	748,560	1,440
Miscellaneous	165,725	82,438	96,566	(14,128)
Other General Government				
Elections	53,824	118,824	113,368	5,456
Buildings and Grounds	391,363	428,063	426,564	1,499
County Attorney	25,000	25,000	21,248	3,752
Insurance	335,000	355,000	350,986	4,014
GIS Mapping	28,000	28,000	28,000	-
Township PILT Appropriation	30,000	30,000	30,000	-
Total General Government	3,742,086	4,036,799	3,912,989	123,810
Public Safety:				
Sheriff	1,731,628	1,972,775	1,964,927	7,848
Bailiff	189,285	204,285	192,141	12,144
Marine	34,500	34,500	11,552	22,948
Correctional Facility	3,013,227	3,675,227	3,594,264	80,963
Trident Task Force	101,614	105,514	102,911	2,603
Snowmobile Patrol Grant	16,000	16,000	15,038	962
O.R.V. Grant	52,000	52,000	50,383	1,617
Animal Control	310,261	371,961	359,014	12,947
Total Public Safety	5,448,515	6,432,262	6,290,230	142,032

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Public Works				
Soil Conservation District Appropriation	26,000	26,000	26,000	-
Rural Bus Appropriation	30,000	30,000	30,000	-
Drain Commission	1,100	1,600	1,082	518
Total Public Works	57,100	57,600	57,082	518
Health and Welfare:				
Health Department Appropriation	204,000	204,000	204,000	-
Substance Abuse Appropriation	90,194	120,194	88,177	32,017
Medical Examiner	113,483	118,983	95,942	23,041
Mental Health Appropriation	171,334	171,334	171,334	-
Veterans Affairs	80,594	80,594	71,364	9,230
Total Health and Welfare	659,605	695,105	630,817	64,288
Community and Economic Development				
Cooperative Extension	155,573	206,073	196,661	9,412
Register of Deeds	251,785	320,785	306,062	14,723
Surveyor	21,549	22,549	20,461	2,088
Plat Book	2,500	2,500	-	2,500
Regional Planning Commission Appropriation	28,750	28,750	28,750	-
Economic Development Appropriation	50,000	50,000	50,000	-
Total Community and Economic Development	510,157	630,657	601,934	28,723
Capital Outlay:				
General Government	-	232,813	204,088	28,725
Public Safety	104,500	1,607,728	1,600,411	7,317
Total Capital Outlay	104,500	1,840,541	1,804,499	36,042
TOTAL EXPENDITURES	13,917,238	17,662,839	17,142,994	519,845
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	571,197	(3,206,428)	(1,826,341)	1,380,087
OTHER FINANCING SOURCES (USES):				
Transfers In	60,175	926,694	887,705	(38,989)
Transfers Out	(679,485)	(1,206,055)	(1,070,522)	135,533
TOTAL OTHER FINANCING SOURCES (USES)	(619,310)	(279,361)	(182,817)	96,544
NET CHANGE IN FUND BALANCE	\$ (48,113)	\$ (3,485,789)	(2,009,158)	\$ 1,476,631
FUND BALANCE BEGINNING OF YEAR			10,793,578	
FUND BALANCE END OF YEAR			\$ 8,784,420	

County of Chippewa, Michigan

Required Supplementary Information Budgetary Comparison Schedule Health Department For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Federal Sources	\$ 2,104,211	\$ 2,104,211	\$ 1,021,710	\$ (1,082,501)
State Sources	287,031	287,031	750,346	463,315
Local Sources	204,000	204,000	228,962	24,962
Charges for Services	4,258,348	4,258,348	2,015,154	(2,243,194)
Interest and Rentals	-	-	247	247
Other Revenue	505,508	505,508	506,621	1,113
TOTAL REVENUES	7,359,098	7,359,098	4,523,040	(2,836,058)
EXPENDITURES:				
Health and Welfare	7,358,075	7,358,075	5,394,640	1,963,435
TOTAL EXPENDITURES	7,358,075	7,358,075	5,394,640	1,963,435
NET CHANGE IN FUND BALANCES	\$ 1,023	\$ 1,023	(871,600)	\$ (872,623)
FUND BALANCE, OCTOBER 1, (as Restated See Note 12)			1,220,581	
FUND BALANCE, SEPTEMBER 30			\$ 348,981	

County of Chippewa, Michigan

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 567,103	\$ 574,103	\$ 573,094	\$ (1,009)
State Sources	1,000	2,000	1,580	(420)
TOTAL REVENUES	568,103	576,103	574,674	(1,429)
EXPENDITURES:				
Health and Welfare	369,267	377,267	372,890	4,377
TOTAL EXPENDITURES	369,267	377,267	372,890	4,377
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	198,836	198,836	201,784	2,948
OTHER FINANCING SOURCES (USES):				
Transfers Out	(198,836)	(198,836)	(201,784)	(2,948)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
FUND BALANCES BEGINNING OF YEAR			-	
FUND BALANCES END OF YEAR			\$ -	

County of Chippewa, Michigan

Required Supplementary Information Budgetary Comparison Schedule Senior Nutrition Program For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Taxes	\$ 989,081	\$ 989,081	\$ 999,572	\$ 10,491
State Sources	3,900	3,900	5,493	1,593
TOTAL REVENUES	992,981	992,981	1,005,065	12,084
EXPENDITURES:				
Health and Welfare	945,000	945,000	945,000	-
TOTAL EXPENDITURES	945,000	945,000	945,000	-
NET CHANGE IN FUND BALANCES	\$ 47,981	\$ 47,981	60,065	\$ 12,084
FUND BALANCES BEGINNING OF YEAR			184,201	
FUND BALANCES END OF YEAR			\$ 244,266	

County of Chippewa, Michigan

Required Supplementary Information Budgetary Comparison Schedule Chippewa County Recycling For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 663,279	\$ 663,279	\$ 670,528	\$ 7,249
State Sources	2,800	2,800	3,684	884
TOTAL REVENUES	666,079	666,079	674,212	8,133
EXPENDITURES:				
Public Works	708,009	708,009	495,000	213,009
TOTAL EXPENDITURES	708,009	708,009	495,000	213,009
NET CHANGE IN FUND BALANCES	<u>\$ (41,930)</u>	<u>\$ (41,930)</u>	179,212	<u>\$ 221,142</u>
FUND BALANCES BEGINNING OF YEAR			<u>368,682</u>	
FUND BALANCES END OF YEAR			<u>\$ 547,894</u>	

Supplementary Information

County of Chippewa, Michigan

Supplementary Information Combining Balance Sheet General Funds December 31, 2024

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
ASSETS:								
Cash and Investments - Unrestricted	\$ 7,165,311	\$ -	\$ 4,973	\$ 4,758	\$ 1,785	\$ -	\$ 3,801	\$ 7,180,628
Receivables:								
Accounts	48,228	-	-	-	-	-	1,448	49,676
Taxes	613,294	-	-	-	-	-	-	613,294
Interest	1,535	-	-	-	-	-	-	1,535
Due from Other Funds	451,988	-	-	-	-	-	-	451,988
Due from Governmental Units	768,410	-	-	-	-	-	-	768,410
Prepaid Items	147,416	-	-	-	-	-	-	147,416
TOTAL ASSETS	\$ 9,196,182	\$ -	\$ 4,973	\$ 4,758	\$ 1,785	\$ -	\$ 5,249	\$ 9,212,947
LIABILITIES:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	208,884	-	-	-	-	-	5,249	214,133
Due to Governmental Units	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Accrued Liabilities	209,636	-	-	4,758	-	-	-	214,394
TOTAL LIABILITIES	418,520	-	-	4,758	-	-	5,249	428,527
FUND BALANCES:								
Nonspendable	147,416	-	-	-	-	-	-	147,416
Assigned	-	-	4,973	-	1,785	-	-	6,758
Unassigned	8,630,246	-	-	-	-	-	-	8,630,246
TOTAL FUND BALANCES	8,777,662	-	4,973	-	1,785	-	-	8,784,420
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,196,182	\$ -	\$ 4,973	\$ 4,758	\$ 1,785	\$ -	\$ 5,249	\$ 9,212,947

County of Chippewa, Michigan

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

	General	Tax Exemption	Sheriff Special Projects	Trident Task Force	Livery Inspections	Health Set Aside	Payroll Revolving Service	Totals
REVENUES:								
Taxes	\$ 9,634,030	\$ 1,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,635,381
Licenses and Permits	28,488	-	-	-	-	-	-	28,488
Federal Sources	819,938	-	-	-	-	-	-	819,938
State Sources	1,938,598	-	-	-	-	-	-	1,938,598
Local Sources	50,000	-	-	-	-	-	-	50,000
Charges for Services	1,575,623	-	-	-	-	-	-	1,575,623
Interest and Rentals	817,360	-	-	-	-	-	-	817,360
Fines and Forfeitures	79,331	-	-	-	-	-	-	79,331
Other Revenue	370,934	-	1,000	-	-	-	-	371,934
TOTAL REVENUES	15,314,302	1,351	1,000	-	-	-	-	15,316,653
EXPENDITURES:								
Judicial	3,845,443	-	-	-	-	-	-	3,845,443
General Government	3,886,670	26,319	-	-	-	-	-	3,912,989
Public Safety	6,187,319	-	-	102,911	-	-	-	6,290,230
Public Works	57,082	-	-	-	-	-	-	57,082
Health and Welfare	630,817	-	-	-	-	-	-	630,817
Community and Economic Development	601,934	-	-	-	-	-	-	601,934
Capital Outlay	1,804,499	-	-	-	-	-	-	1,804,499
TOTAL EXPENDITURES	17,013,764	26,319	-	102,911	-	-	-	17,142,994
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(1,699,462)	(24,968)	1,000	(102,911)	-	-	-	(1,826,341)
OTHER FINANCING SOURCES (USES):								
Operating Transfers In	772,297	12,497	-	102,911	-	-	-	887,705
Operating Transfers Out	(1,070,522)	-	-	-	-	-	-	(1,070,522)
TOTAL OTHER FINANCING SOURCES (USES)	(298,225)	12,497	-	102,911	-	-	-	(182,817)
NET CHANGE IN FUND BALANCES	(1,997,687)	(12,471)	1,000	-	-	-	-	(2,009,158)
FUND BALANCES BEGINNING OF YEAR	10,775,349	12,471	3,973	-	1,785	-	-	10,793,578
FUND BALANCES END OF YEAR	\$ 8,777,662	\$ -	\$ 4,973	\$ -	\$ 1,785	\$ -	\$ -	\$ 8,784,420

County of Chippewa, Michigan

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

	Special Revenue Funds							
	Sheriff Park Patrol	Office of Emergency Services	Emergency Preparedness Grant	911 State Training	FOC Child Support	Community Service	Operation Stonegarden	Mental Health Court
ASSETS:								
Cash and Investments - Unrestricted	\$ 7,121	\$ 261,738	\$ 9,771	\$ 10,364	\$ 253,604	\$ 18,281	\$ -	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	7,740	-	-	-	-	-	-
Due from Governmental Units	-	-	-	-	-	-	69,966	25,194
Prepaid Items	-	10,804	-	-	-	-	-	-
TOTAL ASSETS	\$ 7,121	\$ 280,282	\$ 9,771	\$ 10,364	\$ 253,604	\$ 18,281	\$ 69,966	\$ 25,194
LIABILITIES:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,670	\$ 5,371
Accounts Payable	-	13,883	-	-	-	103	7,296	7,384
Accrued Liabilities	-	2,177	-	-	-	714	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	16,060	-	-	-	817	69,966	12,755
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	10,804	-	-	-	-	-	-
Restricted	-	253,418	9,771	10,364	-	-	-	12,439
Committed	-	-	-	-	-	-	-	-
Assigned	7,121	-	-	-	253,604	17,464	-	-
TOTAL FUND BALANCES	7,121	264,222	9,771	10,364	253,604	17,464	-	12,439
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,121	\$ 280,282	\$ 9,771	\$ 10,364	\$ 253,604	\$ 18,281	\$ 69,966	\$ 25,194

County of Chippewa, Michigan

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

	Special Revenue Funds							
	Correctional Facility Maintenance	Office of Community Correction	Elections Information	First Responder Grant	School Resource Officer	Sheriff CPE Pilot Program	Construction Code	50th Circuit Court
ASSETS:								
Cash and Investments - Unrestricted	\$ 77,871	\$ 467,838	\$ 2,300	\$ -	\$ 234,833	\$ 24,852	\$ 1,493	\$ 117,523
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Governmental Units	-	-	-	12,342	-	-	-	-
Prepaid Items	10,163	861	-	-	-	-	-	-
TOTAL ASSETS	\$ 88,034	\$ 468,699	\$ 2,300	\$ 12,342	\$ 234,833	\$ 24,852	\$ 1,493	\$ 117,523
LIABILITIES:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ 12,342	\$ -	\$ -	\$ -	\$ -
Accounts Payable	9,421	6,612	-	-	468	-	83	22
Accrued Liabilities	-	1,269	-	-	1,913	-	1,410	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	9,421	7,881	-	12,342	2,381	-	1,493	22
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	10,163	861	-	-	-	-	-	-
Restricted	68,450	-	2,300	-	232,452	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	459,957	-	-	-	24,852	-	117,501
TOTAL FUND BALANCES	78,613	460,818	2,300	-	232,452	24,852	-	117,501
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 88,034	\$ 468,699	\$ 2,300	\$ 12,342	\$ 234,833	\$ 24,852	\$ 1,493	\$ 117,523

County of Chippewa, Michigan

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

	Special Revenue Funds							
	Drug Court	Opioid Settlement	Register of Deeds Automation	Drug Forfeiture	CCSD Salvage Vehicle	MIDC Indigent Defense	Emergency Telephone System	Concealed Weapons
ASSETS:								
Cash and Investments - Unrestricted	\$ -	\$ 456,383	\$ 207,483	\$ 20,621	\$ 5,081	\$ 683,499	\$ -	\$ 146,103
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	6,733	-	-	-	-	-	205,730	-
Due from Governmental Units	19,076	-	-	-	-	2,550	43,109	-
Prepaid Items	-	-	502	-	-	-	78,057	-
TOTAL ASSETS	\$ 25,809	\$ 456,383	\$ 207,985	\$ 20,621	\$ 5,081	\$ 686,049	\$ 326,896	\$ 146,103
LIABILITIES:								
Due to Other Funds	\$ 22,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,144	\$ -
Accounts Payable	2,525	-	870	-	-	10,778	6,633	-
Accrued Liabilities	-	-	-	-	-	-	23,146	-
Unearned Revenues	-	-	-	-	-	675,271	-	-
TOTAL LIABILITIES	24,784	-	870	-	-	686,049	107,923	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	502	-	-	-	78,057	-
Restricted	-	456,383	206,613	-	-	-	140,916	146,103
Committed	-	-	-	-	-	-	-	-
Assigned	1,025	-	-	20,621	5,081	-	-	-
TOTAL FUND BALANCES	1,025	456,383	207,115	20,621	5,081	-	218,973	146,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 25,809	\$ 456,383	\$ 207,985	\$ 20,621	\$ 5,081	\$ 686,049	\$ 326,896	\$ 146,103

County of Chippewa, Michigan

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

	Special Revenue Funds							
	Local Corrections Officer's Training	Law Library	Secondary Road Patrol	Road Patrol Overtime	Sheriff Law Enforcement Training	Sheriff Search & Rescue	Sheriff Mental Health	Highway Safety
ASSETS:								
Cash and Investments - Unrestricted	\$ 14,280	\$ 487	\$ -	\$ 29,795	\$ 11,875	\$ 350	\$ 2,373	\$ -
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Governmental Units	-	-	26,687	2,213	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 14,280	\$ 487	\$ 26,687	\$ 32,008	\$ 11,875	\$ 350	\$ 2,373	\$ -
LIABILITIES:								
Due to Other Funds	\$ -	\$ -	\$ 22,773	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	487	-	133	-	-	-	-
Accrued Liabilities	-	-	3,914	508	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	487	26,687	641	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	11,875	350	2,373	-
Committed	-	-	-	-	-	-	-	-
Assigned	14,280	-	-	31,367	-	-	-	-
TOTAL FUND BALANCES	14,280	-	-	31,367	11,875	350	2,373	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,280	\$ 487	\$ 26,687	\$ 32,008	\$ 11,875	\$ 350	\$ 2,373	\$ -

County of Chippewa, Michigan

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

	Special Revenue Funds							
	Animal Control Millage	Animal Shelter Donations	K-9 Fund	Chippewa County DHS Appropriation	Probate Child Care	Veteran's Trust	HUD Grant	Family Counseling
ASSETS:								
Cash and Investments - Unrestricted	\$ 190,511	\$ 4,486	\$ 50	\$ 60	\$ -	\$ -	\$ -	\$ 165
Taxes Receivable	140,319	-	-	-	-	-	-	-
Accounts Receivable	-	705	-	-	-	-	-	-
Due from Governmental Units	-	-	-	-	11,931	7,953	-	-
Prepaid Items	-	-	-	940	-	-	-	-
TOTAL ASSETS	\$ 330,830	\$ 5,191	\$ 50	\$ 1,000	\$ 11,931	\$ 7,953	\$ -	\$ 165
LIABILITIES:								
Due to Other Funds	\$ -	\$ 5,191	\$ -	\$ -	\$ 780	\$ 7,953	\$ -	\$ -
Accounts Payable	10,364	-	-	60	9,932	-	-	-
Accrued Liabilities	-	-	-	-	1,219	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	10,364	5,191	-	60	11,931	7,953	-	-
DEFERRED INFLOWS OF RESOURCES:								
Taxes Levied for a Subsequent Period	140,319	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	940	-	-	-	-
Restricted	180,147	-	50	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	165
TOTAL FUND BALANCES	180,147	-	50	940	-	-	-	165
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 330,830	\$ 5,191	\$ 50	\$ 1,000	\$ 11,931	\$ 7,953	\$ -	\$ 165

	Debt Service Fund	Capital Project Fund	
	2013 Refunding Debt	Hakola-Ross Drainage	Totals
ASSETS:			
Cash and Investments - Unrestricted	\$ -	\$ 7,503	\$ 3,268,694
Taxes Receivable	-	-	140,319
Accounts Receivable	-	-	220,908
Due from Governmental Units	-	-	221,021
Prepaid Items	-	-	101,327
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 7,503</u>	<u>\$ 3,952,269</u>
LIABILITIES:			
Due to Other Funds	\$ -	\$ -	\$ 217,483
Accounts Payable	-	-	87,054
Accrued Liabilities	-	-	36,270
Unearned Revenues	-	-	675,271
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,016,078</u>
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for a Subsequent Period	-	-	140,319
FUND BALANCES:			
Nonspendable	-	-	101,327
Restricted	-	-	1,734,004
Committed	-	7,503	7,503
Assigned	-	-	953,038
TOTAL FUND BALANCES	<u>-</u>	<u>7,503</u>	<u>2,795,872</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 7,503</u>	<u>\$ 3,952,269</u>

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

	Special Revenue Funds							
	Sheriff Park Patrol	Office of Emergency Services	Emergency Preparedness Grant	911 State Training	FOC Child Support	Community Service	Operation Stonegarden	Mental Health Court
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	10,228	25,431	-	-	-	117,595	-
State Sources	2,986	-	-	12,468	19,738	-	-	104,703
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	920	-	-	4,767
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	5,509	-	-	-	35,625	-	-
TOTAL REVENUES	2,986	15,737	25,431	12,468	20,658	35,625	117,595	109,470
EXPENDITURES:								
Judicial	-	-	-	-	4,652	-	-	106,934
General Government	-	-	-	-	-	-	-	-
Public Safety	2,984	177,363	94,104	23,479	-	-	117,595	-
Public Works	-	-	-	-	-	32,418	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,984	177,363	94,104	23,479	4,652	32,418	117,595	106,934
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	2	(161,626)	(68,673)	(11,011)	16,006	3,207	-	2,536
OTHER FINANCING SOURCES (USES):								
Transfers In	-	209,503	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	209,503	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	2	47,877	(68,673)	(11,011)	16,006	3,207	-	2,536
FUND BALANCES BEGINNING OF YEAR	7,119	216,345	78,444	21,375	237,598	14,257	-	9,903
FUND BALANCES END OF YEAR	\$ 7,121	\$ 264,222	\$ 9,771	\$ 10,364	\$ 253,604	\$ 17,464	\$ -	\$ 12,439

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

	Special Revenue Funds						
	Correctional Facility Maintenance	Office of Community Correction	Elections Information	First Responder Grant	School Resource Officer	Sheriff CPE Pilot Program	50th Circuit Court
REVENUES:							
Taxes	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-
State Sources	-	-	-	26,934	-	27,000	-
Local Sources	-	-	-	-	-	-	-
Charges for Services	-	268,318	1,400	-	-	-	15,036
Interest and Rentals	-	-	-	-	2,535	-	-
Other Revenue	2,123	809	-	-	-	-	-
TOTAL REVENUES	2,193	269,127	1,400	26,934	2,535	27,000	15,036
EXPENDITURES:							
Judicial	-	-	-	-	-	-	4,531
General Government	-	-	-	-	-	-	-
Public Safety	64,832	207,694	-	26,934	86,832	2,148	-
Public Works	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Capital Outlay	37,685	148,221	-	-	17,109	-	-
Debt Service	-	-	-	-	-	-	-
TOTAL EXPENDITURES	102,517	355,915	-	26,934	103,941	2,148	4,531
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES BEFORE OTHER							
FINANCING SOURCES (USES)	(100,324)	(86,788)	1,400	-	(101,406)	24,852	10,505
OTHER FINANCING SOURCES (USES):							
Transfers In	-	-	-	-	200,000	-	-
Transfers Out	-	-	-	-	-	(12,401)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	200,000	(12,401)	-
NET CHANGE IN FUND BALANCES	(100,324)	(86,788)	1,400	-	98,594	24,852	10,505
FUND BALANCES BEGINNING OF YEAR	178,937	547,606	900	-	133,858	-	106,996
FUND BALANCES END OF YEAR	\$ 78,613	\$ 460,818	\$ 2,300	\$ -	\$ 232,452	\$ 24,852	\$ 117,501

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

	Special Revenue Funds							
	Drug Court	Opioid Settlement	Register of Deeds Automation	Drug Forfeiture	CCSD Salvage Vehicle	MIDC Indigent Defense	Emergency Telephone System	Concealed Weapons
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	-
State Sources	67,254	269,264	-	-	-	433,818	164,230	-
Local Sources	-	-	-	-	-	-	241,658	-
Charges for Services	2,409	-	42,720	-	900	-	843,534	22,886
Interest and Rentals	-	-	-	-	-	14,857	3,929	-
Other Revenue	29,290	-	-	516	-	289	-	-
TOTAL REVENUES	98,953	269,264	42,720	516	900	448,964	1,253,351	22,886
EXPENDITURES:								
Judicial	101,656	-	-	-	-	694,007	-	-
General Government	-	-	30,317	-	-	-	-	-
Public Safety	-	-	-	4,317	2,053	-	1,213,454	777
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	16,121	59,381	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	101,656	-	30,317	4,317	2,053	710,128	1,272,835	777
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	(2,703)	269,264	12,403	(3,801)	(1,153)	(261,164)	(19,484)	22,109
OTHER FINANCING SOURCES (USES):								
Transfers In	2,470	-	-	-	-	261,164	23,155	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,470	-	-	-	-	261,164	23,155	-
NET CHANGE IN FUND BALANCES	(233)	269,264	12,403	(3,801)	(1,153)	-	3,671	22,109
FUND BALANCES BEGINNING OF YEAR	1,258	187,119	194,712	24,422	6,234	-	215,302	123,994
FUND BALANCES END OF YEAR	\$ 1,025	\$ 456,383	\$ 207,115	\$ 20,621	\$ 5,081	\$ -	\$ 218,973	\$ 146,103

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

	Special Revenue Funds							
	Local Corrections Officer's Training	Law Library	Secondary Road Patrol	Road Patrol Overtime	Sheriff Law Enforcement Training	Sheriff Search & Rescue	Sheriff Mental Health	Highway Safety
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	-	5,082
State Sources	-	-	92,767	33,788	6,584	-	-	-
Local Sources	-	-	-	-	-	-	-	-
Charges for Services	8,565	-	-	-	-	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue	-	4,500	-	-	-	-	-	-
TOTAL REVENUES	8,565	4,500	92,767	33,788	6,584	-	-	5,082
EXPENDITURES:								
Judicial	-	5,762	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	6,459	-	93,697	22,400	2,121	-	-	5,082
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,459	5,762	93,697	22,400	2,121	-	-	5,082
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	2,106	(1,262)	(930)	11,388	4,463	-	-	-
OTHER FINANCING SOURCES (USES):								
Transfers In	-	1,262	930	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,262	930	-	-	-	-	-
NET CHANGE IN FUND BALANCES	2,106	-	-	11,388	4,463	-	-	-
FUND BALANCES BEGINNING OF YEAR	12,174	-	-	19,979	7,412	350	2,373	-
FUND BALANCES END OF YEAR	\$ 14,280	\$ -	\$ -	\$ 31,367	\$ 11,875	\$ 350	\$ 2,373	\$ -

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

	Special Revenue Funds							
	Animal Control Millage	Animal Shelter Donations	K-9 Fund	Chippewa County DHS Appropriation	Probate Child Care	Veteran's Trust	HUD Grant	Family Counseling
REVENUES:								
Taxes	\$ 133,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-	-	21,052	-
State Sources	732	-	-	-	198,453	2,096	-	-
Local Sources	-	-	-	-	7,500	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest and Rentals	-	-	-	-	-	-	-	-
Other Revenue		75,135	50	-	34	-	-	2,835
TOTAL REVENUES	133,881	75,135	50	-	205,987	2,096	21,052	2,835
EXPENDITURES:								
Judicial	-	-	-	-	425,432	-	-	-
General Government	-	-	-	-	-	-	-	-
Public Safety	139,837	116	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	19,842	-	49,861	-	2,805
Capital Outlay	72,703	921,575	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	212,540	921,691	-	19,842	425,432	49,861	-	2,805
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES BEFORE OTHER								
FINANCING SOURCES (USES)	(78,659)	(846,556)	50	(19,842)	(219,445)	(47,765)	21,052	30
OTHER FINANCING SOURCES (USES):								
Transfers In	-	250,000	-	19,842	219,445	-	-	-
Transfers Out	-	-	-	-	-	-	(31,604)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	250,000	-	19,842	219,445	-	(31,604)	-
NET CHANGE IN FUND BALANCES	(78,659)	(596,556)	50	-	-	(47,765)	(10,552)	30
FUND BALANCES BEGINNING OF YEAR	258,806	596,556	-	940	-	47,765	10,552	135
FUND BALANCES END OF YEAR	\$ 180,147	\$ -	\$ 50	\$ 940	\$ -	\$ -	\$ -	\$ 165

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

	Debt Service Fund	Capital Project Fund	
	2013 Refunding Debt	Hakola-Ross Drainage	Totals
REVENUES:			
Taxes	\$ -	\$ -	\$ 133,219
Federal Sources	-	-	179,388
State Sources	-	-	1,462,815
Local Sources	610,044	-	859,202
Charges for Services	-	-	1,347,208
Interest and Rentals	-	-	21,321
Other Revenue	-	-	157,030
TOTAL REVENUES	610,044	-	4,160,183
EXPENDITURES:			
Judicial	-	-	1,342,974
General Government	-	-	30,317
Public Safety	-	-	2,417,945
Public Works	-	-	32,418
Health and Welfare	-	-	72,508
Capital Outlay	-	-	1,272,795
Debt Service	610,044	-	610,044
TOTAL EXPENDITURES	610,044	-	5,779,001
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES BEFORE OTHER			
FINANCING SOURCES (USES)	-	-	(1,618,818)
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	1,187,771
Transfers Out	-	-	(44,005)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,143,766
NET CHANGE IN FUND BALANCES	-	-	(475,052)
FUND BALANCES BEGINNING OF YEAR	-	7,503	3,270,924
FUND BALANCES END OF YEAR	\$ -	\$ 7,503	\$ 2,795,872

County of Chippewa, Michigan

Supplementary Information Combining Statement of Net Position Major Tax Collection Enterprise Fund December 31, 2024

	2021 Tax Revolving	2022 Tax Revolving	2023 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
ASSETS:						
Cash and Investments - Unrestricted	\$ 1,837,999	\$ 3,259,946	\$ 1,872,421	\$ 3,911,939	\$ 38,793	\$ 10,921,098
Taxes Receivable	37,372	235,961	1,189,540	3,357	-	1,466,230
Accrued Interest Receivable	8,458	74,830	118,954	28,734	-	230,976
Prepaid	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,883,829	\$ 3,570,737	\$ 3,180,915	\$ 3,944,030	\$ 38,793	\$ 12,618,304
LIABILITIES:						
Due to Governmental Units	\$ 17,150	\$ 4,594	\$ 47	\$ 260,783	\$ -	\$ 282,574
TOTAL LIABILITIES	17,150	4,594	47	260,783	-	282,574
NET POSITION:						
Unrestricted	1,866,679	3,566,143	3,180,868	3,683,247	38,793	12,335,730
TOTAL NET POSITION	1,866,679	3,566,143	3,180,868	3,683,247	38,793	12,335,730
TOTAL LIABILITIES AND NET POSITION	\$ 1,883,829	\$ 3,570,737	\$ 3,180,915	\$ 3,944,030	\$ 38,793	\$ 12,618,304

Supplementary Information
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Major Tax Collection Enterprise Fund
For the Year Ended December 31, 2024

	2021 Tax Revolving	2022 Tax Revolving	2023 Tax Revolving	Prior Years' Tax Revolving	Tax Revolving Admin	Totals
OPERATING REVENUES:						
Charges for Services	\$ 29,017	\$ 64,868	\$ 102,809	\$ 85	\$ -	\$ 196,779
Penalties and Interest Charges	-	112,047	219,464	793	-	332,304
TOTAL OPERATING REVENUES	29,017	176,915	322,273	878	-	529,083
OPERATING EXPENSES:						
Other Supplies and Expenses	8,976	463	-	500	3,637	13,576
Total Operating Expenses	8,976	463	-	500	3,637	13,576
OPERATING INCOME (LOSS)	20,041	176,452	322,273	378	(3,637)	515,507
NON-OPERATING REVENUES (EXPENSES):						
Interest on Deposits	14,386	95,297	-	267,072	-	376,755
Total Non-operating Revenues (Expenses)	14,386	95,297	-	267,072	-	376,755
INCOME (LOSS) BEFORE TRANSFERS	34,427	271,749	322,273	267,450	(3,637)	892,262
Transfers In	-	-	3,544,905	686,310	-	4,231,215
Transfers Out	-	-	(686,310)	(4,284,070)	-	(4,970,380)
CHANGES IN NET POSITION	34,427	271,749	3,180,868	(3,330,310)	(3,637)	153,097
NET POSITION BEGINNING OF YEAR	1,832,252	3,294,394	-	7,013,557	42,430	12,182,633
NET POSITION END OF YEAR	\$ 1,866,679	\$ 3,566,143	\$ 3,180,868	\$ 3,683,247	\$ 38,793	\$ 12,335,730

Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2024

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	2021 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
ASSETS:											
Cash and Investments - Unrestricted	\$ 8,322	\$ 137,272	\$ 142,471	\$ 156,111	\$ 138,977	\$ 161,085	\$ 191,118	\$ 334,885	\$ 10,446	\$ 17,644	\$ 1,298,331
TOTAL ASSETS	<u>\$ 8,322</u>	<u>\$ 137,272</u>	<u>\$ 142,471</u>	<u>\$ 156,111</u>	<u>\$ 138,977</u>	<u>\$ 161,085</u>	<u>\$ 191,118</u>	<u>\$ 334,885</u>	<u>\$ 10,446</u>	<u>\$ 17,644</u>	<u>\$ 1,298,331</u>
LIABILITIES:											
Due to Governmental Units	\$ -	\$ -	\$ -	\$ 40	\$ 40	\$ 41	\$ 262	\$ -	\$ 10,446	\$ -	\$ 10,829
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>41</u>	<u>262</u>	<u>-</u>	<u>10,446</u>	<u>-</u>	<u>10,829</u>
NET POSITION:											
Unrestricted	8,322	137,272	142,471	156,071	138,937	161,044	190,856	334,885	-	17,644	1,287,502
TOTAL NET POSITION	<u>\$ 8,322</u>	<u>\$ 137,272</u>	<u>\$ 142,471</u>	<u>\$ 156,071</u>	<u>\$ 138,937</u>	<u>\$ 161,044</u>	<u>\$ 190,856</u>	<u>\$ 334,885</u>	<u>\$ -</u>	<u>\$ 17,644</u>	<u>\$ 1,287,502</u>

Supplementary Information
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	2021 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
OPERATING REVENUES:											
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,885	\$ -	\$ 207,708	\$ 542,593
Penalties and Interest Charges	3,295	-	-	-	-	-	-	-	-	2,544	5,839
TOTAL OPERATING REVENUES	3,295	-	-	-	-	-	-	334,885	-	210,252	548,432
OPERATING EXPENSES:											
Other Supplies and Expenses	673	-	-	-	-	375	79,105	-	-	200,645	280,798
TOTAL OPERATING EXPENSES	673	-	-	-	-	375	79,105	-	-	200,645	280,798
OPERATING INCOME (LOSS)	2,622	-	-	-	-	(375)	(79,105)	334,885	-	9,607	267,634
INCOME (LOSS) BEFORE TRANSFERS	2,622	-	-	-	-	(375)	(79,105)	334,885	-	9,607	267,634
Transfers Out	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
CHANGES IN NET POSITION	2,622	-	-	-	-	(375)	(79,105)	334,885	-	(10,393)	247,634
NET POSITION BEGINNING OF YEAR	5,700	137,272	142,471	156,071	138,937	161,419	269,961	-	-	28,037	1,039,868
NET POSITION END OF YEAR	\$ 8,322	\$ 137,272	\$ 142,471	\$ 156,071	\$ 138,937	\$ 161,044	\$ 190,856	\$ 334,885	\$ -	\$ 17,644	\$ 1,287,502

Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	State Education Tax Parcel Fee	2015 Tax Foreclosure	2016 Tax Foreclosure	2017 Tax Foreclosure	2018 Tax Foreclosure	2019 Tax Foreclosure	2020 Tax Foreclosure	2021 Tax Foreclosure	Homestead Tax	Sheriff Commissary	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:											
Receipts from Customers	\$ 3,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,885	\$ -	\$ 210,411	\$ 548,591
Payments to Suppliers	(673)	-	-	40	40	(334)	(78,843)	-	7,129	(201,493)	(274,134)
Net Cash Provided (Used) by Operating Activities	2,622	-	-	40	40	(334)	(78,843)	334,885	7,129	8,918	274,457
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:											
Operating Transfers Out	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Net Increase (Decrease) in Cash and Investments	2,622	-	-	40	40	(334)	(78,843)	334,885	7,129	(11,082)	254,457
Balances - Beginning of the Year	5,700	137,272	142,471	156,071	138,937	161,419	269,961	-	3,317	28,726	1,043,874
Balances - End of the Year	<u>\$ 8,322</u>	<u>\$ 137,272</u>	<u>\$ 142,471</u>	<u>\$ 156,111</u>	<u>\$ 138,977</u>	<u>\$ 161,085</u>	<u>\$ 191,118</u>	<u>\$ 334,885</u>	<u>\$ 10,446</u>	<u>\$ 17,644</u>	<u>\$ 1,298,331</u>
Reconciliation of Operating Income (Loss) to											
Net Cash Provided (Used) by Operating Activities:											
Operating Income (Loss)	\$ 2,622	\$ -	\$ -	\$ -	\$ -	\$ (375)	\$ (79,105)	\$ 334,885	\$ -	\$ 9,607	\$ 267,634
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	-	-	-	-	-	-	-	-	-	159	159
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-
Increase(Decrease) in Liabilities:											
Due to Governmental Units	-	-	-	40	40	41	262	-	7,129	(848)	6,664
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ (334)</u>	<u>\$ (78,843)</u>	<u>\$ 334,885</u>	<u>\$ 7,129</u>	<u>\$ 8,918</u>	<u>\$ 274,457</u>

County of Chippewa, Michigan**Supplementary Information
Combining Statement of Net Position
Internal Service Funds
December 31, 2024**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
ASSETS:				
Cash and Investments - Unrestricted	\$ -	\$ 66,296	\$ 57	\$ 66,353
Due from Governmental Units	27,324	-	-	27,324
Inventory	-	-	2,769	2,769
Prepaid Expense	209,405	-	-	209,405
TOTAL ASSETS	\$ 236,729	\$ 66,296	\$ 2,826	\$ 305,851
LIABILITIES:				
Due to Other Funds	\$ 234,505	\$ -	\$ -	\$ 234,505
Accounts Payable	844	-	-	844
TOTAL LIABILITIES	235,349	-	-	235,349
NET POSITION:				
Unrestricted	1,380	66,296	2,826	70,502
TOTAL NET POSITION	1,380	66,296	2,826	70,502
TOTAL LIABILITIES AND NET POSITION	\$ 236,729	\$ 66,296	\$ 2,826	\$ 305,851

Supplementary Information
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Internal Service Funds
For the Year Ended December 31, 2024

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Total
OPERATING REVENUES:				
Charges for Services	\$ 3,544,226	\$ 128,226	\$ 10,551	\$ 3,683,003
Total Operating Revenues	<u>3,544,226</u>	<u>128,226</u>	<u>10,551</u>	<u>3,683,003</u>
OPERATING EXPENSES:				
Premium Payments	3,546,474	115,582	-	3,662,056
Supplies	<u>-</u>	<u>-</u>	<u>7,725</u>	<u>7,725</u>
Total Operating Expenses	<u>3,546,474</u>	<u>115,582</u>	<u>7,725</u>	<u>3,669,781</u>
OPERATING INCOME (LOSS)	(2,248)	12,644	2,826	13,222
NET POSITION BEGINNING OF YEAR	<u>3,628</u>	<u>53,652</u>	<u>-</u>	<u>57,280</u>
NET POSITION END OF YEAR	<u><u>\$ 1,380</u></u>	<u><u>\$ 66,296</u></u>	<u><u>\$ 2,826</u></u>	<u><u>\$ 70,502</u></u>

**Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024**

	Self Insurance- Health	Self Insurance- Workers Comp.	Central Stores	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 3,540,835	\$ 128,226	\$ 10,551	\$ 3,679,612
Payments to Suppliers	(3,570,175)	(115,582)	(7,932)	(3,693,689)
Internal Activity - Receipts(Payments) with Other Funds	29,340	-	(2,562)	26,778
Net Cash Provided by Operating Activities	-	12,644	57	12,701
Net Increase (Decrease) in Cash and Investments	-	12,644	57	12,701
Balances - Beginning of the Year	-	53,652	-	53,652
Balances - End of the Year	\$ -	\$ 66,296	\$ 57	\$ 66,353
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (2,248)	\$ 12,644	\$ 2,826	\$ 13,222
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	(3,391)	-	-	(3,391)
Inventory	-	-	(207)	(207)
Prepaid Items	(23,707)	-	-	(23,707)
Increase (Decrease) in Liabilities:				
Accounts Payable	6	-	-	6
Due to Other Funds	29,340	-	(2,562)	26,778
Net Cash Provided by Operating Activities	\$ -	\$ 12,644	\$ 57	\$ 12,701

County of Chippewa, Michigan

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

	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	Total Custodial Funds
ASSETS:						
Cash and Equivalents - Restricted	\$ 1,991,822	\$ 83,454	\$ 68,553	\$ 57,715	\$ 145,636	\$ 2,347,180
TOTAL ASSETS	1,991,822	83,454	68,553	57,715	145,636	2,347,180
LIABILITIES:						
Undistributed Tax Collections	1,223,783	-	68,553	-	-	1,292,336
Other Liabilities	47,174	-	-	-	-	47,174
Bond & Restitutions	439,914	83,454	-	-	-	523,368
Due to Inmates	-	-	-	-	145,636	145,636
Due to Governmental Units	280,951	-	-	57,715	-	338,666
TOTAL LIABILITIES	1,991,822	83,454	68,553	57,715	145,636	2,347,180
NET POSITION:						
Restricted for:						
Individuals, Organizations, and Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Chippewa, Michigan

Supplementary Information Combining Statement of Changes of Custodial Funds Cash Position For the Year Ended December 31, 2024

	Custodial Funds					
	General Agency Fund	District Court	State Education Tax Collections	Library Penal Fines	Inmate Trust	Total
ADDITIONS:						
Contributions						
Taxes Collected for Other Governments	\$ 2,334,074	\$ -	\$ 7,928,419	\$ -	\$ -	\$ 10,262,493
Fees and Fines Collected on behalf of Other Governments	1,812,933	-	-	118,844	-	1,931,777
Fees and Fines Collected on behalf of Other Agencies	89,722	196,340	-	-	-	286,062
Bonds, Restitutions, and Payables to Others	127,905	-	-	-	-	127,905
Collections from or On Behalf of Inmates	-	-	-	-	136,786	136,786
TOTAL ADDITIONS	4,364,634	196,340	7,928,419	118,844	136,786	12,745,023
DEDUCTIONS:						
Payment of Taxes to Other Governments	2,334,074	-	7,928,419	-	-	10,262,493
Fees and Fines Remitted to Other Units of Government	1,812,933	-	-	118,844	-	1,931,777
Fees and Fines Remitted to Other Agencies	89,722	196,340	-	-	-	286,062
Payments on Behalf of Inmates	-	-	-	-	136,786	136,786
Bonds, Restitutions, and Payables to Others	127,905	-	-	-	-	127,905
TOTAL DEDUCTIONS	4,364,634	196,340	7,928,419	118,844	136,786	12,745,023
Net Increase (Decrease) in Net Position	-	-	-	-	-	-
Net Position, Beginning of Year	-	-	-	-	-	-
Net Position, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reports on Compliance



KINROSS OFFICE

KENNETH A. TALSMAN, CPA, PRINCIPAL

AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

MEMBER AICPA

MEMBER MICPA

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

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, 2024, 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 6, 2025.

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.

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 6, 2025



KINROSS OFFICE

KENNETH A. TALSMAN, CPA, PRINCIPAL

AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

MEMBER AICPA

MEMBER MICPA

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

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County of 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 6, 2025

County of Chippewa, Michigan

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

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	E20240817	\$ -	\$ 210,378
* Women, Infant and Children - Breastfeeding	N	10.557	MDHHS	E20240818	-	12,957
Program Subtotal					-	223,335
Forest Service Schools and Roads Cluster						
Schools and Roads Grants to States - Title III	N	10.665	MDNR	NA	-	25,431
Schools and Roads Grants to States - Title I	N	10.665	MDNR	N/A	-	290,645
Program & Cluster Subtotal					-	316,076
Direct						
Community Facility Grant	N	10.766	Direct	N/A	-	42,305
Total U.S. Department of Agriculture					-	581,716
U.S. Department of Commerce						
Building Construction	N	11.300	Direct	06-01-06245	-	2,947,032
U.S. Department of Housing & Urban Development						
Community Development Block Grant	N	14.228	MEDC	N/A	-	21,052
U.S. Department of Interior						
Federal Forest PILT	N	15.226	Direct	NA	-	382,784
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	-	132,037
Capital Grant - Section 70	N	20.205	MDOT	2017-0047 211733NI	-	109,011
Capital Grant - Section 70	N	20.205	MDOT	2022-0049 214672NI	-	47,709
Subtotal Highway Planning and Construction Cluster					-	288,757
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 130398/130402	-	60,800
Capital Grant - Section 5311	N	20.509	MDOT	2017-0047 206195NI	-	60,800
Capital Grant - Section 5311	N	20.509	MDOT	2022-049 216707NI	-	64,994
Capital Grant - Section 5311	N	20.509	MDOT	2022-0049 206194NI/206196NI	-	939
Capital Grant - Section 5311	Y	20.509	MDOT	2022-0049 206197NI	-	51,194
Operating Assistance - Section 5311	Y	20.509	MDOT	2022-0049 219951NI P16	-	124,344
Operating Assistance - Section 5311 CARES	N	20.509	MDOT	2022-0049 217423NI P11	-	374,000
Rural Transit Assistance Program (RTAP)	N	20.509	MDOT	N/A	-	5,500
Program Subtotal					-	742,571
JARC	N	20.516	MDOT	2017-0047 203344	-	15,258
Buses and Bus Facilities Formula,Competitive,and Low or Emmissions	N	20.526	MDOT	2022-0049 217266NI	-	59,065
Buses and Bus Facilities Formula,Competitive,and Low or Emmissions	N	20.526	MDOT	2022-0049 216707NI	-	1,435,159
Program Subtotal					-	1,494,224
Airport Improvement Programs						
Rehab Taxiway, Runway, Aircraft Rescue	N	20.106	MDOT	3-26-0139-048-2022	-	28,836
Rehab Runway	N	20.106	MDOT	3-26-0139-5123	-	978,930
CA Seal Terminal Apron	Y	20.106	MDOT	3-26-0139-5224	-	76,229
Reconstruct Terminal Building	N	20.106	MDOT	3-26-0139-046-2021	-	269,197
Reconstruct Terminal Building A-1	N	20.106	MDOT	30-26-0139-5022	-	260,037
Access Road Rehab	N	20.106	MDOT	3-26-0139-5324	-	71,476
HVAC Sysytem Replacement	N	20.106	MDOT	3-26-0139-5424	-	480,443
Program Subtotal					-	2,165,148
Highway Safety Cluster						
Office of Highway Safety Planning	N	20.600	MSP	PT-23-23	-	5,083
Subtotal Highway Safety Cluster					-	5,083
Total U.S. Department of Transportation					-	4,711,041
U.S. Department of Treasury						
State and Local Fiscal Recovery Funds	Y	21.027	MSF	N/A	-	530,621
U.S. Environmental Protection Agency						
Great Lakes Beach Monotoring	N	66.472	MEGLE	2024-7207	-	10,000
Total U.S. Environmental Protection Agency					-	10,000

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

County of Chippewa, Michigan

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

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	E20240605	-	85,947
* Public Health Emergency Preparedness	N	93.069	MDHHS	E20245719	-	26,369
Program Subtotal					-	112,316
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	N	93.116	MDHHS	E20240770	-	100
Family Planning	N	93.217	MDHHS	E20241034	-	53,538
Substance Abuse	N	93.243	MDHHS	N.A	-	64,030
Immunization - Vaccines (noncash)	N	93.268	MDHHS	NA	-	90,478
Immunization - COVID	Y	93.268	MDHHS	E20242901	-	81,616
CSHCS Vaccine Initiative	N	93.268	MDHHS	E20232049	-	328
Immunization - Fixed Fee	N	93.268	MDHHS	E20241364	-	1,675
Immunization - IAP	N	93.268	MDHHS	E20241236	-	21,545
Bridge Access	N	93.268	MDHHS	E20245635	-	239
Program Subtotal					-	195,881
ELC Contact Tracing Testing, Investigation, Testing Coordination, Monitoring and ¹	Y	93.323	MDHHS	E20242477	-	37,158
Reopening Schools HRA	Y	93.323	MDHHS	E20244381	-	16,207
Program Subtotal					-	53,365
COVID Workforce Development	Y	93.354	MDHHS	E20245173	-	54,380
CDC COVID Health Disparities	Y	93.391	MDHHS	6	-	89,385
Child Support Enforcement	N	93.563	MDHHS	CSCOM-24-17003	-	353,707
Child Support Enforcement - Federal Incentive	N	93.563	MDHHS	CSCOM-24-17003	-	62,689
Program Subtotal					-	416,396
IV-E Foster Care Program - FY 2022	N	93.658	MDHHS	E20244694	-	15,666
IV-E Foster Care Program - FY 2023	N	93.658	MDHHS	E20250141	-	5,091
Program Subtotal					-	20,757
Medicaid Cluster						
CSHCS Outreach & Advocacy	N	93.778	MDHHS	E20240972	-	17,644
CSHCS Medicaid Outreach	N	93.778	MDHHS	E20240863	-	12,091
CSHCS Medicaid Elevated Blood Lead Case Mgmt	N	93.778	MDHHS	E20241130	-	144
Medicaid Outreach	N	93.778	MDHHS	E20241678	-	7,426
CSHCS Care Coordination	N	93.778	MDHHS	E20241035	-	297
Subtotal Medicaid Cluster					-	37,602
Harm Reduction Supportive Services	N	93.788	MDHHS	E20240604	-	23,021
BCCCP Planning	N	93.898	MDHHS	E20240740	-	5,612
Substance Abuse Prevention COVID Supplemental	N	93.959	NCN	NA	-	23,406
Public Health Infrastructure	N	93.967	MDHHS	E20244947	-	48,025
LHD Sharing Support	N	93.991	MDHHS	E20245884	-	9,998
MCH-All Other	N	93.994	MDHHS	E20241041	-	17,716
Total U.S. Department of Health and Human Services					-	1,225,528
U.S. Department of Homeland Security						
Emergency Management Performance Grant	N	97.042	MSP	EMC-2024-EP-00001	-	7,740
Program Subtotal					-	7,740
Operation Stonegarden Grant-2021	N	97.067	MSP	EMW-2021-SS-00021	-	65,930
Operation Stonegarden Grant-2022	N	97.067	MSP	EMW-2022-SS-00011	-	1
Operation Stonegarden Grant-2023	N	97.067	MSP	EMW-2023-SS-00031	-	51,664
Program Subtotal					-	117,595
Homeland Security Grant - 2021	N	97.067	DC	N/A	-	1,396
Homeland Security Grant - 2022	N	97.067	DC	N/A	-	927
Homeland Security Grant - 2023	N	97.067	DC	N/A	-	165
Program Subtotal					-	2,488
Total U.S. Department of Homeland Security					-	127,823
Total Expenditures of Federal Awards					\$ -	\$ 10,537,597

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, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of 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 2024.

NOTE D - INDIRECT COST:

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

NOTE E - MDOT ADMINISTRATION:

The Michigan Department of Transportation (MDOT) requires that road commissions report all Federal and State grants pertaining to their county. During the year ended December 31, 2024, the Federal aid received and expended by the Road Commission was \$1,481,808 for contracted projects. Contracted projects are defined as projects performed by private contractors paid for and administrated by MDOT (they are included in MDOT's single audit). The Federal aid received and expended by the Road Commission was \$0 for negotiated projects. Negotiated projects are projects where the road commission administers the grant and either performs the work or contracts it out. The Road Commission would be subject to single audit requirements if they expended \$750,000. The Road Commissions single audit is completed and reported as part of the audit of Chippewa County, Michigan.

During fiscal 2024, the Economic Development Corporation received significant funding in the form of federal and state awards. The U.S. Department of Transportation awarded grants in the amount of \$2,165,148 for airport improvements and operations. Some grants are administered by the Michigan Department of Transportation. A direct award was also received from the U.S. Department of Commerce in the amount of \$2,947,032. The grants are reported in the Single Audit Section of the County of Chippewa, Michigan compliance reports.

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024****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	\$ 2,021,036
Federal Grants of Component Units	8,225,916
Federal Grants in Trust & Agency	<u>290,645</u>
 Total Federal Revenue Recognized per Schedule of	
Expenditures of Federal Awards	<u>\$ 10,537,597</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>
11.300	Investments for Public Works and EDC Facilities
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery
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. TALSMAN, CPA, PRINCIPAL
AMBER N. MACK, CPA, PRINCIPAL

TORI N. KRUISE, CPA

**MEMBER AICPA
MEMBER MICPA**

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, 2024, 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 6, 2025

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, 2024, 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	2024		2023	
	Amount	Percent of Total	Amount	Percent of Total
Agricultural	\$ 38,842,158	2.73%	\$ 37,871,028	2.85%
Commercial (R&P)	187,794,143	13.19%	174,339,948	13.14%
Industrial (R&P)	33,188,844	2.33%	28,781,900	2.17%
Residential	1,105,524,327	77.65%	1,032,538,334	77.84%
Utility	58,381,628	4.1%	53,026,200	4.00%
Total	<u>\$ 1,423,731,100</u>	<u>100.00%</u>	<u>\$ 1,326,557,410</u>	<u>100.00%</u>

NOTE 2 – TABLES: (Continued)

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

Class	2024		2023	
	Amount	Percent of Total	Amount	Percent of Total
Real Property	\$ 1,334,011,472	93.70%	\$ 1,250,681,410	94.28%
Personal Property	89,719,628	6.6%	75,876,000	5.72%
Total	<u>\$ 1,423,731,100</u>	<u>100.00%</u>	<u>\$ 1,326,557,410</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%
2021	2022	2023	1,326,557,410	394,384	1,326,951,794	5.40%
2022	2023	2024	1,423,731,100	394,384	1,424,125,484	6.8%

Per Capita Total taxable value for the fiscal year ending December 31, 2024, \$38,704.

Source: County of Chippewa

NOTE 2 - TABLES: (Continued)

D. SEV by Use and Class:

Use	Fiscal Year Ended or Ending December 31							
	2021	%	2022	%	2023	%	2024	%
Agriculture	\$ 48,155,000	3%	\$ 132,193,894	8%	\$ 55,074,000	3%	\$ 60,743,300	3%
Commercial	222,243,450	15%	226,054,000	14%	228,777,100	14%	255,273,815	13%
Industrial	34,017,300	3%	34,543,200	2%	34,569,000	2%	39,761,700	2%
Residential	1,125,008,450	76%	1,193,362,086	73%	1,314,421,535	78%	1,514,133,917	78%
Utility	52,193,700	3%	53,305,300	3%	53,026,200	3%	59,323,070	3%
Total	<u>\$ 1,481,617,900</u>	<u>100%</u>	<u>\$ 1,639,458,480</u>	<u>100%</u>	<u>\$ 1,685,867,835</u>	<u>100%</u>	<u>\$ 1,929,235,802</u>	<u>100%</u>
Class								
Real Property	\$ 1,401,396,300	95%	\$ 1,559,524,280	95%	\$ 1,609,994,035	95%	\$ 1,838,574,732	95%
Personal Property	<u>80,221,600</u>	<u>5%</u>	<u>79,934,200</u>	<u>5%</u>	<u>75,873,800</u>	<u>5%</u>	<u>90,661,070</u>	<u>5%</u>
Total	<u>\$ 1,481,617,900</u>	<u>100%</u>	<u>\$ 1,639,458,480</u>	<u>100%</u>	<u>\$ 1,685,867,835</u>	<u>100%</u>	<u>\$ 1,929,235,802</u>	<u>100%</u>

Source: County of Chippewa

E. Maximum Tax Rates:

Millage Classification	Millage Authorized	Millage Reduction Fraction (1)	Maximum Allowable Millage
Allocated (1)	6.1500	.9984	6.1402
Senior Programs (2)	0.7500	.9984	0.7444
Animal Shelter (2)	0.1000	.9984	0.0992
Roads (3)	0.9879	.9984	0.9805
Fire/Ambulance (3)	0.4275	.9984	0.4268
Recycling (3)	0.5000	.9984	0.4992

(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

Fiscal Year Ended/Ending	Revenue Sharing Payments
December 31, 2020	\$574,850
December 31, 2021	\$754,994
December 31, 2022	\$779,221
December 31, 2023	\$818,687
December 31, 2024	\$875,064

Source: County of Chippewa

G. Property Tax Rates:

Levy 1-Dec	Fiscal Years Ended or Ending 31-Dec	Allocated	Fire/ Ambulance (1)	Road Improvements (1)	Recycling (1)	Jail (1)	Senior Program (1)	Animal Shelter (1)	Total
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
2023	2024	6.1500	0.4275	0.9821	0.5000	Expired	0.7456	0.0994	8.9046
2024	2025	6.1500	0.4268	0.9805	0.4992	Expired	0.7444	0.0992	8.9001

(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, 2024:

Property Classification	Highest Tax Rate		Lowest Tax Rate	
	Municipality	Tax Rate	Municipality	Tax Rate
Special Exemption*	Sault Ste. Marie	43.5898 mills	Bay Mills	10.0267 mills
Other	Sault Ste. Marie	61.5898 mills	Bay Mills	22.0267 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:

July/Dec. 1 Levy	Fiscal Years Ended or Ending December 31	County Tax Levy (1)	Collections to March 1 Following Levy	Percent Collected to March 1 Following Levy
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%
2022	2023	10,737,178	10,070,221	93.79%
2023	2024	11,416,655	11,279,334	98.80%

(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:

Taxpayer	Principal Product or Service	December 31, 2024	
		Taxable Value (1)	Percent of of Total (2)
Cloverland Electric Cooperative	Utility	\$ 24,697,470	1.73%
American Transmission	Utility	20,974,542	1.47%
State of Michigan	Government	16,204,181	1.14%
Cloverland Electric Cooperative	Utility	12,695,832	.89%
DTE Gas Company	Utility	8,629,102	.61%
Cascade X LLC	Retail	6,534,750	.46%
Pickford Solar, LLC	Utility	4,868,300	.34%
Pointe West I LP	Apartment Rental	4,532,396	.32%
Continental Teves Inc	Auto Testing Service	4,390,700	.31%
State of Michigan DNR PILT	Government	4,334,673	.30%

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

(2) Based on \$1,423,731,100 which is the County's Total Taxable Value for the fiscal year ending December 31, 2024. 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)	\$ 168,586,784
Debt Outstanding (2)	<u>(2,860,000)</u>
Legal Debt Margin	<u>\$ 165,726,784</u>

- (1) 10% of \$1,685,867,835 which is the County's Total SEV for its fiscal year ending December 31, 2024. 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, 2024:

<u>County Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Water and Sewer Bonds: Dated December 13, 2013	<u>2,860,000</u>	<u>2,860,000</u>	<u>-</u>
Total	<u>\$ 2,860,000</u>	<u>\$ 2,860,000</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	\$ 24,442,500
Townships	682,934
School Districts	<u>31,734,101</u>
Total Underlying Debt	<u>\$ 56,859,535</u>
Per Capita Underlying Debt (3)	\$ 1,547
Percent of Underlying Debt to Total SEV (4)	2.95%
Total Direct and Underlying Debt	<u>\$ 59,719,535</u>
Per Capita Net Direct and Underlying Debt (3)	\$ 1636.39
Percent of Net Direct and Underlying Debt to Total SEV (4)	3.12%

- (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 \$1,929,235,802 which is the County's Total SEV for its fiscal year ending December 31, 2024. 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, 2024, the accumulated unpaid compensated absences amounted to \$454,961.

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%
2022	39,753,023	58,777,374	68%
2023	41,003,598	60,312,321	68%

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	30	December 31, 2026
Michigan Fraternal Order of Police Labor Council	18	December 31, 2025
Non-Union Employees	80	Not applicable
Police Officers Association of Michigan	15	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	1,550
My Michigan Medical Center	Hospital	900
Bay Mills Indian Community	Tribal Enterprises and Governmental Operations	735
Chippewa Correctional Facility	State Correctional Facility	444
Walmart Supercenter	Retail and Grocery	301
Lake Superior State University	Post Secondary Education	289
Kokosing Alberici	Construction	250
Chippewa County	Government	236
Sault Ste. Marie Area Public Schools	Education	235
C.L.M. Community Action	Child Daycare Services / Senior Services	190

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 2019 through 2024:

<u>County of Chippewa</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employed	15,082	14,400	14,754	14,988	15,393	16,423
Unemployed	<u>1,030</u>	<u>1,505</u>	<u>1,032</u>	<u>1,018</u>	<u>967</u>	<u>1,411</u>
Labor Force	<u>16,112</u>	<u>15,905</u>	<u>15,786</u>	<u>16,006</u>	<u>16,360</u>	<u>17,834</u>
Unemployed as % Of Labor Force (1)	6.4%	9.5%	6.5%	6.4%	5.9%	7.9%

(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

TORI N. KRUISE, CPA

MEMBER AICPA

MEMBER MICPA

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the 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, 2024, and have issued our report thereon dated June 6, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter to you dated May 13, 2025. 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. As described in Note 13 and Note 14 to the financial statements, Chippewa County changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 100, Accounting Changes and Error Corrections and policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences in 2024. 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 6, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Upcoming Accounting Standards

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit www.gasb.org. If you have questions regarding the applicability, timing, or implementation, please contact us.

GASB Statement No. 102, Certain Risk Disclosures

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

GASB Statement No. 103, Financial Reporting Model Improvements

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

GASB Statement No. 104, Disclosure of Certain Capital Assets

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

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 6, 2025