

Isabella County,  
Michigan



Year Ended  
September 30,  
2022

Annual  
Comprehensive  
Financial Report

Prepared by: County Administrator/Controller's Office

Nicole F. Frost, Administrator/Controller

# ISABELLA COUNTY, MICHIGAN

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## **INTRODUCTORY SECTION**

# **ISABELLA COUNTY, MICHIGAN**

## **ELECTED AND APPOINTED OFFICERS**

**For the Year Ended September 30, 2022**

### **BOARD OF COMMISSIONERS**

Tobin Hope	Chairperson - District 7
James H. Horton II	Vice-Chairperson - District 4
Terry Hutchinson	Commissioner - District 1
Frank Engler	Commissioner - District 2
Jerry Jaloszynski	Commissioner - District 3
Steve Swaney	Commissioner - District 6
James Moreno	Commissioner - District 5

### **TRIAL COURT JUDGES**

Eric R. Janes, Chief Judge  
Sara Spencer-Noggle  
Mark Duthie  
Stuart Black

### **OTHER ELECTED OFFICIALS**

Minde B. Lux	County Clerk
Robert Willoughby	Drain Commissioner
Karen R. Jackson	Register of Deeds
Steven W. Pickens	County Treasurer
David Barberi	Prosecuting Attorney
Michael Main	County Sheriff

### **County Administrator/Controller**

Nicole F. Frost



# ISABELLA COUNTY

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**Nicole F. Frost**  
Administrator/Controller  
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Mount Pleasant, MI 48858  
Office: (989) 317-4058  
Fax: (989) 773-7431  
nfrost@isabellacounty.org  
www.isabellacounty.org

March 15, 2023

Honorable Tobin D. Hope, Chairperson  
Members of the Isabella County Board of Commissioners  
County of Isabella  
200 North Main Street  
Mount Pleasant, Michigan 48858

Members of the Board:

The Annual Comprehensive Financial Report of the County of Isabella, Mount Pleasant, Michigan, for the year ended September 30, 2022, is submitted herewith. The financial statements included in this report have been audited by Rehmann Robson. The Annual Comprehensive Financial Report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable statutes of the State of Michigan and generally accepted accounting principles in the United States of America (GAAP) along with the Governmental Accounting Standards Board's (GASB) statements and interpretations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in such a manner so as to fairly set forth financial position and results of operations of the County as measured by the financial activity of its funds; and that all disclosures necessary to enable the statement reader to gain the maximum understanding of the County's affairs have been included.

It is believed that the Annual Comprehensive Financial Report substantially conforms to the high standards of financial reporting promulgated by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. This report will be submitted to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **THE REPORTING ENTITY AND ITS SERVICES:**

This report includes all funds of the County and its component units as defined in Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In accordance with the criteria of this statement (as amended by GASB No.39 & GASB No. 61) the Isabella County Building Authority, Isabella County Department of Health and Human Services, Isabella County Commission on Aging, and Isabella County Parks and Recreation Commission are blended into the County's Annual Comprehensive Financial Report. The Department of Health and Human Services is under the oversight of the Isabella County Department of Health and Human Services Board. These organizations, except for the Building Authority, are not legally separate. In addition, the County maintains a significant degree of financial accountability over the operations of these units. The Isabella County Building Authority is a legally separate organization. However, its operations are blended into the County fund structure because its sole purpose is to finance and construct the County's public buildings. Fiscal year 2020 was the last year the Building Authority was actively operational. All County debt under the Building Authority was paid off during FY2020 and the Authority was no longer active at year end.

In accordance with the above criteria the Isabella County Medical Care Facility, the Isabella County Road Commission, the Isabella County Transportation Commission, the Isabella County Board of Public Works, and the Isabella County Drainage Districts have been discretely presented as component units in the financial statements.

## **PROFILE OF THE GOVERNMENT:**

The management of Isabella County is overseen by a district-elected Board of Commissioners. This Board consists of seven members. Commissioners are elected for two-year terms and have the responsibility of making appropriations to all County functions and establishing policy for all county operations except the Trial Court. The Board of Commissioners appoints an Administrator/Controller who has the overall responsibility to oversee the administrative duties of the County except for Elected Officials' offices. Management of the Trial Court is overseen by the Chief Trial Court Judge who is also responsible for administrative oversight of the Court.

The County provides many services to the County residents including Sheriff's Office Road Patrol services in the unincorporated jurisdictions of the County, the constitutional offices of the County Clerk, Treasurer, Register of Deeds, Sheriff, and Prosecutor and the statutory office of the Drain Commissioner. In addition, the County supports many other programs such as services to older citizens through the Commission on Aging, cultural and recreational services provided by the Parks and Recreation Department, MSU Extension, and others.

## **FACTORS AFFECTING FINANCIAL CONDITION:**

### **Local Economy:**

Isabella County, located near the geographical center of Michigan's Lower Peninsula, has a strong economy and enjoys a rich human and technical resource base. The presence of Saginaw Chippewa Indian Tribe's Soaring Eagle Casino and Resort and Central Michigan University help to assure economic viability by providing a secure foundation for the area's economy.

The Mt. Pleasant Area Convention and Visitor's Bureau (CVB) is continuing its efforts to promote tourism in throughout the entire County. Two of the State's major thoroughfares, US-127 and M-20, meet in Mt. Pleasant accounting for millions of vehicle passengers annually.



**Recreation:**

Isabella County is home to multiple, vibrant and diverse recreational opportunities. The County has over 1,000 acres of park lands which include over 175 campsites, fishing, swimming, boating, hiking, playgrounds, cross country skiing and more. The Isabella County Parks and Recreation Department also offers Art From Our Park, Civil War enactments, nature walks, cross country skiing and snowshoeing workshops, disc golf tournaments and many more activities. Isabella County is a partner in the Pere Marquette Rail Trail, a 100-acre 8.25 mile barrier free non-motorized pathway.

The Saginaw Chippewa Indian Tribe Casino and Resort offers gaming, a 500-room luxury hotel, fully equipped conference center and a multitude of restaurants. The Soaring Eagle Casino and Resort also offers live entertainment and performances.

Central Michigan University is home to many recreational and entertainment activities such as sporting events, an art gallery, cultural activities, musical concerts and more.

From water parks, to golf courses, City, Village, Township and County parks, the beautiful Chippewa River, the University, the Tribe, vibrant downtowns, great walkability, movie theaters, restaurants and shopping; Isabella County offers many options for recreation to residents and visitors alike.

**Commercial:**

The retail trade business continues to be a major contributor to the growth of the County. Positioned strategically near the north and south US-127 interchanges into Mt. Pleasant, Home Depot, Target, Wal-Mart, Sam's Club, Kohl's, Menards, and Meijer department stores contribute significantly to the volume of retail trade conducted within the confines of the County, employ County residents, and draw people into our community.

**Financial Management:**

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County continues to monitor and update on a periodic basis all of the financial policies that have a material impact on the process surrounding the financial statement preparation and the underlying data used to prepare such statements. We have recently updated our capital assets, fund balance, procurement, credit card, and Federal grant management policies, all of which have some component of impact on the financial activities of the County. We continually look for improvements in all the areas that could have an impact on current and future financial statements and strive to keep those areas as up-to-date as possible.

**Budgeting Control:**

Isabella County maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the General, Special Revenue, Debt Service, and the Capital Projects funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity within these Funds.

Generally, the budget and approved appropriations lapse at the end of the fiscal year, unless specifically re-appropriated by Board action. Encumbrance accounting is not employed by the County, because it is at present considered not necessary to assure affective budgetary control or to facilitate effective cash planning and control.

**Single Audit:**

As a recipient of federal and state awards, the County is responsible for ensuring that adequate internal control is in place to achieve compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the County if the County expends \$750,000 or more in Federal expenditures in a fiscal year. For the year ended September 30, 2022 the County expended over \$750,000 and therefore a Federal compliance (Single) Audit was conducted.

**Risk Management:**

The County utilizes a high deductible health insurance plan through Blue Cross and Blue Shield of Michigan, (BCBSM) combined with a health reimbursement account (HRA) administered by the County using an independent third-party administrator (TPA). The County expects this model to reduce risk exposure for medical claims and reduce its overall cost of providing health insurance coverage for employees. The program, including prescription drugs, dental and vision services, is accounted for in the Insurance Fund (an internal service fund), and is set up as a “pool” of participating employees. Insurance premiums for coverage, medical bills that are paid from the HRA, and administrative charges to the TPA are paid from the Fund.

Revenue for Fund operations originates from the Payroll function. Employee premium cost-shares, and the contribution required by the County to fund the balance of premiums and HRA costs, are deposited into the Fund through the Payroll function. The premiums are determined based on the rate established by BCBSM and the TPA’s estimate of annual deductibles that will be paid from the HRA. These rates vary depending on the coverage selected by the individual employee. The County sets caps on the amount of premiums it will pay for non-union employees and negotiates caps with its labor unions. Any premiums above the caps are paid by the employees through payroll deductions. For additional information concerning risk management, refer to Note 15 of the Notes to the Financial Statements.

**Employee Pension Plan:**

Isabella County participates in the Michigan Municipal Employees’ Retirement System (MERS); an agent multiple employer state-wide, public employee defined benefit pension plan. Under this plan, the County is required to contribute at an actuarially determined rate. Effective in 2002, all new employees are in a defined contribution plan through MERS. Under this plan, the County contributes 7% and the employee contributes either 2% or 3% of their gross salary, based on their associated bargaining unit. For additional information concerning the employee retirement system, refer to Notes 12 and 13 of the Notes to the Financial Statements.

**OTHER INFORMATION:**

**Independent Audit:**

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The public accounting firm of Rehmann Robson was selected by the Isabella County Board of Commissioners to perform the County’s annual audit. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of Government Auditing Standards. The auditor’s report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**Awards:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Isabella County, Michigan for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

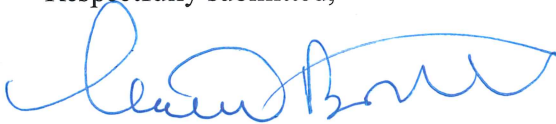
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

**Acknowledgements:**

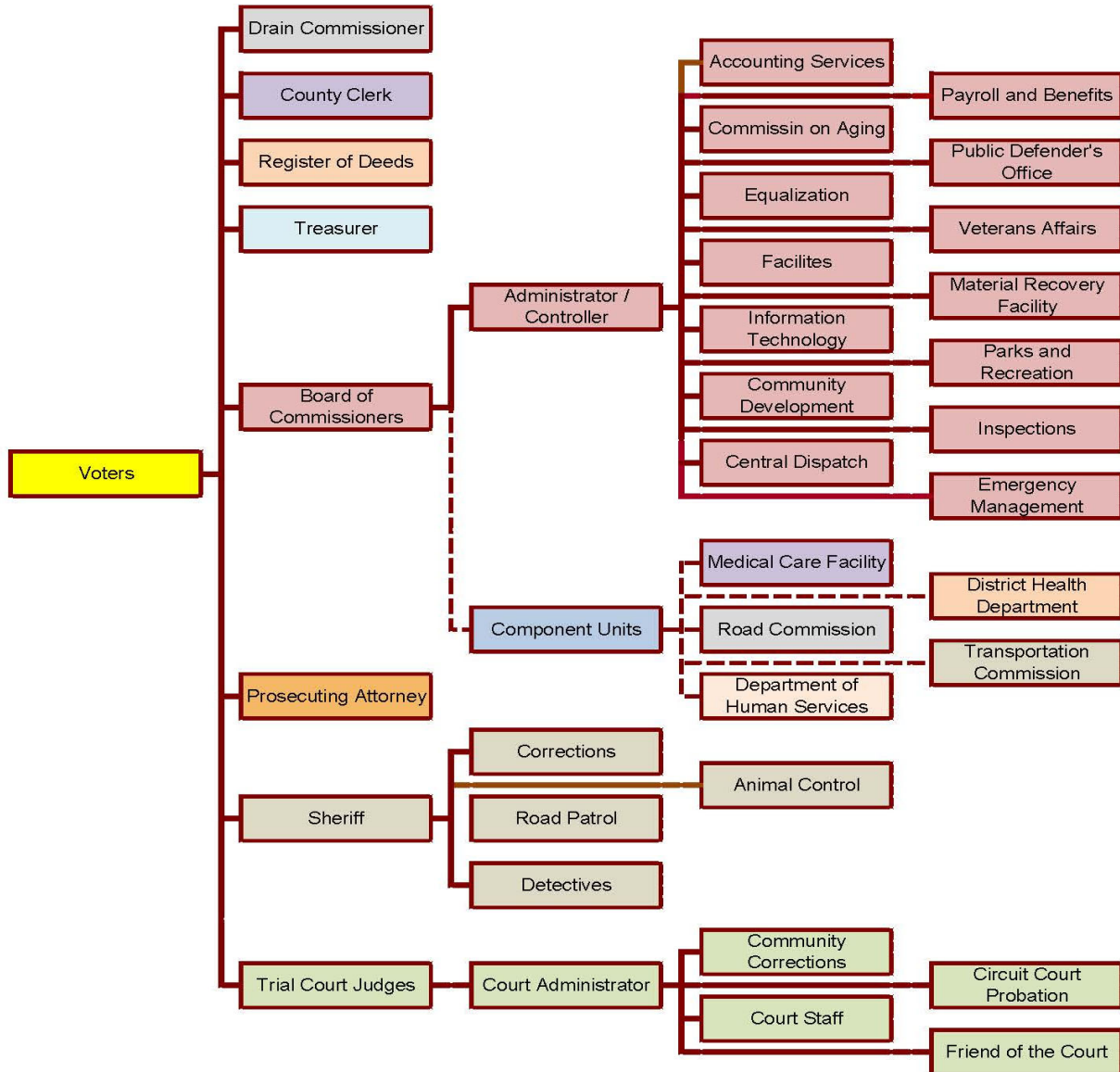
I wish to thank the members of the Isabella County Board of Commissioners for your valuable input and support in planning and conducting the financial operations of the County in a thoughtful and deliberative manner. I also wish to thank the Elected Officials, appointed Department Heads, and staff whose commitment to excellence in public service is reflected in this report and in the operations of Isabella County.

Respectfully submitted,



Nicole F. Frost  
County Administrator/Controller

## ISABELLA COUNTY ORGANIZATIONAL FLOW CHART



**ISABELLA COUNTY, MICHIGAN**

**GFOA Certificate of Achievement**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Isabella County  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

March 15, 2023

Board of Commissioners  
Isabella County  
Mt. Pleasant, Michigan

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Isabella County, Michigan** (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entities, which represent the indicated percentages of total aggregate discretely presented component units:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Isabella County Road Commission	61%	66%	42%
Isabella County Transportation Commission	4%	4%	17%
Isabella County Medical Care Facility	10%	11%	37%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors.



### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 15, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

These financial statements are the responsibility of Isabella County's management. We offer readers this narrative overview and analysis for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

· Total net position	\$ 27,616,673
· Change in total net position	832,180
· Fund balances, governmental funds	22,222,614
· Change in fund balances, governmental funds	(185,253)
· Unassigned fund balance, general fund	4,455,813
· Change in fund balance, general fund	710,923
· Installment debt outstanding	6,000,000

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

The government-wide financial statements include not only Isabella County (known as the *primary government*), but also legally separate *component units* for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Isabella County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Information for each of the County's individual governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Commission on Aging special revenue fund which are considered to be the County's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

**Proprietary Funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its jail commissary operations, material recovery facility, building inspections department, and delinquent tax operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self insurance activities. Because these services benefit governmental and business-type functions, they have been allocated between governmental activities and business-type activities in the government-wide financial statements.

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the delinquent tax revolving, recycling, and PA 123 restricted tax funds, which are considered to be major enterprise funds of the County, as well as the aggregate of the nonmajor enterprise funds.

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

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the County's pension plan.

The *combining statements and schedules* referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the required supplementary information.

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Isabella County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,616,673 at the close of the most recent fiscal year. One of the largest portions of the County's net position (56 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 38,649,997	\$ 31,594,206	\$ 9,680,409	\$ 8,868,582	\$ 48,330,406	\$ 40,462,788
Capital assets, net	17,993,823	16,447,361	1,246,504	1,156,803	19,240,327	17,604,164
	<u>56,643,820</u>	<u>48,041,567</u>	<u>10,926,913</u>	<u>10,025,385</u>	<u>67,570,733</u>	<u>58,066,952</u>
<b>Deferred outflows of resources</b>	<u>1,404,981</u>	<u>1,037,102</u>	<u>32,057</u>	<u>28,998</u>	<u>1,437,038</u>	<u>1,066,100</u>
<b>Liabilities</b>						
Current and other liabilities	29,828,531	22,465,229	441,778	480,252	30,270,309	22,945,481
Long-term debt	7,600,808	7,684,267	67,222	71,831	7,668,030	7,756,098
	<u>37,429,339</u>	<u>30,149,496</u>	<u>509,000</u>	<u>552,083</u>	<u>37,938,339</u>	<u>30,701,579</u>
<b>Deferred inflows of resources</b>	<u>3,381,635</u>	<u>1,602,182</u>	<u>71,124</u>	<u>44,798</u>	<u>3,452,759</u>	<u>1,646,980</u>
<b>Net position</b>						
Net investment in capital assets	14,329,044	14,054,394	1,246,504	1,156,803	15,575,548	15,211,197
Restricted	8,221,822	8,009,100	-	-	8,221,822	8,009,100
Unrestricted (deficit)	(5,313,039)	(4,736,503)	9,132,342	8,300,699	3,819,303	3,564,196
<b>Total net position</b>	<u>\$ 17,237,827</u>	<u>\$ 17,326,991</u>	<u>\$ 10,378,846</u>	<u>\$ 9,457,502</u>	<u>\$ 27,616,673</u>	<u>\$ 26,784,493</u>

An additional portion of the County's net position (30 percent) represents the resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities with the exception of unrestricted net position in the governmental activities, which is mainly attributable to the net pension liability.

The government's net position increased by \$832,180 during the current fiscal year. This was comprised of a decrease in governmental activities of \$89,164 and an increase in business-type activities of \$921,344.

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the County's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program revenues</b>						
Charges for services	\$ 4,792,905	\$ 5,788,490	\$ 2,505,299	\$ 2,700,767	\$ 7,298,204	\$ 8,489,257
Operating grants	5,738,647	5,469,723	459,879	381,438	6,198,526	5,851,161
<b>General revenues</b>						
Taxes	17,750,046	15,949,317	-	-	17,750,046	15,949,317
State shared revenues	1,336,889	1,306,336	-	-	1,336,889	1,306,336
Unrestricted grants and contributions	1,141,210	1,948,195	-	-	1,141,210	1,948,195
Unrestricted investment earnings	149,974	65,445	30,077	9,665	180,051	75,110
<b>Total revenues</b>	<b>30,909,671</b>	<b>30,527,506</b>	<b>2,995,255</b>	<b>3,091,870</b>	<b>33,904,926</b>	<b>33,619,376</b>
<b>Expenses</b>						
General government	5,723,726	6,539,913	-	-	5,723,726	6,539,913
Judicial	7,681,864	7,578,874	-	-	7,681,864	7,578,874
Public safety	10,238,276	10,167,940	-	-	10,238,276	10,167,940
Public works	771,477	823,855	-	-	771,477	823,855
Health and welfare	4,795,180	4,880,071	-	-	4,795,180	4,880,071
Recreation and culture	1,063,815	982,754	-	-	1,063,815	982,754
Community and economic development	476,778	315,788	-	-	476,778	315,788
Interest on long-term debt	69,300	-	-	-	69,300	-
Delinquent tax	-	-	321,109	254,546	321,109	254,546
Building inspections	-	-	394,725	408,748	394,725	408,748
Recycling	-	-	1,413,057	1,264,817	1,413,057	1,264,817
Concessions	-	-	123,439	151,752	123,439	151,752
<b>Total expenses</b>	<b>30,820,416</b>	<b>31,289,195</b>	<b>2,252,330</b>	<b>2,079,863</b>	<b>33,072,746</b>	<b>33,369,058</b>
Change in net position, before transfers	89,255	(761,689)	742,925	1,012,007	832,180	250,318
Transfers	(178,419)	722,268	178,419	(722,268)	-	-
<b>Change in net position</b>	<b>(89,164)</b>	<b>(39,421)</b>	<b>921,344</b>	<b>289,739</b>	<b>832,180</b>	<b>250,318</b>
Net position:						
Beginning of year	17,326,991	17,366,412	9,457,502	9,167,763	26,784,493	26,534,175
<b>End of year</b>	<b>\$ 17,237,827</b>	<b>\$ 17,326,991</b>	<b>\$ 10,378,846</b>	<b>\$ 9,457,502</b>	<b>\$ 27,616,673</b>	<b>\$ 26,784,493</b>



# ISABELLA COUNTY, MICHIGAN

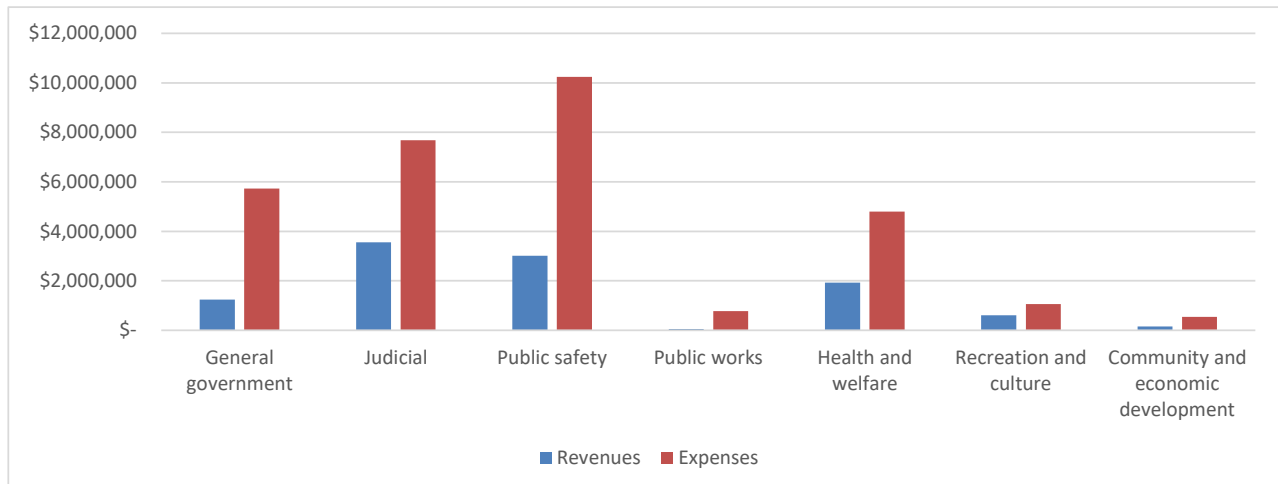
## Management's Discussion and Analysis

**Governmental activities.** The County had a decrease in governmental activities net position totaling \$89,164 in fiscal year 2022. This change was the result of the following:

- Charges for services decreased \$995,585 from the previous year which is due to a one time insurance settlement payment for equipment that was damaged during a lightning storm in the amount of \$887,000 in FY21. Diverted felon revenue and inmate housing revenue decreased by a combined \$76,000 due to fluctuations in the type of inmates housed and whether they qualify for the State program.
- Operating grants increased \$268,924 from the previous year due to a one time grant to reimburse county jails for expenses related to COVID-19 testing that occurred in FY22, in the amount of \$356,900.
- Tax revenue increased \$1,800,729 from the previous year which is attributed to the wind turbine project in the North end of Isabella County of approximately \$ 1,100,000. County taxable value increased by 3.0% (not including the wind turbine project) to increase tax revenue \$460,000.
- Unrestricted grants and contributions decreased \$806,985 from the previous year which is attributed to less utilization of American Rescue Plan Act (ARPA) and Coronavirus Emergency Supplemental Funding (CESF) dollars in FY22 of approximately \$1,000,000, which was offset by an increase in real estate transfer tax revenue of \$92,000 and recreational marijuana revenues in the amount of \$85,000.
- General government expenses decreased \$816,187 from the previous year which is due in major part to the change in pension liability and capital outlay allocation, resulting in a decrease of general government expenses.
- Judicial expenses increased \$102,990 from the previous year which is due in major part to the Trial Court and Prosecuting Attorney's increase in their portion of the County's annual pension expense for a combining total of approximately \$120,000.
- Community and economic development expenses increased \$160,990 from the previous year. This is due to increased expenses for the post construction sound study for the wind turbine project, required by ordinance.

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

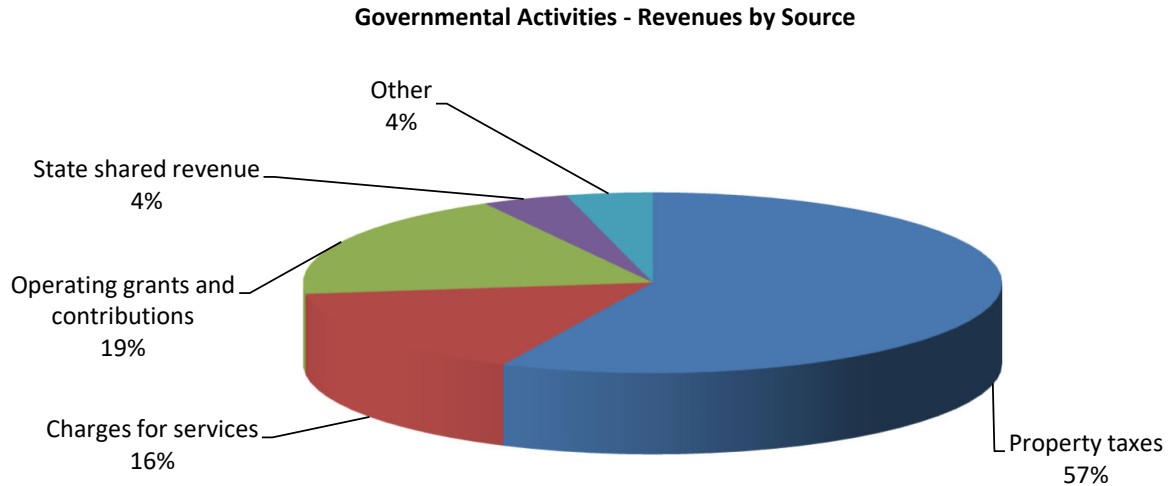
**Governmental Activities - Program Revenues and Expenses**



# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

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



**Business-type Activities.** Business-type activities increased the County's net position by \$921,344. This change was the result of the following:

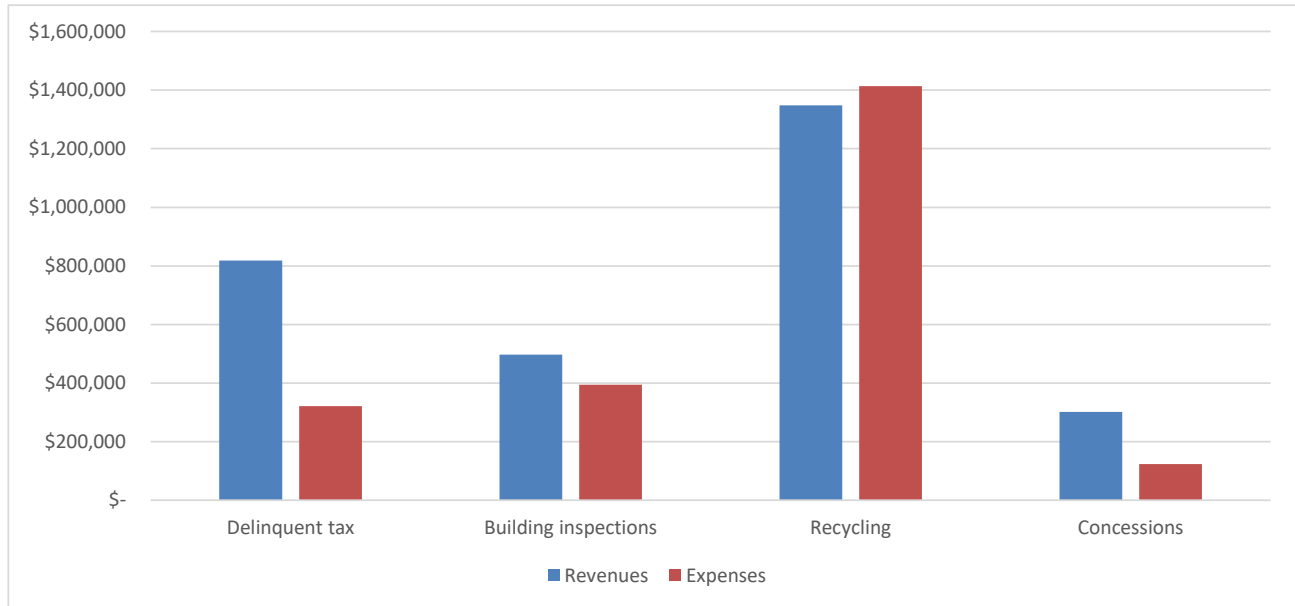
- The recycling activity increased business-type activities net position by \$264,085 in 2022 due to sales being higher in FY22 by \$84,000 due to commodity prices almost doubling for certain material. Recycling also received \$81,000 more revenue from the Saginaw Chippewa Indian Tribe through their 2% Tribal distribution and an additional \$150,000 annual appropriation from the General Fund. This increase was offset by \$50,000 in repairs and maintenance of the Recycling center's skid steer motor.
- The delinquent tax revolving activity increased business-type activities net position by \$238,901 in 2022 as a result of less transfers out to General Fund of \$800,000.
- An increase in tax sales in FY22, which is dependent on the number of parcels available for purchase and the number actually sold, attributed to increasing business-type activities net position by \$277,237 in 2022.
- There were less transfers out from business-type activities of \$700,000 due to availability of net position in business-type activities and the necessity of other funds

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

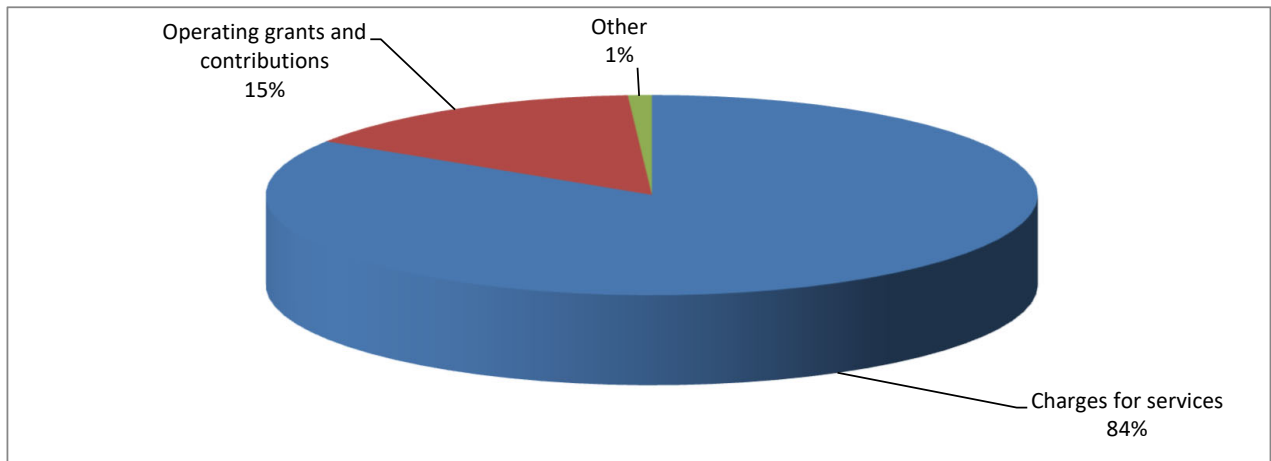
The following chart presents program revenues and expenses of the business-type activities for the fiscal year:

**Business-type Activities - Program Revenues and Expenses**



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

**Business-type Activities - Revenues by Source**



# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,222,614, a decrease of \$185,253 in comparison with the prior year. Approximately 55 percent (\$12,268,323) of total fund balance constitutes unassigned, assigned, or committed fund balance, which is available for spending at the government's discretion. The underlying distinction between committed and assigned is that committed fund balance has been designated for a specific purpose by a formal Board motion and can only be uncommitted by a formal Board motion. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending because it has already been spent for items such as inventory, prepaid items, or is restricted for specific purposes by external third parties.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the general fund totaled \$10,856,967 while total fund balance was \$12,352,716. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20 percent of total general fund expenditures and transfers out.

The general fund had an increase of \$710,923 in the current fiscal year. This was mainly due to an increase in property tax revenue of \$1,400,000 due to the wind turbine project, which was offset by an increase in transfers to other funds of \$270,000 and increase in public safety expenditures of \$250,000 for pension and salary related expenses. The county building roof was replaced, in the amount of \$248,000, which caused a decrease in FY22. Fuel expenses increased in FY22, along with the overall increase in goods and services, offsetting our property tax revenue increase this fiscal year.

The Commission on Aging Fund increased fund balance by \$124,082 to \$2,875,455 as of the most recent fiscal year end. This increase is due in part to an increase in property tax revenue, as a result of taxable value increases from 2021 to 2022 of approximately \$240 million.

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

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

### General Fund Budgetary Highlights

General fund revenues and other financing sources were less than the budgetary estimates by \$1,863,774. This variance was mainly due to intergovernmental revenue being under budget by \$1,955,748, which was the result of not utilizing ARPA revenues for public safety payroll in the amount of \$1,644,000 and property tax revenue under budget by approximately \$200,000 due to Michigan Tax Tribunal judgments impacting some properties in the county.

General fund expenditures and other financing uses were less than the budgetary estimates by \$2,110,417. This variance was in part due to multiple capital expenditures such as the HVAC system, county buildings phone system and facilities vehicle, not being completed in FY22, totaling \$500,000. Multiple General Fund departments, mainly Trial Court, Corrections, Sheriff and Prosecuting Attorney, had salary accounts and benefit accounts that accompany those salaries, less than budgetary estimates due to unspent wages of approximately \$900,000 due to staff turnover, and the length of time there are vacancies. With the Public Defender's Office continuing to be fully operational, there were less expenditures in the Managed Assigned Counsel department, as the majority of those expenditures were now paid through the Indigent Defense fund. Other expenditures in the general fund such as contingency were down by \$50,000, causing expenditures to be less than budgetary estimates. Overall, departments are very mindful of their budget when it comes to spending taxpayer dollars, which is a testament of the expenditures being less than budgetary estimates.

During the current year, the original expenditure budget was amended up by a net of \$129,531. This budget increase was mainly due to the decrease in general government expenditures of \$418,830 due to the cancellation of HVAC project for the county building, as a result of the bid amounts coming back at four times the budgeted project cost. Further, the budget amendment increase for public safety in the amount of \$320,588 is due to adjustments for additional overtime in multiple of the Sheriff's departments in the amount of \$180,000. With the shortage and turnover of staff, overtime expenses increased in FY22. Oil and gas expenses of \$20,000, a new parking lot at the Animal Control facility for \$60,000 and \$30,000 for new phone system for Emergency Management, also contributed to the increase in budget amendments for public safety. The original revenue budget was amended up by \$1,706,413 mainly due to the increase in property tax revenue of \$1,609,260 due to the wind turbine project revenue estimate and conservative budgeting for new revenues. The transfers in budget was amended down by \$800,000 due to account for the transfer in from Delinquent Tax Revolving Fund that was no longer needed in General Fund.

### Capital Assets and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to \$19,240,327 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and vehicles.

The significant capital asset events during the current fiscal year included the following:

- . County building roof replacement in the amount of \$248,000
- . One police interceptor and one police K-9 unit totaling \$100,490 for the Sheriff's department
- . Chippewa River Erosion & Canoe Launch in Parks & Recreation department for \$177,918
- . Baler upfeed belt & main ram cylinder repair in the amount of \$164,452 for the Recycling center
- . New truck scale in the amount of \$108,780 for the Recycling center
- . Construction in progress for the new Sheriff's Office and Correctional Facility in the amount of \$1,250,284
- . Construction in progress for Central Dispatch Motorola Console Radio Server/911 System in the amount of \$162,750

## ISABELLA COUNTY, MICHIGAN

### Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 2,542,689	\$ 2,330,249	\$ 107,757	\$ 107,757	\$ 2,650,446	\$ 2,438,006
Construction in progress	4,784,616	3,376,307	-	115,374	4,784,616	3,491,681
Buildings and improvements	8,988,150	9,109,900	464,564	500,038	9,452,714	9,609,938
Equipment	984,025	925,781	513,630	266,601	1,497,655	1,192,382
Vehicles	512,150	418,657	160,553	167,033	672,703	585,690
Other	182,193	286,467	-	-	182,193	286,467
<b>Total capital assets, net</b>	<b>\$ 17,993,823</b>	<b>\$ 16,447,361</b>	<b>\$ 1,246,504</b>	<b>\$ 1,156,803</b>	<b>\$ 19,240,327</b>	<b>\$ 17,604,164</b>

Additional information on the County's capital assets can be found in Note 6.

**Debt Administration.** At the end of the current fiscal year, the County had total debt outstanding of \$7,668,030, which represents bonds payable, post-closure landfill costs, and compensated absences.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	6,000,000	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Post-closure landfill costs	407,341	441,257	-	-	407,341	441,257
Compensated absences	1,193,467	1,243,010	67,222	71,831	1,260,689	1,314,841
<b>Total long-term debt</b>	<b>\$ 7,600,808</b>	<b>\$ 7,684,267</b>	<b>\$ 67,222</b>	<b>\$ 71,831</b>	<b>\$ 7,668,030</b>	<b>\$ 7,756,098</b>

The County's total governmental activity debt decreased by \$83,459 during the current fiscal year due to a decrease in compensated absences and post-closure landfill costs.

The County's bond ratings range from A to AAA. The AAA rating is given for bond issues that are backed with millage levies.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 9.

### Economic Condition and Outlook

The general fund had an increase in fund balance of \$710,923 in the current fiscal year. The Isabella County Board of Commissioners and County Administrator/Controller continue to provide strong financial management in a proactive manner. Isabella County has done well protecting its resources and meeting its financial obligations. This has been accomplished by concerted effort of the Board, elected and appointed officials and staff.

# ISABELLA COUNTY, MICHIGAN

## Management's Discussion and Analysis

Looking towards the future, the County Administrator/Controller and professional financial staff will continue updating financial reporting, budgeting processes, and implementing new financial management and control procedures. Elected and appointed officials will be empowered to accept responsibility for their department revenues, expenditures, budgets and adjustments, and be partners in assuring the fiscal stability of the County.

The County administrative staff is dedicated to fostering good partnerships and collaborations with our municipal and private sector neighbors and partners. To this end, we participate in a number of economic development organizations and serve on the boards of the Mid-Michigan Development Corporation, the City of Mount Pleasant Central Business District, Industrial Park North and University Park Tax Increment Finance Authorities and the Mission-Pickard Downtown Development Authority.

Isabella County is home to Central Michigan University, the Saginaw-Chippewa Indian Tribe, major manufacturers and many vibrant and charming communities. The economy is steady, the workforce is well trained, business persons are investing in the community and public officials are dedicated to preserving the rich heritage and character of the County while positioning the area to be vibrant for generations to come. Isabella County is honored to be a partner in the future of this great community.

The following economic factors were considered in developing the 2022-2023 budget:

- Property tax revenue anticipated for the 2022-2023 fiscal year budget shows a decrease of \$52,493, mainly due to the depreciation of the wind turbines.
- The budget maintains current service levels to County residents and provides for the utilization of general fund fund balance of over \$474,345, while continuing to strive to utilize minimal fund balance.
- The County is strategically considering much needed facility improvements. The County is about to break ground on a new \$47 million Sheriff's Office and Correctional Facility.
- The County Board implemented portions of the cost allocation plan in 2018-2019 fiscal year to capture indirect costs of non-general fund funds and plans on continuing to utilize the cost allocation plan methodology going forward.

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. As of the date of these financial statements, the outbreak has negatively impacted economic markets, business operations and the provision of many governmental services. Management realizes the pandemic will have an impact on all County employees and operations going forward and will remain proactive.

### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Isabella County Administration Office, 200 N. Main Street, Suite 205, Mt. Pleasant, Michigan 48858.



## **BASIC FINANCIAL STATEMENTS**



# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

September 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>Assets</b>				
Cash and cash equivalents	\$ 18,050,724	\$ 4,096,276	\$ 22,147,000	\$ 14,099,879
Investments	2,445,295	3,040,215	5,485,510	17,097,574
Restricted cash and investments	12,532,532	-	12,532,532	3,480,502
Cash at fiscal agent	-	-	-	134,639
Receivables	5,092,898	2,420,993	7,513,891	23,819,347
Internal balances	(119,212)	119,212	-	-
Other assets	497,760	3,713	501,473	1,534,740
Advance to component unit	150,000	-	150,000	-
Capital assets not being depreciated	6,806,358	107,757	6,914,115	35,194,274
Capital assets being depreciated, net	11,187,465	1,138,747	12,326,212	111,297,962
Net pension asset	-	-	-	148,350
<b>Total assets</b>	<b>56,643,820</b>	<b>10,926,913</b>	<b>67,570,733</b>	<b>206,807,267</b>
<b>Deferred outflows of resources</b>				
Deferred charge on bond refunding	-	-	-	43,504
Deferred pension amounts	1,404,981	32,057	1,437,038	2,167,242
<b>Total deferred outflows of resources</b>	<b>1,404,981</b>	<b>32,057</b>	<b>1,437,038</b>	<b>2,210,746</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,631,177	91,244	1,722,421	4,113,055
Unearned revenue	12,828,859	-	12,828,859	224,142
Advance from primary government	-	-	-	150,000
Long-term debt:				
Due within one year	545,098	26,888	571,986	2,056,391
Due in more than one year	7,055,710	40,334	7,096,044	19,425,754
Net pension liability, due in more than one year	15,368,495	350,534	15,719,029	4,747,418
<b>Total liabilities</b>	<b>37,429,339</b>	<b>509,000</b>	<b>37,938,339</b>	<b>30,716,760</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	3,118,327	71,124	3,189,451	2,619,369
Deferred lease amounts	263,308	-	263,308	-
<b>Total deferred outflows of resources</b>	<b>3,381,635</b>	<b>71,124</b>	<b>3,452,759</b>	<b>2,619,369</b>
<b>Net position</b>				
Net investment in capital assets	14,329,044	1,246,504	15,575,548	126,849,641
Restricted:				
County roads	-	-	-	16,097,484
Drain capital projects	-	-	-	4,841,753
Debt service	-	-	-	14,633,140
Commission on aging activities	2,875,455	-	2,875,455	-
Parks and recreation	1,678,993	-	1,678,993	-
E-911	1,194,095	-	1,194,095	-
Child care	763,026	-	763,026	-
CDBG housing assistance	1,084,869	-	1,084,869	-
Other	625,384	-	625,384	311,996
Unrestricted (deficit)	(5,313,039)	9,132,342	3,819,303	12,947,870
<b>Total net position</b>	<b>\$ 17,237,827</b>	<b>\$ 10,378,846</b>	<b>\$ 27,616,673</b>	<b>\$ 175,681,884</b>

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

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

For the Year Ended September 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 5,723,726	\$ 778,912	\$ 459,322	\$ -	\$ (4,485,492)
Judicial	7,681,864	779,875	2,770,806	-	(4,131,183)
Public safety	10,238,276	2,218,365	790,631	-	(7,229,280)
Public works	771,477	-	46,442	-	(725,035)
Health and welfare	4,795,180	262,074	1,663,874	-	(2,869,232)
Recreation and culture	1,063,815	605,060	7,572	-	(451,183)
Community and economic development	476,778	148,619	-	-	(328,159)
Interest on long-term debt	69,300	-	-	-	(69,300)
<b>Total governmental activities</b>	<b>30,820,416</b>	<b>4,792,905</b>	<b>5,738,647</b>	<b>-</b>	<b>(20,288,864)</b>
Business-type activities:					
Delinquent tax	321,109	818,087	-	-	496,978
Building inspections	394,725	490,550	7,001	-	102,826
Recycling	1,413,057	894,858	452,878	-	(65,321)
Concessions	123,439	301,804	-	-	178,365
<b>Total business-type activities</b>	<b>2,252,330</b>	<b>2,505,299</b>	<b>459,879</b>	<b>-</b>	<b>712,848</b>
<b>Total primary government</b>	<b>\$ 33,072,746</b>	<b>\$ 7,298,204</b>	<b>\$ 6,198,526</b>	<b>\$ -</b>	<b>\$ (19,576,016)</b>
<b>Component units</b>					
Road commission	\$ 11,897,612	\$ 1,419,824	\$ 10,156,376	\$ 6,305,173	\$ 5,983,761
Transportation commission	6,277,759	324,007	4,822,720	315,001	(816,031)
Medical care facility	15,843,010	11,877,715	-	1,060	(3,964,235)
Drainage districts	1,220,849	338,859	-	744,670	(137,320)
Board of public works	105,052	69,530	458,465	-	422,943
<b>Total component units</b>	<b>\$ 35,344,282</b>	<b>\$ 14,029,935</b>	<b>\$ 15,437,561</b>	<b>\$ 7,365,904</b>	<b>\$ 1,489,118</b>

continued...

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

For the Year Ended September 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>Changes in net position</b>				
Net (expense) revenues	\$ (20,288,864)	\$ 712,848	\$ (19,576,016)	\$ 1,489,118
General revenues:				
Property taxes	17,750,046	-	17,750,046	3,809,608
State shared revenues	1,336,889	-	1,336,889	-
Grants and contributions not restricted to specific programs	1,141,210	-	1,141,210	1,908,960
Unrestricted investment earnings	149,974	30,077	180,051	195,682
Gain on sale of capital assets	-	-	-	21,093
Other	-	-	-	4,502
Transfers - internal activities	(178,419)	178,419	-	-
Total general revenues and transfers	20,199,700	208,496	20,408,196	5,939,845
<b>Change in net position</b>	(89,164)	921,344	832,180	7,428,963
Net position, beginning of year	17,326,991	9,457,502	26,784,493	168,252,921
<b>Net position, end of year</b>	<u>\$ 17,237,827</u>	<u>\$ 10,378,846</u>	<u>\$ 27,616,673</u>	<u>\$ 175,681,884</u>

concluded.

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

# ISABELLA COUNTY, MICHIGAN

## Balance Sheet

Governmental Funds

September 30, 2022

	General	Commission on Aging Special Revenue Fund	Nonmajor Governmental Funds	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 10,380,101	\$ 1,305,129	\$ 6,326,262	\$ 18,011,492
Investments	275,807	1,327,532	841,956	2,445,295
Restricted cash and investments	12,532,532	-	-	12,532,532
Receivables:				
Accounts	128,089	14,317	882,577	1,024,983
Taxes	2,143,092	-	-	2,143,092
Loans	-	-	908,142	908,142
Leases	264,412	-	-	264,412
Due from other governments	392,196	112,414	217,775	722,385
Due from component unit	28,603	-	-	28,603
Due from other funds	524,939	178,274	50,000	753,213
Inventories	15,495	9,135	-	24,630
Prepays	115,276	3,411	31,257	149,944
Advance to component unit	150,000	-	-	150,000
<b>Total assets</b>	<b>\$ 26,950,542</b>	<b>\$ 2,950,212</b>	<b>\$ 9,257,969</b>	<b>\$ 39,158,723</b>
<b>Liabilities</b>				
Accounts payable	\$ 435,181	\$ 52,109	\$ 273,280	\$ 760,570
Accrued payroll	368,522	22,648	51,896	443,066
Due to other funds	152,761	-	456,274	609,035
Due to other governments	6	-	305,742	305,748
Unearned revenue	12,560,667	-	268,192	12,828,859
<b>Total liabilities</b>	<b>13,517,137</b>	<b>74,757</b>	<b>1,355,384</b>	<b>14,947,278</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - taxes	817,381	-	-	817,381
Unavailable revenue - loans	-	-	908,142	908,142
Deferred lease amounts	263,308	-	-	263,308
<b>Total deferred inflows of resources</b>	<b>1,080,689</b>	<b>-</b>	<b>908,142</b>	<b>1,988,831</b>
<b>Fund balances</b>				
Nonspendable	280,771	12,546	31,257	324,574
Restricted	-	2,862,909	6,766,808	9,629,717
Committed	1,214,978	-	196,378	1,411,356
Assigned	6,401,154	-	-	6,401,154
Unassigned	4,455,813	-	-	4,455,813
<b>Total fund balances</b>	<b>12,352,716</b>	<b>2,875,455</b>	<b>6,994,443</b>	<b>22,222,614</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 26,950,542</b>	<b>\$ 2,950,212</b>	<b>\$ 9,257,969</b>	<b>\$ 39,158,723</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
September 30, 2022

**Fund balances - total governmental funds** \$ 22,222,614

Amounts reported for *governmental activities* in the statement of net position are different because:

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

Capital assets not being depreciated	6,806,358
Capital assets being depreciated, net	11,187,465

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred long-term loans receivable	908,142
Deferred long-term taxes receivable	817,381

Certain pension-related amounts, such as the net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(15,368,495)
Deferred inflows related to the net pension liability	(3,118,327)
Deferred outflows related to the net pension liability	1,404,981

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in the internal service fund	241,206
Net position of the internal service fund allocated to business-type activities	(193,390)

Long-term debt and other noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(6,000,000)
Accrued interest on bonds payable	(69,300)
Post-closure landfill liabilities	(407,341)
Compensated absences	(1,193,467)

**Net position of governmental activities** \$ 17,237,827

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

## ISABELLA COUNTY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2022

	General	Commission on Aging Special Revenue Fund	Nonmajor Governmental Funds	Totals
<b>Revenues</b>				
Property taxes	\$ 15,093,783	\$ 1,818,471	\$ 724,931	\$ 17,637,185
Licenses and permits	290,590	-	577,195	867,785
Intergovernmental	4,013,383	976,172	2,472,052	7,461,607
Charges for services	2,116,956	74	1,873,129	3,990,159
Fines and forfeitures	77,681	-	6,500	84,181
Interest and rents	342,577	10,896	10,284	363,757
Contributions	-	152,729	-	152,729
Other revenues	230,950	1,520	91,181	323,651
<b>Total revenues</b>	<b>22,165,920</b>	<b>2,959,862</b>	<b>5,755,272</b>	<b>30,881,054</b>
<b>Expenditures</b>				
Current:				
General government	5,300,697	-	57,728	5,358,425
Judicial	5,740,706	-	1,944,693	7,685,399
Public safety	7,731,207	-	2,050,551	9,781,758
Public works	395,108	-	-	395,108
Health and welfare	1,153,510	2,486,626	1,122,970	4,763,106
Recreation and culture	-	-	1,175,606	1,175,606
Community and economic development	477,695	-	508	478,203
Capital outlay	-	-	1,250,283	1,250,283
<b>Total expenditures</b>	<b>20,798,923</b>	<b>2,486,626</b>	<b>7,602,339</b>	<b>30,887,888</b>
Revenues over (under) expenditures	1,366,997	473,236	(1,847,067)	(6,834)
<b>Other financing sources (uses)</b>				
Transfers in	1,003,432	-	1,209,506	2,212,938
Transfers out	(1,659,506)	(349,154)	(382,697)	(2,391,357)
<b>Total other financing sources (uses)</b>	<b>(656,074)</b>	<b>(349,154)</b>	<b>826,809</b>	<b>(178,419)</b>
<b>Net change in fund balances</b>	<b>710,923</b>	<b>124,082</b>	<b>(1,020,258)</b>	<b>(185,253)</b>
Fund balances, beginning of year	11,641,793	2,751,373	8,014,701	22,407,867
<b>Fund balances, end of year</b>	<b>\$ 12,352,716</b>	<b>\$ 2,875,455</b>	<b>\$ 6,994,443</b>	<b>\$ 22,222,614</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2022

**Net change in fund balances - total governmental funds** \$ (185,253)

Amounts reported for *governmental activities* in the statement of activities are different because:

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

Capital assets purchased/constructed	2,409,933
Depreciation expense	(815,890)
Loss on sale of capital assets	(47,581)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in long-term loans receivable	(84,523)
Change in long-term taxes receivables	112,861

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The net increase (decrease) in the net position of the internal service funds is reported with governmental activities.

Change in net position from governmental activities in the internal service fund	(18,578)
Change in the internal service fund net position allocated to business-type activities	1,214

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.

Change in landfill post-closure liability	33,916
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable on long-term liabilities	(69,300)
Change in net pension liability and related deferred amounts	(1,475,506)
Change in the accrual for compensated absences	49,543

**Change in net position of governmental activities** \$ (89,164)

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

# ISABELLA COUNTY, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 13,666,058	\$ 15,275,318	\$ 15,093,783	\$ (181,535)
Licenses and permits	200,200	307,115	290,590	(16,525)
Intergovernmental	6,093,704	5,969,131	4,013,383	(1,955,748)
Charges for services	1,854,550	1,913,085	2,116,956	203,871
Fines and forfeitures	84,500	94,500	77,681	(16,819)
Interest and rents	261,352	266,352	342,577	76,225
Other revenues	153,500	194,776	230,950	36,174
<b>Total revenues</b>	<b>22,313,864</b>	<b>24,020,277</b>	<b>22,165,920</b>	<b>(1,854,357)</b>
<b>Expenditures</b>				
Current:				
General government:				
Board of Commissioners	206,528	211,828	197,514	(14,314)
Administration	1,336,071	1,271,820	1,181,903	(89,917)
Elections	105,500	105,500	62,312	(43,188)
Clerk	628,417	629,117	578,992	(50,125)
Equalization	346,417	351,417	311,685	(39,732)
Register of deeds	446,480	447,180	404,834	(42,346)
Managed assigned counsel	180,000	192,500	146,363	(46,137)
Remonumentation	50,000	50,000	48,672	(1,328)
Treasurer	250,055	250,330	239,798	(10,532)
MSU cooperative extension	175,756	175,756	175,172	(584)
Information systems	518,641	525,556	407,783	(117,773)
Building and grounds	1,835,567	1,438,898	1,180,194	(258,704)
Drain commissioner	368,159	378,859	365,475	(13,384)
<b>Total general government</b>	<b>6,447,591</b>	<b>6,028,761</b>	<b>5,300,697</b>	<b>(728,064)</b>
Judicial:				
Trial court	4,432,219	4,439,070	4,074,511	(364,559)
Prosecuting attorney	1,632,778	1,674,709	1,477,351	(197,358)
Adult drug court	127,254	127,254	87,044	(40,210)
Juvenile drug court	111,053	111,053	97,960	(13,093)
Family court	-	-	-	-
Jury board	5,000	5,000	3,840	(1,160)
<b>Total judicial</b>	<b>6,308,304</b>	<b>6,357,086</b>	<b>5,740,706</b>	<b>(616,380)</b>
Public safety:				
Sheriff	3,655,163	3,698,351	3,445,298	(253,053)
Road patrol	134,080	134,080	117,231	(16,849)
Marine safety	10,633	10,633	4,032	(6,601)
Corrections	3,487,245	3,649,935	3,514,319	(135,616)
Emergency management	275,655	275,687	162,310	(113,377)
Michigan justice training act	3,000	3,000	-	(3,000)
Mid-Michigan community college contract	49,041	49,041	38,298	(10,743)
School patrol	-	52,200	28,576	(23,624)
Animal control	380,211	437,689	416,943	(20,746)
Other	-	5,000	4,200	(800)
<b>Total public safety</b>	<b>7,995,028</b>	<b>8,315,616</b>	<b>7,731,207</b>	<b>(584,409)</b>

continued...



## ISABELLA COUNTY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Public works:				
Board of public works	\$ 1,050	\$ 1,050	\$ 420	\$ (630)
Drain at large	340,321	360,821	360,773	(48)
Well monitoring - landfill	67,711	67,711	33,915	(33,796)
<b>Total public works</b>	<b>409,082</b>	<b>429,582</b>	<b>395,108</b>	<b>(34,474)</b>
Health and welfare:				
Substance abuse counseling	130,481	150,481	127,278	(23,203)
Medical examiner	179,300	184,100	180,410	(3,690)
Public health	467,820	472,320	469,627	(2,693)
Mental health services	216,300	216,300	216,300	-
Child protection services	5,000	5,000	5,000	-
Veteran's affairs	146,088	174,729	152,168	(22,561)
Disabilities advisory commission	6,150	6,350	2,727	(3,623)
<b>Total health and welfare</b>	<b>1,151,139</b>	<b>1,209,280</b>	<b>1,153,510</b>	<b>(55,770)</b>
Community and economic development	418,665	519,015	477,695	(41,320)
Other	50,000	50,000	-	(50,000)
<b>Total expenditures</b>	<b>22,779,809</b>	<b>22,909,340</b>	<b>20,798,923</b>	<b>(2,110,417)</b>
Revenues over (under) expenditures	(465,945)	1,110,937	1,366,997	256,060
<b>Other financing sources (uses)</b>				
Transfers in	1,812,849	1,012,849	1,003,432	(9,417)
Transfers out	(1,657,506)	(1,659,506)	(1,659,506)	-
<b>Total other financing sources (uses)</b>	<b>155,343</b>	<b>(646,657)</b>	<b>(656,074)</b>	<b>(9,417)</b>
<b>Net change in fund balance</b>	<b>(310,602)</b>	<b>464,280</b>	<b>710,923</b>	<b>246,643</b>
Fund balance, beginning of year	11,641,793	11,641,793	11,641,793	-
<b>Fund balance, end of year</b>	<b>\$ 11,331,191</b>	<b>\$ 12,106,073</b>	<b>\$ 12,352,716</b>	<b>\$ 246,643</b>

concluded.

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

## ISABELLA COUNTY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,662,114	\$ 1,662,114	\$ 1,818,471	\$ 156,357
Intergovernmental	815,874	815,874	976,172	160,298
Charges for services	2,000	2,000	74	(1,926)
Interest and rents	-	-	10,896	10,896
Contributions	183,169	183,169	152,729	(30,440)
Other revenues	1,350	1,350	1,520	170
<b>Total revenues</b>	<b>2,664,507</b>	<b>2,664,507</b>	<b>2,959,862</b>	<b>295,355</b>
<b>Expenditures</b>				
Current:				
Health and welfare	2,754,359	3,290,503	2,486,626	(803,877)
Revenues over (under) expenditures	(89,852)	(625,996)	473,236	1,099,232
<b>Other financing uses</b>				
Transfers out	(349,154)	(349,154)	(349,154)	-
<b>Net change in fund balance</b>	<b>(439,006)</b>	<b>(975,150)</b>	<b>124,082</b>	<b>1,099,232</b>
Fund balance, beginning of year	2,751,373	2,751,373	2,751,373	-
<b>Fund balance, end of year</b>	<b>\$ 2,312,367</b>	<b>\$ 1,776,223</b>	<b>\$ 2,875,455</b>	<b>\$ 1,099,232</b>

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

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Proprietary Funds  
September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 806,493	\$ 856,605	\$ 2,194,189	\$ 238,989	\$ 4,096,276	\$ 39,232
Investments	1,308,084	-	731,452	1,000,679	3,040,215	-
Receivables:						
Accounts	-	100,716	5,640	4,184	110,540	1,281
Delinquent taxes	2,217,298	-	-	-	2,217,298	-
Due from other governments	93,155	-	-	-	93,155	-
Due from other funds	-	150,000	-	-	150,000	-
Inventories	-	-	-	3,713	3,713	-
Prepays	-	-	-	-	-	323,186
<b>Total current assets</b>	<b>4,425,030</b>	<b>1,107,321</b>	<b>2,931,281</b>	<b>1,247,565</b>	<b>9,711,197</b>	<b>363,699</b>
Noncurrent assets:						
Capital assets not being depreciated	-	107,757	-	-	107,757	-
Capital assets being depreciated, net	-	1,007,391	-	131,356	1,138,747	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>1,115,148</b>	<b>-</b>	<b>131,356</b>	<b>1,246,504</b>	<b>-</b>
<b>Total assets</b>	<b>4,425,030</b>	<b>2,222,469</b>	<b>2,931,281</b>	<b>1,378,921</b>	<b>10,957,701</b>	<b>363,699</b>
<b>Deferred outflows of resources</b>						
Deferred pension amounts	3,738	1,294	5,031	21,994	32,057	-
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	3,398	45,004	798	7,797	56,997	52,493
Accrued wages	1,766	7,429	1,021	4,968	15,184	-
Due to other governments	-	19,063	-	-	19,063	-
Due to other funds	-	224,078	-	100	224,178	70,000
Current portion of long-term debt	1,836	12,686	2,592	9,774	26,888	-
<b>Total current liabilities</b>	<b>7,000</b>	<b>308,260</b>	<b>4,411</b>	<b>22,639</b>	<b>342,310</b>	<b>122,493</b>
Noncurrent liabilities:						
Long-term debt, net of current portion	2,755	19,029	3,889	14,661	40,334	-
Net pension liability	40,869	14,147	55,017	240,501	350,534	-
<b>Total noncurrent liabilities</b>	<b>43,624</b>	<b>33,176</b>	<b>58,906</b>	<b>255,162</b>	<b>390,868</b>	<b>-</b>
<b>Total liabilities</b>	<b>50,624</b>	<b>341,436</b>	<b>63,317</b>	<b>277,801</b>	<b>733,178</b>	<b>122,493</b>
<b>Deferred inflows of resources</b>						
Deferred pension amounts	8,292	2,870	11,163	48,799	71,124	-
<b>Net position</b>						
Investment in capital assets	-	1,115,148	-	131,356	1,246,504	-
Unrestricted	4,369,852	764,309	2,861,832	942,959	8,938,952	241,206
<b>Total net position</b>	<b>\$ 4,369,852</b>	<b>\$ 1,879,457</b>	<b>\$ 2,861,832</b>	<b>\$ 1,074,315</b>	<b>\$ 10,185,456</b>	<b>\$ 241,206</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Position of Enterprise Funds  
to Net Position of Business-type Activities  
September 30, 2022

**Net position - total enterprise funds** \$ 10,185,456

Amounts reported for *business-type activities* in the statement of net position are different because:

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position, which a portion is allocated to the business-type activities.

193,390

**Net position of business-type activities** \$ 10,378,846

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

## ISABELLA COUNTY, MICHIGAN

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

Proprietary Funds

For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Operating revenues</b>						
Charges for services	\$ 157,273	\$ 148,654	\$ 407,959	\$ 509,206	\$ 1,223,092	\$ 4,180,845
Sales	-	746,204	-	286,252	1,032,456	-
Interest and penalties on delinquent taxes	249,751	-	-	-	249,751	-
<b>Total operating revenues</b>	<b>407,024</b>	<b>894,858</b>	<b>407,959</b>	<b>795,458</b>	<b>2,505,299</b>	<b>4,180,845</b>
<b>Operating expenses</b>						
Personnel services	109,170	592,406	75,291	345,136	1,122,003	-
Supplies	2,818	21,103	13,030	11,525	48,476	-
Contractual services	68,445	330,164	47,590	16,767	462,966	-
Other services and charges	85	338,655	3,866	16,770	359,376	-
Cost of goods sold	-	-	-	112,435	112,435	-
Health insurance benefits and premiums	-	-	-	-	-	4,199,702
Depreciation	-	130,032	-	15,828	145,860	-
<b>Total operating expenses</b>	<b>180,518</b>	<b>1,412,360</b>	<b>139,777</b>	<b>518,461</b>	<b>2,251,116</b>	<b>4,199,702</b>
Operating income (loss)	226,506	(517,502)	268,182	276,997	254,183	(18,857)
<b>Nonoperating revenues</b>						
Intergovernmental	-	452,878	-	-	452,878	-
Interest revenue	12,395	935	9,055	7,692	30,077	279
Gain on the sale of capital assets	-	-	-	7,001	7,001	-
<b>Total nonoperating revenues</b>	<b>12,395</b>	<b>453,813</b>	<b>9,055</b>	<b>14,693</b>	<b>489,956</b>	<b>279</b>
Income (loss) before transfers	238,901	(63,689)	277,237	291,690	744,139	(18,578)
Transfers in	-	450,000	-	-	450,000	-
Transfers out	-	(122,226)	-	(149,355)	(271,581)	-
<b>Change in net position</b>	<b>238,901</b>	<b>264,085</b>	<b>277,237</b>	<b>142,335</b>	<b>922,558</b>	<b>(18,578)</b>
Net position, beginning of year	4,130,951	1,615,372	2,584,595	931,980	9,262,898	259,784
<b>Net position, end of year</b>	<b>\$ 4,369,852</b>	<b>\$ 1,879,457</b>	<b>\$ 2,861,832</b>	<b>\$ 1,074,315</b>	<b>\$ 10,185,456</b>	<b>\$ 241,206</b>

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

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Net Position Enterprise Funds  
to Change in Net Position of Business-type Activities  
For the Year Ended September 30, 2022

<b>Change in net position - total enterprise funds</b>	\$ 922,558
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Amounts reported for *business-type activities* in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The net increase (decrease) in the net position of the internal service fund is reported with governmental activities.

Change in net position from internal service funds accounted for in governmental activities allocated to business-type activities	<u>(1,214)</u>
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<b>Change in net position of business-type activities</b>	<u>\$ 921,344</u>
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The accompanying notes are an integral part of these basic financial statements.

**ISABELLA COUNTY, MICHIGAN**

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Cash flows from operating activities</b>						
Cash received from customers	\$ 406,550	\$ 865,069	\$ 402,674	\$ 803,896	\$ 2,478,189	\$ -
Cash received from interfund services	-	-	-	-	-	4,180,212
Cash payments for goods and services	(68,053)	(660,534)	(67,908)	(154,263)	(950,758)	(4,159,752)
Cash payments to employees	(112,573)	(603,321)	(76,243)	(378,971)	(1,171,108)	-
<b>Net cash provided by (used in) operating activities</b>	<u>225,924</u>	<u>(398,786)</u>	<u>258,523</u>	<u>270,662</u>	<u>356,323</u>	<u>20,460</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers in	-	450,000	-	-	450,000	-
Transfers out	-	(122,226)	-	(149,355)	(271,581)	-
Intergovernmental receipts	-	452,878	-	-	452,878	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>780,652</u>	<u>-</u>	<u>(149,355)</u>	<u>631,297</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>						
Acquisition/construction of capital assets	-	(211,433)	-	(46,755)	(258,188)	-
Proceeds from sale of capital assets	-	-	-	29,628	29,628	-
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>(211,433)</u>	<u>-</u>	<u>(17,127)</u>	<u>(228,560)</u>	<u>-</u>
<b>Cash flows from investing activities</b>						
Interest and dividends received	12,395	935	9,055	7,692	30,077	279
Purchases of investments	(1,301,045)	-	(731,452)	(25,980)	(2,058,477)	-
<b>Net cash provided by (used in) investing activities</b>	<u>(1,288,650)</u>	<u>935</u>	<u>(722,397)</u>	<u>(18,288)</u>	<u>(2,028,400)</u>	<u>279</u>
<b>Net change in cash and cash equivalents</b>	<u>(1,062,726)</u>	<u>171,368</u>	<u>(463,874)</u>	<u>85,892</u>	<u>(1,269,340)</u>	<u>20,739</u>
<b>Cash and cash equivalents:</b>						
Beginning of year	<u>1,869,219</u>	<u>685,237</u>	<u>2,658,063</u>	<u>153,097</u>	<u>5,365,616</u>	<u>18,493</u>
<b>End of year</b>	<u>\$ 806,493</u>	<u>\$ 856,605</u>	<u>\$ 2,194,189</u>	<u>\$ 238,989</u>	<u>\$ 4,096,276</u>	<u>\$ 39,232</u>

continued...

**ISABELLA COUNTY, MICHIGAN**

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Recycling	PA 123 Restricted Tax	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ 226,506	\$ (517,502)	\$ 268,182	\$ 276,997	\$ 254,183	\$ (18,857)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	130,032	-	15,828	145,860	-
Change in operating assets and liabilities that provided (used) cash:						
Accounts receivable	-	20,211	(5,285)	8,438	23,364	(633)
Delinquent taxes receivable	(14,013)	-	-	-	(14,013)	-
Due from other governmental units	13,539	-	-	-	13,539	-
Inventories	-	-	-	269	269	-
Prepays	-	-	-	2,837	2,837	(11,964)
Deferred outflows of resources related to pension	(646)	(15)	(660)	(1,738)	(3,059)	-
Due from other funds	-	(50,000)	-	-	(50,000)	-
Accounts payable	3,295	21,450	(3,422)	28	21,351	11,914
Accrued wages	317	579	222	1,145	2,263	-
Due to other governmental units	-	7,938	-	-	7,938	-
Due to other funds	-	-	-	100	100	40,000
Compensated absences	(2,620)	(7,966)	3,452	2,525	(4,609)	-
Net pension liability	(3,970)	(4,407)	(8,376)	(53,273)	(70,026)	-
Deferred inflows of resources related to pension	3,516	894	4,410	17,506	26,326	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 225,924</u>	<u>\$ (398,786)</u>	<u>\$ 258,523</u>	<u>\$ 270,662</u>	<u>\$ 356,323</u>	<u>\$ 20,460</u>

concluded.

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



# ISABELLA COUNTY, MICHIGAN

## Statement of Fiduciary Net Position

Custodial Funds  
September 30, 2022

### Assets

Cash and cash equivalents	\$ 9,211,293
Investments	470,837
Accounts receivable	<u>24,378</u>

### Total assets

9,706,508

### Liabilities

Due to other governmental units:	
Federal/State	2,819,796
Local	6,655,910
Due to individuals and agencies	<u>219,084</u>

### Total liabilities

9,694,790

### Net position restricted for

Individuals, organizations and other governments	<u>\$ 11,718</u>
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The accompanying notes are an integral part of these basic financial statements.

## ISABELLA COUNTY, MICHIGAN

### Statement of Change in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2022

#### Additions

Real estate transfer tax collected for other governments	\$ 2,462,824
Fees and fines collected on behalf of other governments	1,841,817
Collections from or on behalf of inmates	541,447
Collections on behalf of the Central Michigan District Health Department	15,565,342
Other taxes collected for other governments	<u>20,249,292</u>

#### Total additions

40,660,722

#### Deductions

Payments of real estate transfer tax to other governments	2,462,824
Fees and fines remitted to other governments	1,841,817
Payments to or on behalf of inmates	538,682
Payments to the Central Michigan District Health Department	15,565,342
Payments of other taxes to other governments	<u>20,249,292</u>

#### Total deductions

40,657,957

#### Change in net position

2,765

Net position, beginning of year

8,953

#### Net position, end of year

\$ 11,718

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

## **COMPONENT UNITS**

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2022

	Road Commission	Transportation Commission	Medical Care Facility
<b>Assets</b>			
Cash and cash equivalents	\$ 2,617,469	\$ 4,339,329	\$ 1,081,551
Investments	15,564,621	-	-
Cash at fiscal agent	-	-	-
Receivables	2,517,447	670,811	6,559,349
Other assets	681,143	368,032	221,603
Restricted cash and investments	-	-	3,480,502
Capital assets not being depreciated	29,730,495	54,004	42,703
Capital assets being depreciated, net	74,571,427	1,902,312	9,768,331
Net pension asset	-	148,350	-
<b>Total assets</b>	<b>125,682,602</b>	<b>7,482,838</b>	<b>21,154,039</b>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	-	-	-
Deferred pension amounts	1,034,219	384,091	748,932
<b>Total deferred outflows of resources</b>	<b>1,034,219</b>	<b>384,091</b>	<b>748,932</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,249,561	729,630	1,244,364
Advance from primary government	-	-	-
Unearned revenue	-	89,503	-
Long-term debt:			
Due within one year	626,000	112,523	-
Due in more than one year	5,024,866	-	-
Net pension liability, due in more than one year	3,675,370	-	1,072,048
<b>Total liabilities</b>	<b>10,575,797</b>	<b>931,656</b>	<b>2,316,412</b>
<b>Deferred inflows of resources</b>			
Deferred pension amounts	1,063,618	496,013	1,059,738
<b>Net position</b>			
Net investment in capital assets	98,979,922	1,956,316	9,811,034
Restricted:			
County roads	16,097,484	-	-
Pension	-	36,428	-
Debt service	-	-	-
Capital projects	-	-	-
Nonexpendable - Drayton and Millie Miley Trust	-	-	55,226
Expendable:			
Drayton and Millie Miley Trust	-	-	39,923
Patient Equipment Trust	-	-	180,419
Unrestricted	-	4,446,516	8,440,219
<b>Total net position</b>	<b>\$ 115,077,406</b>	<b>\$ 6,439,260</b>	<b>\$ 18,526,821</b>

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

Drainage District	Board of Public Works	Totals
\$ 6,003,011	\$ 58,519	\$ 14,099,879
1,532,953	-	17,097,574
-	134,639	134,639
12,924,019	1,147,721	23,819,347
263,962	-	1,534,740
-	-	3,480,502
5,351,072	16,000	35,194,274
25,019,685	36,207	111,297,962
-	-	148,350
<u>51,094,702</u>	<u>1,393,086</u>	<u>206,807,267</u>
-	43,504	43,504
-	-	2,167,242
-	43,504	2,210,746
832,158	57,342	4,113,055
150,000	-	150,000
-	134,639	224,142
1,207,868	110,000	2,056,391
13,330,888	1,070,000	19,425,754
-	-	4,747,418
<u>15,520,914</u>	<u>1,371,981</u>	<u>30,716,760</u>
-	-	2,619,369
16,050,162	52,207	126,849,641
-	-	16,097,484
-	-	36,428
14,633,140	-	14,633,140
4,841,753	-	4,841,753
-	-	55,226
-	-	39,923
-	-	180,419
48,733	12,402	12,947,870
<u>\$ 35,573,788</u>	<u>\$ 64,609</u>	<u>\$ 175,681,884</u>

## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units

For the Year Ended September 30, 2022

	Road Commission	Transportation Commission	Medical Care Facility
<b>Expenses</b>			
Road Commission	\$ 11,897,612	\$ -	\$ -
Transportation Commission	-	6,277,759	-
Medical Care Facility	-	-	15,843,010
Drainage Districts	-	-	-
Board of Public Works	-	-	-
<b>Total expenses</b>	<u>11,897,612</u>	<u>6,277,759</u>	<u>15,843,010</u>
<b>Program revenues</b>			
Charges for services	1,419,824	324,007	11,877,715
Operating grants and contributions	10,156,376	4,822,720	-
Capital grants and contributions	6,305,173	315,001	1,060
<b>Total program revenues</b>	<u>17,881,373</u>	<u>5,461,728</u>	<u>11,878,775</u>
Net program revenue (expense)	<u>5,983,761</u>	<u>(816,031)</u>	<u>(3,964,235)</u>
<b>General revenues</b>			
Property taxes	-	1,779,492	2,030,116
Unrestricted grant revenue	-	-	1,908,960
Unrestricted investment earnings	112,104	9,522	21,215
Gain on sale of capital assets	21,093	-	-
Other	-	4,502	-
<b>Total general revenues</b>	<u>133,197</u>	<u>1,793,516</u>	<u>3,960,291</u>
<b>Change in net position</b>	6,116,958	977,485	(3,944)
Net position (deficit), beginning of year	<u>108,960,448</u>	<u>5,461,775</u>	<u>18,530,765</u>
<b>Net position, end of year</b>	<u>\$ 115,077,406</u>	<u>\$ 6,439,260</u>	<u>\$ 18,526,821</u>

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



<b>Drainage District</b>	<b>Board of Public Works</b>	<b>Totals</b>
\$ -	\$ -	\$ 11,897,612
-	-	6,277,759
-	-	15,843,010
1,220,849	-	1,220,849
-	105,052	105,052
<u>1,220,849</u>	<u>105,052</u>	<u>35,344,282</u>
338,859	69,530	14,029,935
-	458,465	15,437,561
<u>744,670</u>	<u>-</u>	<u>7,365,904</u>
<u>1,083,529</u>	<u>527,995</u>	<u>36,833,400</u>
<u>(137,320)</u>	<u>422,943</u>	<u>1,489,118</u>
-	-	3,809,608
-	-	1,908,960
52,788	53	195,682
-	-	21,093
-	-	4,502
<u>52,788</u>	<u>53</u>	<u>5,939,845</u>
(84,532)	422,996	7,428,963
<u>35,658,320</u>	<u>(358,387)</u>	<u>168,252,921</u>
<u>\$ 35,573,788</u>	<u>\$ 64,609</u>	<u>\$ 175,681,884</u>

## **NOTES TO FINANCIAL STATEMENTS**



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Isabella County, Michigan (the “County”) was organized in 1859 and covers an area of 572 square miles divided into 16 townships, three villages, and two cities. The County seat is located in the City of Mt. Pleasant. The County operates under an elected Board of Commissioners and provides services to nearly 70,000 residents in many areas including law enforcement, administration, justice, community enrichment and development, and human services.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County’s more significant accounting policies are described below.

#### **Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. The financial data of the component units are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

#### *Blended Component Unit*

A blended component unit is a legally separate entity from the County but is so intertwined with the County that it is, in substance, the same as the County. It is reported as part of the County and its financial data is combined with data of the appropriate funds. The County has one blended component unit, the Building Authority. This component unit provides services primarily to benefit the County. The blended unit is described as follows:

The **Building Authority** (the “Authority”) was established by the County under Act 31, Michigan Public Acts of 1948 and is governed by a five-member Board appointed by the County Board of Commissioners. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of capital assets for the County. The bonds are secured by lease agreements with the County and will be retired through lease payments from the County. The financial activity, assets, liabilities, deferred inflows of resources and equity of the Authority are reported in the Building Authority Debt Service Fund.

#### *Discretely Presented Component Units*

Discretely presented component units are entities that are legally separate from the County but for which the County is financially accountable, or their relationship with the County is such that exclusion would cause the County’s financial statements to be misleading or incomplete. The discretely presented component units are as follows:

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The **Isabella County Road Commission** (the "Road Commission") is responsible for the maintenance and construction of the County road system. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local government units within the County. The Road Commission is governed by a five member Board of County Road Commissioners elected by Isabella County voters. Isabella County is secondarily obligated to provide repayment of a loan through the State of Michigan. All long-term debt issuances excluding capital lease purchase agreements require County authorization. A copy of the Road Commission's audited financial statements can be obtained at its administrative offices.

The **Isabella County Transportation Commission** (the "Commission") provides mass transit services to the citizens of Isabella County. The Commission was created by an inter-local agreement between the County and the City of Mt. Pleasant. The Commission is administered by a board with a voting majority appointed by the County Board of Commissioners. The Transportation Commission Board may not issue debt and the tax levy is subject to County Board of Commissioners' approval. The Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and included as part of the County's total tax levy as well as reported in the Isabella County Transportation Commission Fund. The Isabella County Treasurer, by statute, is responsible for the treasury function for the Commission. A copy of the Commission's audited financial statements can be obtained at its administrative offices.

The **Isabella County Medical Care Facility** (the "Facility") is governed by the Isabella County Department of Human Services Board. This board consists of three members, two of whom are appointed by the County Board of Commissioners and one appointed by the Michigan governor. The County Human Services Board approves the Facility's budget and submits a copy to the County Board of Commissioners. A copy of the Medical Care Facility's audited financial statements can be obtained at its administrative offices.

The **Isabella County Drainage Districts** is administered by the Drain Commissioner who has the sole responsibility to administer the drainage districts established by the Drain Code of 1956. The Isabella County Drain Commissioner is responsible for planning, developing, and maintaining surface water drainage systems within the County. The statutory Inter-County Drainage Board consists of the State Director of Agriculture and the drain commissioners of each county involved in the projects. Each of the drainage districts is a separate legal entity. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage districts upon authorization of the County Board of Commissioners. The drainage districts are financially accountable to the County because the County has pledged its full faith and credit for the payment of the outstanding bond issues authorized by the Drain Commissioner and because annual operating budgets must be approved by the County Board of Commissioners. The combining financial statements for the drainage districts are presented as part of other supplementary information and a separate report is not issued.

The **Isabella County Board of Public Works** has the responsibility of administering various public works construction projects and the associated debt service funds and was established pursuant to the provisions of Act 185, Public Acts of 1957, as amended. The Board is also responsible for the administration of the operations of the Lake Isabella water supply system. The Board of Public Works is administered by a seven member Board comprised of the Drain commissioner and six members with a voting majority appointed by the County Board of Commissioners. All general obligation bond issuances require County authorization and are backed by the full faith and credit of the County. The combining financial statements for the Board of Public Works are presented as part of other supplementary information and a separate report is not issued.

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

The **Isabella County Economic Development Corporation** (the "EDC") was established to provide community and economic development services. The County's board of commissioners is responsible for appointing the members of the EDC board. The EDC has been inactive for many years and did not have any activity or balances as of September 30, 2022.

#### *Jointly Governed Organizations*

The **Central Michigan Mental Health Facilities Board** (the "Facilities Board") provides mental health facilities to Isabella, Clare, Mecosta, and Osceola counties. The Facilities Board is organized as a nonprofit under Section 501(c)(3) of the Internal Revenue Code. Each of the four counties through their respective Boards of Commissioners appoints two members to the Facilities Board. The Facilities Board, Isabella County, and the Isabella County Building Authority entered into a three-party agreement whereby, the County, through the Building Authority, sold general obligation bonds to construct a mental health building in Mt. Pleasant.

The Building Authority holds title to the building but has an agreement with County to allow the County to enter into a financed purchase agreement for the building with the Facilities Board, with the annual rent equal to the debt service requirements of the bond issue. The Facilities Board entered into a separate, but related, rental agreement with the Central Michigan Mental Health Services Board to provide office space. This rental agreement provides substantially all the funding necessary to meet the Facilities Board's obligation to the County. The title of the building is to revert to the Facilities Board upon redemption of the bond issue.

Similar arrangements have been made to construct mental health facilities in Mecosta and Osceola counties between the Facilities Board, the counties, and their building authorities.

The **Central Michigan Community Mental Health Services Board** ("Services Board") reorganized as a Community Mental Health Authority under Public Act 258 of 1974, as amended. The Board has representatives and provides services to residents of Clare, Isabella, Osceola, and Mecosta counties. All participating counties provide annual appropriations; however, none of the participating counties are financially responsible for the Services Board.

The **Central Michigan District Health Department** ("Health Department") is a multi-county agency established to provide public health services. The Health Department serves the counties of Arenac, Clare, Gladwin, Isabella, Osceola, and Roscommon. Isabella County and the other participating counties provide annual appropriations to subsidize the operations of the District Health Department. The District Health Department is primarily responsible for the debt service relating to the Building Authority bond issue sold to finance the construction of the District Health Department building. Financial accountability to the County is demonstrated by these annual operating appropriations and the rental of space to house its operations. In addition, the treasury function for the District Health Department rests with the Isabella County Treasurer. A copy of the District Health Department's audited financial statements can be obtained at its administrative offices.

The Facilities Board, Services Board, and Health Department are legally separate from the County and have not met the financial accountability criteria of GAAP. For this reason, they are not considered component units of the County.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### ***Government-wide and Fund Financial Statements***

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Custodial funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, custodial funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year-end, except reimbursement-based grants that use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

The *Commission on Aging Fund* accounts for the operations of the Commission on Aging and is funded primarily through grant revenue and taxes.

The County reports the following major enterprise funds:

The *Delinquent Tax Revolving Fund* accounts for the activities of the County's purchase and collection of delinquent property taxes.

The *Recycling Fund* accounts for the activities of the County's recycling program.

The *PA 123 Restricted Tax Fund* accounts for the activities related to the sale of real property to satisfy delinquent taxes receivables under Public Act 123.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that comprise, or are expected to comprise a substantial portion of the fund's total reported inflows.

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

*Enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

*Internal service funds* account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. This includes administering a high deductible health insurance plan and health reimbursement account for active and eligible retired employees and their families.

*Custodial funds* account for assets held by the County in a custodial capacity for other governments and entities. Primarily this includes undistributed collections and withholdings of current property taxes, state jail booking fees, state real estate transfer taxes, and library penal fines.

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

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

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

Restricted net position represents amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity**

#### ***Deposits and Investments***

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the County's investments. Cash equivalents consist of temporary investments in various instruments with a maturity from date of purchase of 90 days or less.

The County's pooled cash and investments are utilized by the general fund and most of the special revenue funds, capital project funds, debt service fund, enterprise funds, internal service funds, custodial funds, and component units. Each fund's portion of these pooled accounts is included in the cash and cash equivalents caption in the applicable balance sheet/statement of net position. Certain funds of the County utilize separate savings and interest bearing checking accounts. In addition, certificates of deposit are separately held by several of the County's funds.

Investments consist of a Michigan Cooperative Liquid Assets Securities System (MIClass) investment and certificates of deposits with original maturities of greater than 90 days.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

State statutes authorize the County to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

### ***Restricted Assets***

Certain resources have been classified as restricted on the statement of net position because their use is limited. The restricted cash and investments on the governmental activities statement of net position consists of unspent ARPA funds.

The Medical Care Facility has recorded restricted assets for various trust activities.

### ***Receivables***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

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

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Loans receivable consists of Community Development Block Grant funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on the related property.

### ***Inventories and Prepaids***

Inventories consist of food and office supplies, are reported at cost using the first-in/first-out method and are recorded as expenditures when consumed (consumption method). Nonspendable fund balances have been recorded in the applicable governmental funds to indicate that inventories are not currently available, spendable components of fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the purchases method, in both the government-wide and fund financial statements. Nonspendable fund balances have been recorded in the applicable governmental funds to indicate the prepaids are not a currently available or spendable component of fund balance.

### ***Installment Sales Agreement Receivable***

#### ***Component Units***

In accordance with the terms of an agreement between the Isabella County Board of Public Works and Union Township, the County authorized the construction of a wastewater treatment plant and the financing of the same by the Board of Public Works through the issuance of \$7,605,000 in bonds. Of the original issue, \$6,050,000 of the debt was defeased with the issuance of 2009 refunding bonds.

In accordance with the terms of a second agreement between the Isabella County Board of Public Works and Union Township, the County authorized the construction of a Water and Sewer System improvement project and the financing of the same by the Board of Public Works through the issuance of \$2,105,000 in bonds.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

These agreements provide for the Board of Public Works to enter into installment sales agreements with the local units with annual local contributions from the Township equal to the annual debt service requirements over the life of the bond issues. The local unit is responsible for the operation, maintenance, and management of the system over the life of the installment sales agreement. Upon final payment of the bond issue, ownership of the assets will revert to the local unit.

On this basis, the aggregate future payments necessary for the retirement of outstanding bond principal have been recorded as an installment sales agreement receivable. Unavailable revenue is shown on the balance sheet of debt service funds in the Board of Public Works component unit in the same amount as the installment sales agreement that is not recognized as revenue until installment sales agreement payments are received. There is no provision for any contingent rental contained in the installment sales agreement. The future minimum installment sales agreement payments to be received are equal to the outstanding principal and interest of each bond issue.

### **Capital Assets**

#### **Primary Government and Component Units (except for the Isabella County Road Commission)**

Capital assets include land, buildings and improvements, equipment, vehicles, drain infrastructure, and other assets and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more (\$25,000 for drain infrastructure) and an estimated useful life of more than one year. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the date of donation.

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

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

	Years
Buildings and improvements	20-50
Land improvements	10-20
Equipment	4-20
Drain infrastructure	5-100
Vehicles	5-20
Other	5-15

#### **Isabella County Road Commission Component Unit**

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, bridges, and similar items), are reported in the government-wide financial statements (statement of net position and statement of activities). Capital assets are defined by the Road Commission as assets with an initial individual cost of more than \$1,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date donated.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Depreciation is recorded over the estimated useful lives (ranging from four to fifty years) of the assets, using the sum-of-years digits method for road equipment and straight-line method for all other capital assets and infrastructure as follows:

	Years
Land improvements	10-20
Buildings	30-50
Road equipment	5-8
Shop equipment	10
Office equipment	4-10
Engineers' equipment	4-10
Yard and storage	4-10
Infrastructure - bridges	12-50
Infrastructure - roads	8-30

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

### ***Deferred Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to its pension plan and a deferred charge on bond refunding.

### ***Compensated Absences***

County employees are permitted to accumulate earned but unused vacation and sick time benefits, subject to certain limitations, according to personnel contracts. All vested benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

### ***Unearned Revenue***

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

### ***Long-term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows related to its pension plan in the statements of net position. Finally, the statement of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

### *Leases*

*Lessor.* The County is a lessor for a noncancellable lease of two buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### ***Fund Balances***

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the County Board of Commissioners. A formal resolution of the County Board is required to establish, modify, or rescind a fund balance commitment. The County reports *assigned fund balance* for amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The County Board delegated to the Administrator/Controller the authority to assign fund balance. Unassigned fund balance is the residual classification for the general fund.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned.

### ***Interfund Transactions***

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the County. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

### ***Pensions***

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

### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 2. BUDGETARY INFORMATION

Budgets are adopted by the County Board of Commissioners for the general and special revenue funds, except for those that are adopted and administered by separate boards. The general fund and all special revenue funds have legally adopted budgets. The budget document presents information by fund, function, department, and line items. The County Board of Commissioners monitors and amends the budgets, as necessary. Budgetary control is exercised at the activity level for the general fund and at the fund level for special revenue funds. Management is authorized to amend the budget up to certain amounts within departments at a line item level without board approval. The County employs the following procedures in establishing budgets:

- The County departments meet with and submit their budgetary estimates to the Administrator/Controller who will: review the estimates, assemble, and prepare a recommended budget. The operating budgets include proposed expenditures and resources to finance them.
- The Administrator/Controller will then convey the recommended budgets to the Board at a public hearing, for consideration and adoption.
- The County does not employ encumbrance accounting as an extension of formula budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end, unless specifically re-appropriated by Board action.
- Applicable budgeted amounts are reported as originally adopted or as amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations that were adopted.
- All County budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended September 30, 2022, the County incurred expenditures within the amounts appropriated.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances for the primary government and component units cash and investments as of September 30, 2022:

	Primary Government	Component Units	Totals
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 22,147,000	\$ 14,099,879	\$ 36,246,879
Investments	5,485,510	17,097,574	22,583,084
Restricted cash and investments	12,532,532	3,480,502	16,013,034
<b>Statement of fiduciary net position</b>			
Custodial funds:			
Cash and cash equivalents	9,211,293	-	9,211,293
<b>Total</b>	<b>\$ 49,376,335</b>	<b>\$ 34,677,955</b>	<b>\$ 84,054,290</b>

	Totals
<b>Deposits and investments</b>	
Bank deposits:	
Checking / savings accounts	\$ 54,614,993
Certificates of deposit, due within one year	6,848,972
Investments	22,583,084
Cash on hand	7,241
<b>Total</b>	<b>\$ 84,054,290</b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$55,719,910 of the County's bank balance, excluding Road Commission, Transportation Authority, and the Medical Care Facility, of \$57,969,910 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Custodial Credit Risk – Investments.* As of September 30, 2022, the County's investments, including the Road Commission, consisted of Michigan Cooperative Liquid Assets Securities System (Michigan CLASS) totaling \$22,583,084.

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. As of September 30, 2022, the Michigan CLASS investments are rated AAAM by Standard and Poor's.

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Michigan CLASS investment had a carrying amount equal to its fair value of \$22,583,084 at year end.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

*Fair Value Measurement.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The investments held by the County at year end that were subject to fair value measurement were the Michigan CLASS investments. Michigan CLASS investments are carried at net asset value.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

**Investments in Entities that Calculate Net Asset Value per Share.** The County holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in Michigan CLASS was \$22,583,084. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

### 4. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	\$ 1,026,264	\$ 110,540	\$ 9,168,968
Taxes receivable	2,143,092	2,217,298	-
Special assessments receivable	-	-	12,918,138
Loans receivable	908,142	-	-
Leases receivable	264,412	-	-
Due from other governments	722,385	93,155	662,241
Due from component unit	28,603	-	-
Installment sales agreement receivable	-	-	1,070,000
	<u>\$ 5,092,898</u>	<u>\$ 2,420,993</u>	<u>\$ 23,819,347</u>
Amount not expected to be collected within one year:			
Special assessments receivable	\$ -	\$ -	\$ 11,595,705
Loans receivable	908,142	-	955,000
Leases receivable	224,524	-	-
	<u>\$ 1,132,666</u>	<u>\$ -</u>	<u>\$ 12,550,705</u>



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in governmental funds were as follows:

### Governmental funds

Unavailable revenue:

Loans receivable	\$	908,142
Taxes receivable		817,381
Leases receivable		<u>263,308</u>

**Totals** \$ 1,988,831

## 5. OTHER ASSETS

Other assets consisted of the following amounts at September 30, 2022:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ 24,630	\$ 3,713	\$ 617,532
Prepays	<u>473,130</u>	<u>-</u>	<u>917,208</u>
<b>Totals</b>	<u>\$ 497,760</u>	<u>\$ 3,713</u>	<u>\$ 1,534,740</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 2,021,742	\$ -	\$ -	\$ -	\$ 2,021,742
Construction in progress	3,376,307	1,424,059	-	(15,750)	4,784,616
	<u>5,398,049</u>	<u>1,424,059</u>	<u>-</u>	<u>(15,750)</u>	<u>6,806,358</u>
Capital assets, being depreciated:					
Land improvements	555,389	233,877	-	-	789,266
Buildings and improvements	24,780,619	248,748	-	-	25,029,367
Equipment	4,709,800	256,677	(26,771)	15,750	4,955,456
Vehicles	999,496	235,072	(104,836)	-	1,129,732
Other	1,269,082	11,500	-	-	1,280,582
	<u>32,314,386</u>	<u>985,874</u>	<u>(131,607)</u>	<u>15,750</u>	<u>33,184,403</u>
Less accumulated depreciation for:					
Land improvements	(246,882)	(21,437)	-	-	(268,319)
Buildings and improvements	(15,670,719)	(370,498)	-	-	(16,041,217)
Equipment	(3,784,019)	(187,412)	-	-	(3,971,431)
Vehicles	(580,839)	(120,769)	84,026	-	(617,582)
Other	(982,615)	(115,774)	-	-	(1,098,389)
	<u>(21,265,074)</u>	<u>(815,890)</u>	<u>84,026</u>	<u>-</u>	<u>(21,996,938)</u>
Total capital assets being depreciated, net	<u>11,049,312</u>	<u>169,984</u>	<u>(47,581)</u>	<u>15,750</u>	<u>11,187,465</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 16,447,361</u>	<u>\$ 1,594,043</u>	<u>\$ (47,581)</u>	<u>\$ -</u>	<u>\$ 17,993,823</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 107,757	\$ -	\$ -	\$ -	\$ 107,757
Construction in progress	115,374	-	-	(115,374)	-
	<u>223,131</u>	<u>-</u>	<u>-</u>	<u>(115,374)</u>	<u>107,757</u>
Capital assets, being depreciated:					
Land improvements	14,196	-	-	-	14,196
Buildings and improvements	1,382,894	-	-	-	1,382,894
Equipment	1,168,144	202,158	-	115,374	1,485,676
Vehicles	659,882	56,030	(39,124)	-	676,788
	<u>3,225,116</u>	<u>258,188</u>	<u>(39,124)</u>	<u>115,374</u>	<u>3,559,554</u>
Less accumulated depreciated for:					
Land improvements	(14,196)	-	-	-	(14,196)
Buildings and improvements	(882,856)	(35,474)	-	-	(918,330)
Equipment	(901,543)	(70,503)	-	-	(972,046)
Vehicles	(492,849)	(39,883)	16,497	-	(516,235)
	<u>(2,291,444)</u>	<u>(145,860)</u>	<u>16,497</u>	<u>-</u>	<u>(2,420,807)</u>
Total capital assets being depreciated, net	<u>933,672</u>	<u>112,328</u>	<u>(22,627)</u>	<u>115,374</u>	<u>1,138,747</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 1,156,803</u>	<u>\$ 112,328</u>	<u>\$ (22,627)</u>	<u>\$ -</u>	<u>\$ 1,246,504</u>

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

### Depreciation of governmental activities by function:

General government	\$ 425,700
Public safety	266,702
Health and welfare	34,864
Recreation and culture	88,475
Community and economic development	149
	<u>815,890</u>

### Total depreciation expense - governmental activities

\$ 815,890

### Depreciation of business-type activities by function:

Recycling	\$ 130,032
Building inspection	12,338
Concessions	3,490
	<u>145,860</u>

### Total depreciation expense - business-type activities

\$ 145,860

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The County has outstanding commitments related to the Phone system project and the Jail and Sheriff's Office project in the amounts of \$85,189 and \$1,532,658, respectively, as of September 30, 2022.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 225,075	\$ -	\$ -	\$ -	\$ 225,075
Land improvements	502,359	50,164	-	-	552,523
Land - Infrastructure	28,952,897	-	-	-	28,952,897
	<u>29,680,331</u>	<u>50,164</u>	<u>-</u>	<u>-</u>	<u>29,730,495</u>
Capital assets, being depreciated:					
Land improvements	2,948	-	-	-	2,948
Buildings	11,205,245	51,338	-	-	11,256,583
Equipment	9,587,608	472,995	(54,219)	-	10,006,384
Infrastructure - bridges	33,959,566	869,679	(389,334)	-	34,439,911
Infrastructure - roads	72,262,169	2,632,865	(2,556,326)	-	72,338,708
	<u>127,017,536</u>	<u>4,026,877</u>	<u>(2,999,879)</u>	<u>-</u>	<u>128,044,534</u>
Less accumulated depreciation for:					
Land improvements	(1,904)	(147)	-	-	(2,051)
Buildings	(350,348)	(231,618)	-	-	(581,966)
Equipment	(7,546,079)	(682,988)	22,501	-	(8,206,566)
Infrastructure - bridges	(9,935,748)	(653,696)	389,334	-	(10,200,110)
Infrastructure - roads	(33,578,130)	(3,460,610)	2,556,326	-	(34,482,414)
	<u>(51,412,209)</u>	<u>(5,029,059)</u>	<u>2,968,161</u>	<u>-</u>	<u>(53,473,107)</u>
Total capital assets being depreciated, net	<u>75,605,327</u>	<u>(1,002,182)</u>	<u>(31,718)</u>	<u>-</u>	<u>74,571,427</u>
<b>Road Commission capital assets, net</b>	<u>\$ 105,285,658</u>	<u>\$ (952,018)</u>	<u>\$ (31,718)</u>	<u>\$ -</u>	<u>\$ 104,301,922</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Transportation Commission Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 54,004	\$ -	\$ -	\$ -	\$ 54,004
Capital assets, being depreciated:					
Buildings and improvements	2,990,449	-	-	-	2,990,449
Equipment and furniture	1,155,988	322,502	-	-	1,478,490
Buses	4,790,910	-	(363,191)	-	4,427,719
	<u>8,937,347</u>	<u>322,502</u>	<u>(363,191)</u>	<u>-</u>	<u>8,896,658</u>
Less accumulated depreciated:					
Buildings and improvements	(2,922,209)	(16,005)	-	-	(2,938,214)
Equipment and furniture	(1,068,300)	(65,058)	-	-	(1,133,358)
Buses	(2,841,953)	(444,012)	363,191	-	(2,922,774)
	<u>(6,832,462)</u>	<u>(525,075)</u>	<u>363,191</u>	<u>-</u>	<u>(6,994,346)</u>
Total capital assets being depreciated, net	<u>2,104,885</u>	<u>(202,573)</u>	<u>-</u>	<u>-</u>	<u>1,902,312</u>
<b>Transportation Commission capital assets, net</b>	<u>\$ 2,158,889</u>	<u>\$ (202,573)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,956,316</u>
<b>Medical Care Facility Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 93,062	\$ 12,985	\$ (63,344)	\$ -	\$ 42,703
Capital assets, being depreciated:					
Buildings and improvements	16,864,541	18,682	-	-	16,883,223
Equipment and furniture	2,063,002	147,227	(45,733)	-	2,164,496
	<u>18,927,543</u>	<u>165,909</u>	<u>(45,733)</u>	<u>-</u>	<u>19,047,719</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,057,819)	(461,060)	-	-	(7,518,879)
Equipment and furniture	(1,699,282)	(106,960)	45,733	-	(1,760,509)
	<u>(8,757,101)</u>	<u>(568,020)</u>	<u>45,733</u>	<u>-</u>	<u>(9,279,388)</u>
Total capital assets being depreciated, net	<u>10,170,442</u>	<u>(402,111)</u>	<u>-</u>	<u>-</u>	<u>9,768,331</u>
<b>Medical Care Facility capital assets, net</b>	<u>\$ 10,263,504</u>	<u>\$ (389,126)</u>	<u>\$ (63,344)</u>	<u>\$ -</u>	<u>\$ 9,811,034</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Drainage Districts Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 6,299,504	\$ 2,266,906	\$ -	\$ (3,215,338)	\$ 5,351,072
Capital assets, being depreciated:					
Infrastructure - drains	31,545,064	-	-	3,215,338	34,760,402
Less accumulated depreciated for:					
Infrastructure - drains	(9,090,073)	(650,644)	-	-	(9,740,717)
Total capital assets being depreciated, net	22,454,991	(650,644)	-	3,215,338	25,019,685
<b>Drainage District capital assets, net</b>	<b>\$ 28,754,495</b>	<b>\$ 1,616,262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,370,757</b>
<b>Board of Public Works Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
Capital assets, being depreciated:					
Buildings and improvements	11,856	-	-	-	11,856
Equipment	69,906	-	-	-	69,906
Infrastructure	231,157	-	-	-	231,157
	312,919	-	-	-	312,919
Less accumulated depreciated for:					
Buildings and improvements	(11,856)	-	-	-	(11,856)
Equipment	(28,952)	(4,870)	-	-	(33,822)
Infrastructure	(229,561)	(1,473)	-	-	(231,034)
	(270,369)	(6,343)	-	-	(276,712)
Total capital assets being depreciated, net	42,550	(6,343)	-	-	36,207
<b>Board of Public Works capital assets, net</b>	<b>\$ 58,550</b>	<b>\$ (6,343)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,207</b>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 813,063	\$ 56,997	\$ 2,277,311
Accrued interest payable	69,300	-	198,944
Accrued payroll	443,066	15,184	939,011
Due to other governments	305,748	19,063	535,422
Due to primary government	-	-	28,603
Other	-	-	133,764
<b>Total</b>	<b>\$ 1,631,177</b>	<b>\$ 91,244</b>	<b>\$ 4,113,055</b>

### 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at year end, was as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 524,939	\$ 152,761
Commission on aging fund	178,274	-
Nonmajor governmental funds	50,000	456,274
Recycling fund	150,000	224,078
Internal service fund	-	70,000
Nonmajor enterprise funds	-	100
<b>Total</b>	<b>\$ 903,213</b>	<b>\$ 903,213</b>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

For the year ended September 30, 2022, interfund transfers consisted of the following:

Transfers out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Recycling	
General fund	\$ -	\$ 1,209,506	\$ 450,000	\$ 1,659,506
Commission on Aging	349,154	-	-	349,154
Nonmajor governmental funds	382,697	-	-	382,697
Recycling fund	122,226	-	-	122,226
Nonmajor enterprise funds	149,355	-	-	149,355
<b>Total</b>	<b>\$ 1,003,432</b>	<b>\$ 1,209,506</b>	<b>\$ 450,000</b>	<b>\$ 2,662,938</b>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

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

For the year ended September 30, 2022, advances to and from component units consisted of the following:

	Advance to Component Unit	Advance from Primary Government
General fund	\$ 150,000	\$ -
Drainage district	-	150,000
	<u>\$ 150,000</u>	<u>\$ 150,000</u>

The advance to the drainage district component unit in the general fund is to increase the drain revolving fund working capital to cover increased operational costs.

## 9. LONG-TERM DEBT

Long-term debt for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Post-closure landfill costs (Note 10)	\$ 441,257	\$ -	\$ (33,916)	\$ 407,341	\$ 67,711
Direct placement					
Bond anticipation note	6,000,000	-	-	6,000,000	-
Compensated absences	1,243,010	1,146,929	(1,196,472)	1,193,467	477,387
	<u>\$ 7,684,267</u>	<u>\$ 1,146,929</u>	<u>\$ (1,230,388)</u>	<u>\$ 7,600,808</u>	<u>\$ 545,098</u>
<b>Business-type activities</b>					
Compensated absences	\$ 71,831	\$ 71,738	\$ (76,347)	\$ 67,222	\$ 26,888

In 2021, the County issued a \$6,000,000 bond anticipation note, due in one installment in 2024 plus interest of 0.99%. The County has provided the USDA all required information and is in the process of securing the necessary funding to repay the bond anticipation note prior to the maturity date.

For the governmental activities, compensated absences are normally liquidated by the fund in which the individual employees are budgeted. The General Fund, Parks and Recreation Fund, Friend of the Court Fund, Commission on Aging Fund, Building Inspection Fund, and Recycling Fund are funds where compensated absences would typically be liquidated.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Debt service requirements to maturity for the bond anticipation note of the primary government are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 6,000,000	\$ 178,200	\$ 6,178,200

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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### Road Commission Component Unit

Direct placement:

Note payable dated in 2020, due in annual installments of \$339,000 to \$479,000, with interest charged at 2.99%, due 2035.

\$ 5,661,000	\$ -	\$ (339,000)	\$ 5,322,000	\$ 346,000
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State infrastructure bank note payable general obligation, repaid in 2022.

924,693	-	(924,693)	-	-
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Note payable dated in 2013, repaid in 2022.

187,769	-	(187,769)	-	-
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Total direct placement debt	6,773,462	-	(1,451,462)	5,322,000	346,000
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Vested employee benefits	254,265	354,667	(280,066)	328,866	280,000
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\$ 7,027,727	\$ 354,667	\$ (1,731,528)	\$ 5,650,866	\$ 626,000
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Debt service requirements to maturity for all direct placement debt of the road commission are as follows:

Year Ending September 30,	Road Commission		
	Principal	Interest	Total
2023	\$ 346,000	\$ 159,128	\$ 505,128
2024	355,000	148,782	503,782
2025	365,000	138,168	503,168
2026	376,000	127,254	503,254
2027	386,000	116,012	502,012
2028-2032	2,094,000	400,571	2,494,571
2033-2035	1,400,000	84,467	1,484,467
	\$ 5,322,000	\$ 1,174,382	\$ 6,496,382

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Transportation Commission Component Unit</b>					
Compensated absences	\$ 104,183	\$ 197,032	\$ (188,692)	\$ 112,523	\$ 112,523

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Medical Care Facility Component Unit</b>					
Direct placement:					
\$5,090,000 Limited Tax General					
Obligation bonds, dated May 11, 2012, repaid in 2022.					
	\$ 590,000	\$ -	\$ (590,000)	\$ -	\$ -
Deferred amounts:					
For issuance premiums					
	12,518	-	(12,518)	-	-
	<u>\$ 12,518</u>	<u>\$ -</u>	<u>\$ (12,518)</u>	<u>\$ -</u>	<u>\$ -</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Drainage District Component Unit</b>					
Drain bonds	\$ 4,360,900	\$ -	\$ (373,450)	\$ 3,987,450	\$ 373,450
Direct placement drain notes	11,088,378	150,000	(687,072)	10,551,306	834,418
	<u>\$ 15,449,278</u>	<u>\$ 150,000</u>	<u>\$ (1,060,522)</u>	<u>\$ 14,538,756</u>	<u>\$ 1,207,868</u>

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

#### Drain bonds

\$2,385,000 Lewis #435 Drainage District Bond dated August 29, 2013, due in annual principal installments of \$120,000 through May 1, 2034, with interest ranging from 1.60 to 4.50 percent, payable semi-annually.	\$ 1,440,000
\$1,970,000 Figg #319 Drainage District Bond dated December 20, 2012, due in annual principal installments ranging from \$95,000 to \$100,000 through May 1, 2033, with interest ranging from 2.00 to 3.00 percent, payable annually.	1,085,000
\$1,173,000 Blanchard Intercounty Drain Bond Series 2018 dated August 1, 2018, due in annual principal installments ranging from \$58,000 to \$59,000 through May 1, 2038, with interest of 3.74 percent, payable annually.	938,000
\$1,070,000 Bachelder Improvement Drain Bond dated March 24, 2011, due in annual principal installments ranging from \$50,000 to \$55,000 through May 1, 2031, with interest ranging from 4.20 to 5.20 percent, payable annually.	480,000
\$666,743 Beltinck Debt Revolving Drain Bond dated November 21, 2007, due in annual principal installments of \$44,450 through June 1, 2023, with interest of 4.11 percent, payable annually.	44,450
	<u>\$ 3,987,450</u>

#### Direct placement drain notes

\$2,945,000 Mission Creek Drain Note dated September 2, 2021, due in annual installments of \$147,000 to \$148,000 through June 1, 2041, with interest of 2.51 percent, payable annually.	\$ 2,797,000
\$2,596,500 Little Tobacco River Intercounty Drain Note dated October 28, 2020, due in annual installments of \$425,000 to \$445,000 through June 1, 2040, with interest of 2.5 percent, payable annually.	2,329,500
\$1,850,000 Childs Creek & Dubois Drain Note dated March 28, 2019, due in annual installments of \$92,500 through May 1, 2039, with interest of 3.65 percent, payable annually.	1,572,500
\$798,618 Cahoon Drain Note dated May 6, 2016, due in annual installments of \$39,931 through May 1, 2036, with interest of 2.49 percent, payable annually.	559,032

continued

## ISABELLA COUNTY, MICHIGAN

### Notes to Financial Statements

\$675,000 County Line Intercounty Drain Bond dated November 14, 2016, due in annual installments of \$33,750 through May 1, 2037 with interest of 2.49 percent, payable annually.	\$ 506,250
\$695,000 Tice Drain Note dated September 26, 2014, due in annual installments of \$34,750 through May 1, 2035, with interest of 3.69 percent, payable annually.	451,750
\$582,742 Jennings 388 Drain Note dated May 1, 2017, due in annual installments of \$29,137 through May 1, 2037, with interest of 3.10 percent, payable annually.	437,057
\$619,000 Leonard Drain Note dated November 12, 2015, due in annual installments of \$30,950 through May 1, 2036, with interest of 3.69 percent, payable annually.	433,300
\$917,395 Saunders Drain Note dated October 2, 2013, due in annual installments of \$61,160 through June 1, 2028, with interest of 3.75 percent, payable annually.	366,958
\$500,000 Tripp Drain Note dated January 17, 2018, due in annual installments of \$25,000 through May 1, 2038, with interest of 3.75 percent, payable annually.	400,000
\$348,000 Myers Drain Note dated June 13, 2014, due in annual installments ranging from \$13,726 to \$22,688 through June 1, 2034, with interest of 3.00 percent, payable annually.	232,609
\$292,000 Shuler Drain Note dated November 14, 2014, due in annual installments of \$14,600 through May 1, 2035, with interest of 3.69 percent, payable annually.	189,800
\$150,000 McDonald Creek Drain note dated August 10, 2022, due in one annual installment of \$150,000 on May 10, 2023, with interest of 2.35 percent.	150,000
\$117,000 Oberlin Drain Note dated December 29, 2016, due in annual installments of \$5,850 through May 1, 2037, with interest of 3.45 percent, payable annually.	87,750
\$189,000 Martin Drain Note dated August 22, 2014, due in annual installments of \$18,900 through June 1, 2024, with interest of 2.35 percent, payable annually.	37,800
	\$ 10,551,306

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Debt service requirements to maturity for all drain bonds of the drainage district are as follows:

Year Ending September 30,	Drainage District		
	Principal	Interest	Total
2023	\$ 373,450	\$ 144,647	\$ 518,097
2024	334,000	132,418	466,418
2025	333,000	121,434	454,434
2026	324,000	110,230	434,230
2027	333,000	99,042	432,042
2028-2032	1,603,000	312,414	1,915,414
2033-2037	629,000	62,688	691,688
2038	58,000	6,508	64,508
	<u>\$ 3,987,450</u>	<u>\$ 989,380</u>	<u>\$ 4,976,830</u>

Debt service requirements to maturity for all direct placement drain notes of the drainage district are as follows:

Year Ending September 30,	Drainage District		
	Principal	Interest	Total
2023	\$ 834,418	\$ 306,016	\$ 1,140,434
2024	684,910	282,873	967,783
2025	666,516	262,361	928,877
2026	665,538	242,277	907,815
2027	665,075	222,227	887,302
2028-2032	3,074,376	824,286	3,898,662
2033-2037	2,779,973	382,190	3,162,163
2038-2041	1,180,500	55,367	1,235,867
	<u>\$ 10,551,306</u>	<u>\$ 2,577,599</u>	<u>\$ 13,128,905</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Board of Public Works Component Unit</b>					
\$2,105,000 Union Township Water Supply Bonds dated July 21, 2010 due in annual principal installments ranging from \$85,000 to \$155,000 through October 1, 2030 with interest ranging from 2.50% to 4.40% payable semi-annually.	\$ 1,285,000	\$ -	\$ (105,000)	\$ 1,180,000	\$ 110,000
\$4,130,000 Wastewater Treatment Refunding Bonds dated August 27, 2009, Repaid in 2022.	405,000	-	(405,000)	-	-
	<u>\$ 1,690,000</u>	<u>\$ -</u>	<u>\$ (510,000)</u>	<u>\$ 1,180,000</u>	<u>\$ 110,000</u>

Debt service requirements to maturity for all installment debt of the Board of Public Works are as follows:

Year Ending September 30,	Board of Public Works		
	Principal	Interest	Total
2023	\$ 110,000	\$ 45,798	\$ 155,798
2024	115,000	41,661	156,661
2025	120,000	37,195	157,195
2026	125,000	32,385	157,385
2027	130,000	27,285	157,285
2028-2031	580,000	51,583	631,583
	<u>\$ 1,180,000</u>	<u>\$ 235,906</u>	<u>\$ 1,415,906</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 10. POST-CLOSURE LANDFILL COSTS

The County owns a solid waste landfill located in Deerfield Township. The County stopped accepting waste at this site on June 15, 1987, and completed the capping off of the site on July 21, 1989.

Since that time, post-closure monitoring of the site by the County and the Michigan Department of Natural Resources (DNR) has identified ground water contamination in excess of state and federal laws and regulations. A Consent Judgment, initiated by the State Attorney General and Michigan Department of Natural Resources and its director established the requirements the County had to meet to bring the County back into compliance.

As part of this consent judgment, the County had to implement its remedial action plan previously submitted and approved by the DNR. The remedial action plan called for the construction of purge wells and piping as well as construction of an air stripping facility which was completed during 1996. Air stripping involves the mass transfer of the contaminants from solution to a gas, thereby removing the contaminants from the groundwater. This is accomplished by pumping water through a packed column which has a counter current flow of air.

The County is required to perform certain maintenance and monitoring functions as stipulated in the Consent Judgment for a minimum of thirty years from October 23, 1992, the date of DNR approval of the County remedial action plan. It is anticipated that the purge wells and air stripping facility will have to be operated over this thirty year period.

The landfill post-closure care liability as reported in long-term debt of the governmental activities at September 30, 2022, is \$407,341. For the year ended September 30, 2022, the County incurred post-closure care expenditures of \$33,916.

All amounts recognized are based on the estimated cost to perform post-closure care at September 30, 2022. Actual costs may be higher due to inflation, changes in technology or applicable laws and regulations. The amount recognized is based on estimates developed by solid waste management engineering consultants used by the County to develop the County remedial action plan. These estimates are considered sufficient and reasonable by management. The post-closure care costs are budgeted in the general fund on an annual basis.

### 11. LEASES

Lessor - The County is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended September 30, 2022 was \$40,944, which includes interest of \$1,104, in governmental activities.

#### Remaining Term of Agreements

**Asset Type**  
Buildings

7 to 8 years

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Governmental Activities</b>				
Leases receivable	\$ 304,252	\$ -	\$ (39,840)	\$ 264,412

The net present value of future rental receipts as of September 30, 2022, were as follows:

Governmental Activities		
Year Ended September 30,	Principal	Interest
2023	\$ 39,888	\$ 1,056
2024	40,249	899
2025	40,622	738
2026	41,004	573
2027	41,397	399
2028 - 2029	61,252	293
<b>Total</b>	<b>\$ 264,412</b>	<b>\$ 3,958</b>

## 12. MERS DEFINED BENEFIT PENSION PLAN

### Primary Government

*Plan Description.* The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com). This plan was closed to new hires effective January 1, 2012.

*Funding policy.* The plan provides that the employer contribute amounts necessary to fund the actuarially determined benefits. The County makes employer contributions in accordance with funding requirements determined by MERS' actuary. Benefit provisions and contribution obligations have been established by union contract.

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.00% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, or age 55 with 15 years of service, depending on division/bargaining unit.

Participants are entitled to a retirement benefit equal to the credited service at the time of membership termination multiplied by 2.0% to 2.5% of the member's final average compensation (FAC) depending on the employee group. Final average compensation is calculated based on 3 to 5 years. The retirement allowance is reduced 0.50% to 0.74% of 1% for each complete month that retirement precedes the age at which full normal retirement benefits are available.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

*Employees Covered by Benefit Terms.* As December 31, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	182
Inactive employees entitled to but not yet receiving benefits	51
Active employees	<u>60</u>
<b>Total membership</b>	<u><u>293</u></u>

*Contributions.* The County is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended September 30, 2022 monthly employer contributions ranged from \$2,113 to \$88,451 depending on division/bargaining unit (all nine of which are closed to new members). In addition, the employer may establish contribution rates to be paid by its covered employees. For the year ended September 30, 2022, member contribution rates range from 0.00% to 3.95% of wages depending on division/bargaining unit.

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

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

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	100%		
Inflation			2.50%
Administrative expenses netted above			0.25%
<b>Investment rate of return</b>			<b>7.25%</b>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25% (down from 7.60% at December 31, 2020). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 55,694,303	\$ 40,232,488	\$ 15,461,815
Changes for the year:			
Service cost	419,959	-	419,959
Interest	4,127,040	-	4,127,040
Difference between expected and actual experience	550,004	-	550,004
Change in assumptions	2,113,304	-	2,113,304
Employer contributions	-	1,544,498	(1,544,498)
Employee contributions	-	127,829	(127,829)
Net investment income	-	5,344,190	(5,344,190)
Benefit payments, including refunds of employee contributions	(3,202,317)	(3,202,317)	-
Administrative expense	-	(63,424)	63,424
Net changes	4,007,990	3,750,776	257,214
<b>Balances at December 31, 2021</b>	<b>\$ 59,702,293</b>	<b>\$ 43,983,264</b>	<b>\$ 15,719,029</b>

*Changes in assumptions.* In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

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

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
------------------------	-------------------------------------	------------------------

County's net pension liability    \$ 22,508,577    \$ 15,719,029    \$ 9,993,440

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### *Pension Expense, Deferred Inflows of Resources, and Deferred Outflows of Resources Related to Pensions*

For the year ended September 30, 2022, the County recognized pension expense of \$3,344,181. The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,189,451	\$ (3,189,451)
Contributions subsequent to the measurement date	1,437,038	-	1,437,038
<b>Total</b>	<u>\$ 1,437,038</u>	<u>\$ 3,189,451</u>	<u>\$ (1,752,413)</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2023	\$ (470,498)
2023	(1,312,217)
2024	(937,324)
2025	<u>(469,412)</u>
<b>Total</b>	<u>\$ (3,189,451)</u>

*Payable to the Pension Plan.* At September 30, 2022, the County reported a payable of \$171,923 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2022.

The governmental activities net pension liability is expected to be liquidated mainly by the General Fund.

### **Component Units**

The Isabella County Road Commission, Isabella County Medical Care Facility and Isabella County Transportation Commission have separate MERS retirement plans. Separate accounts are maintained by MERS for each of the component units identified above. Details applicable to these individual plans are available in each component unit's separately issued financial statements.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 13. DEFINED CONTRIBUTION PENSION PLAN

The Isabella County Employees Defined Contribution Pension Plan (the “DC Plan”) is a single employer defined contribution pension plan, established by the County and administered by a third-party administrator. All County employees hired after January 1, 2002, with the exception of certain bargaining units, are required to participate in the DC Plan. As of September 30, 2015, all union contracts now specify that new employees of these units are added to the DC Plan. All other County employees that are not vested in the County’s Defined Benefit Plan have the option of becoming a participant in the Defined Contribution Plan. Employees vest in the County’s contributions completely after five years. A stand-alone report has not been issued for the DC Plan.

As of September 30, 2022, there were 194 plan members. DC Plan members are required to contribute a minimum of 2% of their annual salary to the DC Plan. The County is required to contribute 7% of the employees’ annual salary. Authority for establishing and amending the DC Plan’s provisions rests with the County Board of Commissioners.

Employer contributions to the DC Plan for the year ended September 30, 2022, amounted to \$621,356 and employee contributions were \$190,159.

### 14. DEFERRED COMPENSATION PLAN

The Isabella County Employees Deferred Compensation Pension Plans (the “DCP Plans”) are single employer deferred compensation pension plans, established by the County and administered by outside third-party administrators. Participation in the DCP Plans are optional to all County employees. The County does not make any contributions to the DCP Plans. A stand-alone report has not been issued for the DCP Plans.

As of September 30, 2022, there were 97 plan members who contributed \$253,272 to the DCP Plans. Authority for establishing and amending the DCP Plans’ provisions rests with the County Board of Commissioners.

### 15. OTHER POSTEMPLOYMENT BENEFITS

#### General Information About the Plan

*Plan Administration* . The County administers a retiree health care benefits (OPEB) Plan that is used to provide postemployment benefits other than pensions (OPEB) for nine employees of the County. The County agrees to pay the first \$1,000 towards healthcare benefits, with a vendor of the employee’s choice, for employees who retire during the term of this Agreement who have not had a break in service.

During the year ended September 30, 2022, the County determined that the amounts related to the OPEB plan were not material to the financial statements, and as such no net other postemployment benefit liability and related deferred amounts have been reported.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 16. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Michigan Municipal Risk Management Authority for the risks of loss, including property, casualty loss, and general liability. The County participates in the Michigan Counties Workers' Compensation Fund for workers' compensation coverage. Settlements have not exceeded insurance coverage in any of the past three (3) years.

#### Primary Government

##### Employee Health Benefits

The County has established a high deductible health insurance plan and a health reimbursement account which are accounted for in an internal service fund. Employee groups of the primary government, including the Medical Care Facility component unit as a separate unit, participate in the insurance plan. The Plan is administered under contractual agreements with Blue Cross and Blue Shield of Michigan (BCBSM) and 44 North as third-party administrators.

The County is responsible for paying the medical claims over the employees' deductible and up to the high deductible cap established with BCBSM. These claims are processed through 44 North and paid from the County's health reimbursement account. Certain benefits such as dental and prescription drug are covered by supplemental policies funded by the Plan. The insurance arrangements will be renegotiated annually in compliance with the Public Employees Health Benefit Act (Act 106 of 2007).

The internal service fund is responsible for collecting interfund premiums from the participating funds and departments and for paying insurance premiums, administrative fees, and deductibles paid from the health reimbursement account. Interfund premiums are treated as interfund services provided and used; meaning the interfund premiums are recognized as expenditures or expenses in the contributing funds and interfund revenue is recognized in the Insurance Fund as earned.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Liabilities are reported when it is probable that a claim has occurred and the amount of the claim can be reasonably estimated and are recorded in accounts payable in the insurance internal service fund. Liabilities include a provision for claims that have been incurred but not reported (IBNR's). The provision is based upon historical trends. Claims liabilities are estimated based on actual claims filed subsequent to year end. Changes in the balance of claim liabilities during the current year and the prior year are as follows:

	Fiscal Year Ended September 30,	
	2022	2021
Estimated liability, beginning of year	\$ 40,579	\$ 33,209
Estimated claims incurred, including changes in estimates	4,204,513	4,355,081
Claim payments	<u>(4,192,599)</u>	<u>(4,347,711)</u>
<b>Estimated liability, end of year</b>	<b><u>\$ 52,493</u></b>	<b><u>\$ 40,579</u></b>

### Component Units

#### Transportation Commission

The Transportation Commission participates in a pool, the Michigan Counties Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Transportation Commission has not been informed of any special assessments being required.

The Transportation Commission also participates in a pool, the Michigan Municipal Risk Management Authority, with other municipalities for property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Commission has not been informed of any special assessments being required.

#### Road Commission

The Road Commission joined together with other Road Commissions and created a public entity risk pool currently operating as a common risk management and insurance program. The Road Commission pays an annual premium to the pool for its general insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000 for each insured event. The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The Road Commission has not been informed of any special assessments being required.

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 17. PROPERTY TAXES AND TAXES RECEIVABLE

The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31. Unpaid property taxes are considered to be delinquent as of March 1 of the year after the tax was levied.

The County's ad valorem taxes were levied and collectible on December 1, 2021, and July 1, 2022. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. The 2022 taxable value of Isabella County amounted to \$2,383,091,657 on which ad valorem taxes levied for the County general operating purposes was 6.6100 mills. For the year ended September 30, 2022, the County levied 1.000 mills for the Medical Care Facilities, 0.8776 for Commission on Aging and 0.3500 mills for parks and recreation. The Isabella County Transportation Commission levied 0.8620 mills for transportation services.

### 18. FEDERAL FINANCIAL ASSISTANCE - ROAD COMMISSION COMPONENT UNIT

It is required by the Michigan Department of Transportation (MDOT) that all road commissions report total federal financial assistance for highway research, planning, and construction pertaining to their counties. During the year ended September 30, 2022, the federal aid received and expended by the Road Commission was \$107,838 for contracted projects.

Contracted projects are defined as projects performed by private contractors paid for and administered by MDOT (they are included in MDOT's single audit). Local force account projects are projects where the road commissions perform the work and would be subject to single audit requirements if they expended \$750,000 or more.



# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 19. FUND BALANCES - GOVERNMENTAL FUNDS

The County classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General	Commission on Aging	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>				
Advance to component unit	\$ 150,000	\$ -	\$ -	\$ 150,000
Inventories	15,495	9,135	-	24,630
Prepays	115,276	3,411	31,257	149,944
	<u>280,771</u>	<u>12,546</u>	<u>31,257</u>	<u>324,574</u>
<b>Restricted</b>				
Parks and recreation	-	-	1,678,873	1,678,873
Commission on aging	-	2,862,909	-	2,862,909
Jail construction	-	-	2,359,840	2,359,840
Child care	-	-	763,026	763,026
E-911	-	-	1,163,038	1,163,038
Other:				
Tribal contribution	-	-	183,586	183,586
Friend of the Court	-	-	63,917	63,917
Register of Deeds Automation	-	-	177,685	177,685
Indigent defense	-	-	38,248	38,248
Drug law enforcement	-	-	21,469	21,469
Concealed pistol license	-	-	62,940	62,940
Housing assistance	-	-	176,727	176,727
Human Services	-	-	11,023	11,023
Veterans	-	-	29,310	29,310
Corrections officers training	-	-	34,233	34,233
Law library	-	-	2,893	2,893
	-	<u>2,862,909</u>	<u>6,766,808</u>	<u>9,629,717</u>
<b>Committed</b>				
Geographical information systems	-	-	129,152	129,152
Community alternatives	-	-	1,190	1,190
Community corrections	-	-	66,036	66,036
Sheriff office/correctional facility	1,214,978	-	-	1,214,978
	<u>1,214,978</u>	-	<u>196,378</u>	<u>1,411,356</u>
<b>Assigned</b>				
Bond anticipation note payment	2,630,567	-	-	2,630,567
Working capital	2,000,000	-	-	2,000,000
Vested benefits	1,193,467	-	-	1,193,467
District health capital	19,409	-	-	19,409
Central dispatch capital	9,852	-	-	9,852
Claims liability	41,860	-	-	41,860
Court technology	31,654	-	-	31,654
Subsequent year expenditures	474,345	-	-	474,345
	<u>6,401,154</u>	-	-	<u>6,401,154</u>
<b>Unassigned</b>	<u>4,455,813</u>	-	-	<u>4,455,813</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 12,352,716</u>	<u>\$ 2,875,455</u>	<u>\$ 6,994,443</u>	<u>\$ 22,222,614</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### 20. NET POSITION

#### *Restricted Net Position*

The composition of the County's restricted net position as of year end was as follows:

	Governmental Activities	Business-type Activities	Component Units
Restricted for:			
Legal restrictions:			
Commission on Aging	\$ 2,875,455	\$ -	\$ -
Parks and recreation	1,678,993	-	-
E-911	1,194,095	-	-
Child care	763,026	-	-
County roads	-	-	16,097,484
Drain capital projects	-	-	4,841,753
Debt service:			
Drainage Districts bonds	-	-	14,633,140
Grant programs:			
CDBG housing assistance	1,084,869	-	-
Other:			
Legal restrictions:			
Tribal contribution	183,586	-	-
Register of Deeds automation	177,765	-	-
Drug law enforcement	21,469	-	-
Human services	11,023	-	-
Veterans activities	29,310	-	-
Concealed pistol license	62,940	-	-
Corrections officer training	34,233	-	-
Law library	2,893	-	-
Grant programs:			
Indigent defense	38,248	-	-
Friend of the Court	63,917	-	-
Pension	-	-	36,428
Nonexpendable - Drayton & Millie Miley Trust	-	-	55,226
Expendable:			
Drayton and Millie Miley Trust	-	-	39,923
Patient Equipment Trust	-	-	180,419
Total other	<u>625,384</u>	<u>-</u>	<u>311,996</u>
	<u>\$ 8,221,822</u>	<u>\$ -</u>	<u>\$ 35,884,373</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

### Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 6,806,358	\$ 107,757	\$ 35,194,274
Capital assets being depreciated, net	11,187,465	1,138,747	111,297,962
Total capital assets	<u>17,993,823</u>	<u>1,246,504</u>	<u>146,492,236</u>
Related debt:			
Bonds and notes payable	6,000,000	-	21,040,756
Unamortized bond premiums	-	-	-
Unexpended bond proceeds	(2,359,840)	-	(218,161)
Capital related payables and retainage	24,619	-	-
Deferred loss on bond refunding	-	-	(43,504)
Non-capital related debt	-	-	(1,136,496)
Total related debt	<u>3,664,779</u>	<u>-</u>	<u>19,642,595</u>
	<u>\$ 14,329,044</u>	<u>\$ 1,246,504</u>	<u>\$ 126,849,641</u>

## 21. TAX ABATEMENTS

The County received reduced property tax revenues during the year as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by local municipalities.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements by local unit which reduced tax revenues to the County for 2022 were as follows:

Governmental Entity	Abatement Amount
Broomfield Township	\$ 2,735
Coe Township	28
Isabella Township	1,154
Union Township	4,094
City of Mt. Pleasant	11,369
City of Clare	6,242
	<u>\$ 25,622</u>

# ISABELLA COUNTY, MICHIGAN

## Notes to Financial Statements

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements were entered into by the City of Mt. Pleasant and amounted to approximately \$49,000 in reduced County tax revenues for the year.

### 22. CONTINGENT LIABILITIES AND COMMITMENTS

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

### 23. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The County directly received approximately \$13.6 million during 2022 to be used to respond to the impacts of the COVID-19 pandemic through the American Rescue Plan Act (ARPA) and other funding sources. This funding was used to provide relief in multiple areas such as State public safety and public health programs, purchases of personal protection equipment (PPE), transportation assistance, library assistance, and election assistance.

### 24. SUBSEQUENT EVENTS

On November 1, 2022, the Isabella County Board approved the Limited Tax General Obligation Jail Bond, Series 2022A, in the amount of \$41,500,000 with interest at 2.125% maturing on December 1, 2062. These bonds will be paying for Change Order No. 2 with Clark Construction Company in the amount not to exceed \$41,677,376 for the Jail and Sheriff's Office project. The loan with USDA closed on December 6, 2022.

On December 20, 2022, the Isabella County Board approved the Motorola Solutions MI Enhanced Radio Communication Coverage and Subscribers Sheriff's Office project in the amount of \$4,397,468. Isabella County will be reimbursed from grant funds provided by the State of Michigan for all costs for the communications equipment and services.



## **REQUIRED SUPPLEMENTARY INFORMATION**

# ISABELLA COUNTY, MICHIGAN

## Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Changes in County's Net Pension Liability and Related Ratios

	Year Ended September 30,				
	2022	2021	2020	2019	2018
<b>Total pension liability</b>					
Service cost	\$ 419,959	\$ 426,558	\$ 404,017	\$ 425,691	\$ 467,074
Interest	4,127,040	3,804,224	3,771,714	3,690,841	3,620,439
Differences between expected and actual experience	550,004	1,024,856	155,322	(285,204)	(638,087)
Changes of assumptions	2,113,304	2,119,581	1,550,908	-	-
Benefit payments, including refunds of employee contributions	(3,202,317)	(3,046,443)	(2,921,711)	(2,697,401)	(2,400,087)
Other	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>4,007,990</b>	<b>4,328,776</b>	<b>2,960,250</b>	<b>1,133,927</b>	<b>1,049,339</b>
Total pension liability, beginning of year	55,694,303	51,365,527	48,405,277	47,271,350	46,222,011
<b>Total pension liability, end of year</b>	<b>59,702,293</b>	<b>55,694,303</b>	<b>51,365,527</b>	<b>48,405,277</b>	<b>47,271,350</b>
<b>Plan fiduciary net position</b>					
Employer contributions	1,544,498	1,511,112	1,493,283	2,078,521	1,980,435
Employee contributions	127,829	131,845	128,252	140,615	154,191
Net investment income (loss)	5,344,190	5,068,148	4,500,770	(1,393,793)	4,185,617
Benefit payments, including refunds of employee contributions	(3,202,317)	(3,046,443)	(2,921,711)	(2,697,401)	(2,400,087)
Administrative expense	(63,424)	(72,969)	(77,523)	(68,840)	(66,220)
<b>Net change in plan fiduciary net position</b>	<b>3,750,776</b>	<b>3,591,693</b>	<b>3,123,071</b>	<b>(1,940,898)</b>	<b>3,853,936</b>
Plan fiduciary net position, beginning of year	40,232,488	36,640,795	33,517,724	35,458,622	31,604,686
<b>Plan fiduciary net position, end of year</b>	<b>43,983,264</b>	<b>40,232,488</b>	<b>36,640,795</b>	<b>33,517,724</b>	<b>35,458,622</b>
<b>County's net pension liability</b>	<b>\$ 15,719,029</b>	<b>\$ 15,461,815</b>	<b>\$ 14,724,732</b>	<b>\$ 14,887,553</b>	<b>\$ 11,812,728</b>
Plan fiduciary net position as a percentage of total pension liability	73.7%	72.2%	71.3%	69.2%	75.0%
Covered payroll	\$ 3,583,154	\$ 4,368,246	\$ 3,570,455	\$ 3,774,098	\$ 4,143,120
County's net pension liability as a percentage of covered payroll	438.7%	354.0%	412.4%	394.5%	285.1%

See notes to required supplementary information.



Year Ended September 30,		
2017	2016	2015
\$ 526,793	\$ 565,790	\$ 567,176
3,591,709	3,344,840	3,105,900
(1,425,910)	392,120	-
-	2,225,734	-
(2,207,091)	(2,105,195)	(1,994,155)
-	-	97,060
485,501	4,423,289	1,775,981
45,736,510	41,313,221	39,537,240
46,222,011	45,736,510	41,313,221
1,604,325	1,420,389	1,266,473
164,742	175,830	178,961
3,274,618	(447,563)	1,805,222
(2,207,091)	(2,105,195)	(1,994,155)
(64,626)	(65,245)	(66,306)
2,771,968	(1,021,784)	1,190,195
28,832,718	29,854,502	28,664,307
31,604,686	28,832,718	29,854,502
\$ 14,617,325	\$ 16,903,792	\$ 11,458,719
68.4%	63.0%	72.3%
\$ 4,660,171	\$ 4,915,260	\$ 5,344,166
313.7%	343.9%	214.4%

# ISABELLA COUNTY, MICHIGAN

## Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

### Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 1,916,119	\$ 1,916,119	\$ -	\$ 3,459,823	55.4%
2021	1,420,927	1,420,927	-	4,049,163	35.1%
2020	1,541,271	1,541,271	-	3,752,795	41.1%
2019	1,477,014	1,477,014	-	3,843,715	38.4%
2018	2,279,460	2,279,460	-	4,164,769	54.7%
2017	1,880,760	1,880,760	-	4,526,479	41.6%
2016	1,512,180	1,512,180	-	4,723,273	32.0%
2015	1,389,792	1,389,792	-	4,940,238	28.1%

See notes to required supplementary information.



# ISABELLA COUNTY, MICHIGAN

## Notes to Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Notes to Schedule of Changes in County's Net Pension Liability and Related Ratios

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

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

*Changes in assumptions.* In 2016, amounts reported as changes in assumptions resulted primarily from the following: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75%, (3) asset smoothing period was changed from 10 years to 5 years and (4) the amortization period was moved to a fixed period amortization for the December 31, 2015 annual valuations.

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

#### Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

## ISABELLA COUNTY, MICHIGAN

### Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Special revenue funds are part of the governmental fund category and, accordingly, are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as a net current asset, and expenditures are generally recognized when the related fund liability is incurred.

The Department of Human Services special revenue fund operates as a "quasi-independent" unit.

Certain special revenue funds are required to account for specified activities of the Courts (the Friend of the Court Fund, and Community Alternatives Fund) or certain County departments (Veterans' Activities) or in accordance with public law (County Law Library).

Other special revenue funds are used to account for activities financed with specific revenue sources (the Geographical Information System Fund, Parks and Recreation Fund, Register of Deeds Automation Fund, Drug Law Enforcement Fund, Community Corrections Fund, Indigent Defense Fund, Concealed Pistol License Fund, Local Corrections Officer Training, CDBG Housing Assistance Grant, Tribal Contribution, Child Care Fund, and the E-911 Fund).

## ISABELLA COUNTY, MICHIGAN

### ■ Nonmajor Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The funds are used when legally mandated or when projects are financed wholly or in part by bond issues, intergovernmental revenue, or private donations. This is also particularly useful for projects financed from the current revenue of more than one fund or covering more than one year.

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

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2022

	Special Revenue Funds	Jail Construction Capital Projects Fund	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 3,941,803	\$ 2,384,459	\$ 6,326,262
Investments	841,956	-	841,956
Receivables:			
Accounts	882,577	-	882,577
Loans	908,142	-	908,142
Due from other governments	217,775	-	217,775
Due from other funds	50,000	-	50,000
Prepays	31,257	-	31,257
<b>Total assets</b>	<b>\$ 6,873,510</b>	<b>\$ 2,384,459</b>	<b>\$ 9,257,969</b>
<b>Liabilities</b>			
Accounts payable	\$ 248,661	\$ 24,619	\$ 273,280
Accrued payroll	51,896	-	51,896
Due to other funds	456,274	-	456,274
Due to other governments	305,742	-	305,742
Unearned revenue	268,192	-	268,192
<b>Total liabilities</b>	<b>1,330,765</b>	<b>24,619</b>	<b>1,355,384</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - loans	908,142	-	908,142
<b>Fund balances</b>			
Nonspendable	31,257	-	31,257
Restricted	4,406,968	2,359,840	6,766,808
Committed	196,378	-	196,378
<b>Total fund balances</b>	<b>4,634,603</b>	<b>2,359,840</b>	<b>6,994,443</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,873,510</b>	<b>\$ 2,384,459</b>	<b>\$ 9,257,969</b>

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2022

	Special Revenue Funds	Jail Construction Capital Projects Fund	Totals
<b>Revenues</b>			
Property taxes	\$ 724,931	\$ -	\$ 724,931
Licenses and permits	577,195	-	577,195
Intergovernmental	2,472,052	-	2,472,052
Charges for services	1,873,129	-	1,873,129
Fines and forfeitures	6,500	-	6,500
Interest and rents	7,194	3,090	10,284
Other revenues	91,181	-	91,181
<b>Total revenues</b>	<u>5,752,182</u>	<u>3,090</u>	<u>5,755,272</u>
<b>Expenditures</b>			
Current expenditures:			
General government	57,728	-	57,728
Judicial	1,944,693	-	1,944,693
Public safety	2,050,551	-	2,050,551
Health and welfare	1,122,970	-	1,122,970
Recreation and culture	1,175,606	-	1,175,606
Community and economic development	508	-	508
Capital outlay	-	1,250,283	1,250,283
<b>Total expenditures</b>	<u>6,352,056</u>	<u>1,250,283</u>	<u>7,602,339</u>
Revenues over (under) expenditures	<u>(599,874)</u>	<u>(1,247,193)</u>	<u>(1,847,067)</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,209,506	-	1,209,506
Transfers out	<u>(382,697)</u>	<u>-</u>	<u>(382,697)</u>
<b>Total other financing sources (uses)</b>	<u>826,809</u>	<u>-</u>	<u>826,809</u>
<b>Net change in fund balances</b>	226,935	(1,247,193)	(1,020,258)
Fund balances, beginning of year	<u>4,407,668</u>	<u>3,607,033</u>	<u>8,014,701</u>
<b>Fund balances, end of year</b>	<u><u>\$ 4,634,603</u></u>	<u><u>\$ 2,359,840</u></u>	<u><u>\$ 6,994,443</u></u>

**ISABELLA COUNTY, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 September 30, 2022

	<b>Geographical Information System</b>	<b>Parks and Recreation</b>	<b>Friend of the Court</b>	<b>Register of Deeds Automation</b>	<b>Drug Law Enforcement</b>	<b>Community Alternatives</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 132,575	\$ 1,687,309	\$ 65,239	\$ 180,135	\$ 21,469	\$ 1,190
Investments	-	-	-	-	-	-
Receivables:						
Accounts	-	5,652	-	-	-	-
Loans	-	-	-	-	-	-
Due from other governments	-	-	88,010	-	-	-
Due from other funds	-	50,000	-	-	-	-
Prepays	-	120	-	80	-	-
<b>Total assets</b>	<u>\$ 132,575</u>	<u>\$ 1,743,081</u>	<u>\$ 153,249</u>	<u>\$ 180,215</u>	<u>\$ 21,469</u>	<u>\$ 1,190</u>
<b>Liabilities</b>						
Accounts payable	\$ 3,423	\$ 51,023	\$ 1,143	\$ 2,450	\$ -	\$ -
Accrued payroll	-	12,070	10,189	-	-	-
Due to other funds	-	-	78,000	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	995	-	-	-	-
<b>Total liabilities</b>	<u>3,423</u>	<u>64,088</u>	<u>89,332</u>	<u>2,450</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue - loans	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	120	-	80	-	-
Restricted	-	1,678,873	63,917	177,685	21,469	-
Committed	129,152	-	-	-	-	1,190
<b>Total fund balances</b>	<u>129,152</u>	<u>1,678,993</u>	<u>63,917</u>	<u>177,765</u>	<u>21,469</u>	<u>1,190</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 132,575</u>	<u>\$ 1,743,081</u>	<u>\$ 153,249</u>	<u>\$ 180,215</u>	<u>\$ 21,469</u>	<u>\$ 1,190</u>

Community Corrections	Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	Department of Human Services	Child Care
\$ 69,799	\$ 349,866	\$ 63,421	\$ 34,243	\$ 3,243	\$ 176,727	\$ 315,973	\$ 11,023	\$ 24,293
-	-	-	-	-	-	94,229	-	747,727
-	-	-	-	-	-	481,474	-	-
-	-	-	-	-	908,142	-	-	-
-	-	-	-	-	-	-	-	91,201
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 69,799</u>	<u>\$ 349,866</u>	<u>\$ 63,421</u>	<u>\$ 34,243</u>	<u>\$ 3,243</u>	<u>\$ 1,084,869</u>	<u>\$ 891,676</u>	<u>\$ 11,023</u>	<u>\$ 863,221</u>
\$ 2,669	\$ 30,820	\$ 481	\$ 10	\$ 350	\$ -	\$ 29,504	\$ -	\$ 93,470
1,094	13,601	-	-	-	-	-	-	1,295
-	-	-	-	-	-	378,274	-	-
-	-	-	-	-	-	300,312	-	5,430
-	267,197	-	-	-	-	-	-	-
<u>3,763</u>	<u>311,618</u>	<u>481</u>	<u>10</u>	<u>350</u>	<u>-</u>	<u>708,090</u>	<u>-</u>	<u>100,195</u>
-	-	-	-	-	908,142	-	-	-
-	-	-	-	-	-	-	-	-
-	38,248	62,940	34,233	2,893	176,727	183,586	11,023	763,026
66,036	-	-	-	-	-	-	-	-
<u>66,036</u>	<u>38,248</u>	<u>62,940</u>	<u>34,233</u>	<u>2,893</u>	<u>176,727</u>	<u>183,586</u>	<u>11,023</u>	<u>763,026</u>
<u>\$ 69,799</u>	<u>\$ 349,866</u>	<u>\$ 63,421</u>	<u>\$ 34,243</u>	<u>\$ 3,243</u>	<u>\$ 1,084,869</u>	<u>\$ 891,676</u>	<u>\$ 11,023</u>	<u>\$ 863,221</u>

continued...



**ISABELLA COUNTY, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 September 30, 2022

	<b>Veterans' Activities</b>	<b>E-911</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 29,310	\$ 775,988	\$ 3,941,803
Investments	-	-	841,956
Receivables:			
Accounts	-	395,451	882,577
Loans	-	-	908,142
Due from other governments	-	38,564	217,775
Due from other funds	-	-	50,000
Prepays	-	31,057	31,257
<b>Total assets</b>	<u>\$ 29,310</u>	<u>\$ 1,241,060</u>	<u>\$ 6,873,510</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 33,318	\$ 248,661
Accrued payroll	-	13,647	51,896
Due to other funds	-	-	456,274
Due to other governments	-	-	305,742
Unearned revenue	-	-	268,192
<b>Total liabilities</b>	<u>-</u>	<u>46,965</u>	<u>1,330,765</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - loans	-	-	908,142
<b>Fund balances</b>			
Nonspendable	-	31,057	31,257
Restricted	29,310	1,163,038	4,406,968
Committed	-	-	196,378
<b>Total fund balances</b>	<u>29,310</u>	<u>1,194,095</u>	<u>4,634,603</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 29,310</u>	<u>\$ 1,241,060</u>	<u>\$ 6,873,510</u>

concluded.

**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2022

	<b>Geographical Information System</b>	<b>Parks and Recreation</b>	<b>Friend of the Court</b>	<b>Register of Deeds Automation</b>	<b>Drug Law Enforcement</b>	<b>Community Alternatives</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ 724,931	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	546,451	-	-	-	-
Intergovernmental	-	48,575	489,004	-	-	-
Charges for services	4,939	-	41,382	52,595	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rents	-	5,474	-	198	11	-
Other revenues	25,000	66,181	-	-	-	-
<b>Total revenues</b>	<b>29,939</b>	<b>1,391,612</b>	<b>530,386</b>	<b>52,793</b>	<b>11</b>	<b>-</b>
<b>Expenditures</b>						
Current:						
General government	23,302	-	-	30,499	-	-
Judicial	-	-	743,011	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Recreation and culture	-	1,175,606	-	-	-	-
Community and economic development	-	-	-	-	-	-
<b>Total expenditures</b>	<b>23,302</b>	<b>1,175,606</b>	<b>743,011</b>	<b>30,499</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	6,637	216,006	(212,625)	22,294	11	-
<b>Other financing sources (uses)</b>						
Transfers in	28,250	-	230,000	-	-	-
Transfers out	-	(87,377)	-	(2,650)	-	-
<b>Total other financing sources (uses)</b>	<b>28,250</b>	<b>(87,377)</b>	<b>230,000</b>	<b>(2,650)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>34,887</b>	<b>128,629</b>	<b>17,375</b>	<b>19,644</b>	<b>11</b>	<b>-</b>
Fund balances, beginning of year	94,265	1,550,364	46,542	158,121	21,458	1,190
<b>Fund balances, end of year</b>	<b>\$ 129,152</b>	<b>\$ 1,678,993</b>	<b>\$ 63,917</b>	<b>\$ 177,765</b>	<b>\$ 21,469</b>	<b>\$ 1,190</b>

Community Corrections	Indigent Defense	Concealed Pistol License	Local Corrections Officers Training	County Law Library	CDBG Housing Assistance Grant	Tribal Contribution	Department of Human Services	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	30,744	-	-	-	-	-	-
53,370	1,084,614	-	-	-	-	49,196	-	535,962
-	-	-	11,713	-	-	-	-	120,858
-	-	-	-	6,500	-	-	-	-
-	562	77	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>53,370</u>	<u>1,085,176</u>	<u>30,821</u>	<u>11,713</u>	<u>6,500</u>	<u>-</u>	<u>49,196</u>	<u>-</u>	<u>656,820</u>
-	-	-	-	-	-	3,927	-	-
-	1,173,431	-	-	28,251	-	-	-	-
100,485	-	6,476	2,635	-	-	196,981	-	-
-	-	-	-	-	-	-	2,191	1,116,540
-	-	-	-	-	-	-	-	-
-	-	-	-	-	150	358	-	-
<u>100,485</u>	<u>1,173,431</u>	<u>6,476</u>	<u>2,635</u>	<u>28,251</u>	<u>150</u>	<u>201,266</u>	<u>2,191</u>	<u>1,116,540</u>
<u>(47,115)</u>	<u>(88,255)</u>	<u>24,345</u>	<u>9,078</u>	<u>(21,751)</u>	<u>(150)</u>	<u>(152,070)</u>	<u>(2,191)</u>	<u>(459,720)</u>
66,000	236,106	-	-	24,150	-	-	5,000	600,000
-	(148,476)	(29,655)	-	-	-	-	-	-
<u>66,000</u>	<u>87,630</u>	<u>(29,655)</u>	<u>-</u>	<u>24,150</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>600,000</u>
18,885	(625)	(5,310)	9,078	2,399	(150)	(152,070)	2,809	140,280
47,151	38,873	68,250	25,155	494	176,877	335,656	8,214	622,746
<u>\$ 66,036</u>	<u>\$ 38,248</u>	<u>\$ 62,940</u>	<u>\$ 34,233</u>	<u>\$ 2,893</u>	<u>\$ 176,727</u>	<u>\$ 183,586</u>	<u>\$ 11,023</u>	<u>\$ 763,026</u>

continued...

**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2022

	Veterans' Activities	E-911	Totals
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ 724,931
Licenses and permits	-	-	577,195
Intergovernmental	-	211,331	2,472,052
Charges for services	-	1,641,642	1,873,129
Fines and forfeitures	-	-	6,500
Interest and rents	-	872	7,194
Other revenues	-	-	91,181
<b>Total revenues</b>	<u>-</u>	<u>1,853,845</u>	<u>5,752,182</u>
<b>Expenditures</b>			
Current:			
General government	-	-	57,728
Judicial	-	-	1,944,693
Public safety	-	1,743,974	2,050,551
Health and welfare	4,239	-	1,122,970
Recreation and culture	-	-	1,175,606
Community development	-	-	508
<b>Total expenditures</b>	<u>4,239</u>	<u>1,743,974</u>	<u>6,352,056</u>
Revenues over (under) expenditures	<u>(4,239)</u>	<u>109,871</u>	<u>(599,874)</u>
<b>Other financing sources (uses)</b>			
Transfers in	20,000	-	1,209,506
Transfers out	-	(114,539)	(382,697)
<b>Total other financing sources (uses)</b>	<u>20,000</u>	<u>(114,539)</u>	<u>826,809</u>
<b>Net change in fund balances</b>	15,761	(4,668)	226,935
Fund balances, beginning of year	<u>13,549</u>	<u>1,198,763</u>	<u>4,407,668</u>
<b>Fund balances, end of year</b>	<u>\$ 29,310</u>	<u>\$ 1,194,095</u>	<u>\$ 4,634,603</u>

concluded.

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Geographical Information System Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 7,500	\$ 7,500	\$ 4,939	\$ (2,561)
Other revenues	25,000	25,000	25,000	-
<b>Total revenues</b>	32,500	32,500	29,939	(2,561)
<b>Expenditures</b>				
Current:				
General government	60,750	60,750	23,302	(37,448)
Revenues over (under) expenditures	(28,250)	(28,250)	6,637	34,887
<b>Other financing sources</b>				
Transfers in	28,250	28,250	28,250	-
<b>Net change in fund balance</b>	-	-	34,887	34,887
Fund balance, beginning of year	94,265	94,265	94,265	-
<b>Fund balance, end of year</b>	\$ 94,265	\$ 94,265	\$ 129,152	\$ 34,887

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks and Recreation Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 675,000	\$ 675,000	\$ 724,931	\$ 49,931
Licenses and permits	438,100	438,100	546,451	108,351
Intergovernmental	-	60	48,575	48,515
Interest and rents	10,000	10,000	5,474	(4,526)
Other revenues	17,000	42,000	66,181	24,181
<b>Total revenues</b>	<u>1,140,100</u>	<u>1,165,160</u>	<u>1,391,612</u>	<u>226,452</u>
<b>Expenditures</b>				
Current:				
Recreation and culture:				
Administration	496,391	669,551	553,777	(115,774)
Coldwater Lake County Park	141,801	150,135	133,590	(16,545)
Deerfield County Park	128,372	136,705	99,449	(37,256)
Herrick County Park	126,384	134,717	114,936	(19,781)
Meridian County Park	5,838	5,838	8,370	2,532
Pere Marquette Rail Trail	6,160	6,160	2,259	(3,901)
Maintenance shop	274,084	274,084	263,225	(10,859)
<b>Total expenditures</b>	<u>1,179,030</u>	<u>1,377,189</u>	<u>1,175,606</u>	<u>(201,583)</u>
Revenues over (under) expenditures	(38,930)	(212,029)	216,006	428,035
<b>Other financing uses</b>				
Transfers out	(87,377)	(87,377)	(87,377)	-
<b>Net change in fund balance</b>	<u>(126,307)</u>	<u>(299,406)</u>	<u>128,629</u>	<u>428,035</u>
Fund balance, beginning of year	1,550,364	1,550,364	1,550,364	-
<b>Fund balance, end of year</b>	<u>\$ 1,424,057</u>	<u>\$ 1,250,958</u>	<u>\$ 1,678,993</u>	<u>\$ 428,035</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Friend of the Court Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 562,000	\$ 562,000	\$ 489,004	\$ (72,996)
Charges for services	51,000	51,000	41,382	(9,618)
<b>Total revenues</b>	613,000	613,000	530,386	(82,614)
<b>Expenditures</b>				
Current:				
Judicial	843,277	843,277	743,011	(100,266)
Revenues over (under) expenditures	(230,277)	(230,277)	(212,625)	17,652
<b>Other financing uses</b>				
Transfers in	230,000	230,000	230,000	-
<b>Net change in fund balance</b>	(277)	(277)	17,375	17,652
Fund balance, beginning of year	46,542	46,542	46,542	-
<b>Fund balance, end of year</b>	\$ 46,265	\$ 46,265	\$ 63,917	\$ 17,652

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Register of Deeds Automation Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 50,400	\$ 50,400	\$ 52,595	\$ 2,195
Interest and rents	100	100	198	98
<b>Total revenues</b>	50,500	50,500	52,793	2,293
<b>Expenditures</b>				
Current:				
General government	36,100	89,100	30,499	(58,601)
Revenues over (under) expenditures	14,400	(38,600)	22,294	60,894
<b>Other financing uses</b>				
Transfers out	(12,067)	(12,067)	(2,650)	(9,417)
<b>Net change in fund balance</b>	2,333	(50,667)	19,644	70,311
Fund balance, beginning of year	158,121	158,121	158,121	-
<b>Fund balance, end of year</b>	\$ 160,454	\$ 107,454	\$ 177,765	\$ 70,311



# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drug Law Enforcement Special Revenue Fund  
 For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Interest and rents	\$ -	\$ -	\$ 11	\$ 11
Fund balance, beginning of year	<u>21,458</u>	<u>21,458</u>	<u>21,458</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 21,458</u>	<u>\$ 21,458</u>	<u>\$ 21,469</u>	<u>\$ 11</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Alternatives Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Revenues under expenditures	-	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	1,190	1,190	1,190	-
<b>Fund balance, end of year</b>	<u>\$ 1,190</u>	<u>\$ 1,190</u>	<u>\$ 1,190</u>	<u>\$ -</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Corrections Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 69,250	\$ 69,250	\$ 53,370	\$ (15,880)
<b>Expenditures</b>				
Current:				
Public safety	137,783	137,783	100,485	(37,298)
Revenues over (under) expenditures	(68,533)	(68,533)	(47,115)	21,418
<b>Other financing sources</b>				
Transfers in	66,000	66,000	66,000	-
<b>Net change in fund balance</b>	(2,533)	(2,533)	18,885	21,418
Fund balance, beginning of year	47,151	47,151	47,151	-
<b>Fund balance, end of year</b>	<u>\$ 44,618</u>	<u>\$ 44,618</u>	<u>\$ 66,036</u>	<u>\$ 21,418</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Indigent Defense Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 1,351,810	\$ 1,351,810	\$ 1,084,614	\$ (267,196)
Interest and rents	-	-	562	562
<b>Total revenues</b>	1,351,810	1,351,810	1,085,176	(266,634)
<b>Expenditures</b>				
Current:				
Judicial	1,439,442	1,439,442	1,173,431	(266,011)
Revenues over (under) expenditures	(87,632)	(87,632)	(88,255)	(623)
<b>Other financing sources (uses)</b>				
Transfers in	236,106	236,106	236,106	-
Transfers out	(148,476)	(148,476)	(148,476)	-
<b>Total other financing sources (uses)</b>	87,630	87,630	87,630	-
<b>Net change in fund balance</b>	(2)	(2)	(625)	(623)
Fund balance, beginning of year	38,873	38,873	38,873	-
<b>Fund balance, end of year</b>	\$ 38,871	\$ 38,871	\$ 38,248	\$ (623)

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Concealed Pistol License Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 30,744	\$ 744
Interest and rents	-	-	77	77
<b>Total revenues</b>	30,000	30,000	30,821	821
<b>Expenditures</b>				
Current:				
Public safety	6,795	7,795	6,476	(1,319)
Revenues over (under) expenditures	23,205	22,205	24,345	2,140
<b>Other financing uses</b>				
Transfers out	(29,655)	(29,655)	(29,655)	-
<b>Net change in fund balance</b>	(6,450)	(7,450)	(5,310)	2,140
Fund balance, beginning of year	68,250	68,250	68,250	-
<b>Fund balance, end of year</b>	\$ 61,800	\$ 60,800	\$ 62,940	\$ 2,140

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Corrections Officers Training Special Revenue Fund  
 For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 11,713	\$ 1,713
<b>Expenditures</b>				
Current:				
Public safety	10,000	10,000	2,635	(7,365)
<b>Net change in fund balance</b>	-	-	9,078	9,078
Fund balance, beginning of year	25,155	25,155	25,155	-
<b>Fund balance, end of year</b>	<u>\$ 25,155</u>	<u>\$ 25,155</u>	<u>\$ 34,233</u>	<u>\$ 9,078</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - County Law Library Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
<b>Expenditures</b>				
Current:				
Judicial	28,650	30,650	28,251	(2,399)
Revenues over (under) expenditures	(22,150)	(24,150)	(21,751)	2,399
<b>Other financing sources</b>				
Transfers in	22,150	24,150	24,150	-
<b>Net change in fund balance</b>	-	-	2,399	2,399
Fund balance, beginning of year	494	494	494	-
<b>Fund balance, end of year</b>	<u>\$ 494</u>	<u>\$ 494</u>	<u>\$ 2,893</u>	<u>\$ 2,399</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - CDBG Housing Assistance Grant Special Revenue Fund  
 For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Other revenues	\$ 17,500	\$ 17,500	\$ -	\$ (17,500)
<b>Expenditures</b>				
Current:				
Community and economic development	17,500	17,500	150	(17,350)
<b>Net change in fund balance</b>	-	-	(150)	(150)
Fund balance, beginning of year	176,877	176,877	176,877	-
<b>Fund balance, end of year</b>	<u>\$ 176,877</u>	<u>\$ 176,877</u>	<u>\$ 176,727</u>	<u>\$ (150)</u>



# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Tribal Contribution Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 49,196	\$ (50,804)
<b>Expenditures</b>				
Current:				
General government	100,000	21,000	3,927	(17,073)
Public safety	-	190,000	196,981	6,981
Community and economic development	-	-	358	358
<b>Total expenditures</b>	<b>100,000</b>	<b>211,000</b>	<b>201,266</b>	<b>(9,734)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(111,000)</b>	<b>(152,070)</b>	<b>(41,070)</b>
Fund balance, beginning of year	335,656	335,656	335,656	-
<b>Fund balance, end of year</b>	<b>\$ 335,656</b>	<b>\$ 224,656</b>	<b>\$ 183,586</b>	<b>\$ (41,070)</b>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Department of Human Services Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Health and welfare	5,000	5,000	2,191	(2,809)
Revenues over (under) expenditures	(5,000)	(5,000)	(2,191)	2,809
<b>Other financing sources</b>				
Transfers in	5,000	5,000	5,000	-
<b>Net change in fund balance</b>	-	-	2,809	2,809
Fund balance, beginning of year	8,214	8,214	8,214	-
<b>Fund balance, end of year</b>	<u>\$ 8,214</u>	<u>\$ 8,214</u>	<u>\$ 11,023</u>	<u>\$ 2,809</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Child Care Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 691,500	\$ 691,500	\$ 535,962	\$ (155,538)
Charges for services	60,000	60,000	120,858	60,858
<b>Total revenues</b>	751,500	751,500	656,820	(94,680)
<b>Expenditures</b>				
Current:				
Health and welfare	1,612,868	1,612,868	1,116,540	(496,328)
Revenues over (under) expenditures	(861,368)	(861,368)	(459,720)	401,648
<b>Other financing sources</b>				
Transfers in	550,000	550,000	600,000	50,000
<b>Net change in fund balance</b>	(311,368)	(311,368)	140,280	451,648
Fund balance, beginning of year	622,746	622,746	622,746	-
<b>Fund balance, end of year</b>	\$ 311,378	\$ 311,378	\$ 763,026	\$ 451,648

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Veterans' Activities Special Revenue Fund  
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Health and welfare	30,000	30,000	4,239	(25,761)
Revenues over (under) expenditures	(30,000)	(30,000)	(4,239)	25,761
<b>Other financing sources</b>				
Transfers in	20,000	20,000	20,000	-
<b>Net change in fund balance</b>	(10,000)	(10,000)	15,761	25,761
Fund balance, beginning of year	13,549	13,549	13,549	-
<b>Fund balance, end of year</b>	<u>\$ 3,549</u>	<u>\$ 3,549</u>	<u>\$ 29,310</u>	<u>\$ 25,761</u>

# ISABELLA COUNTY, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - E-911 Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 219,250	\$ 219,510	\$ 211,331	\$ (8,179)
Charges for services	1,623,000	1,623,000	1,641,642	18,642
Interest and rents	600	600	872	272
Other revenue	500	500	-	(500)
<b>Total revenues</b>	<b>1,843,350</b>	<b>1,843,610</b>	<b>1,853,845</b>	<b>10,235</b>
<b>Expenditures</b>				
Current:				
Public safety	1,863,624	1,921,959	1,743,974	(177,985)
Revenues over (under) expenditures	(20,274)	(78,349)	109,871	188,220
<b>Other financing uses</b>				
Transfers out	(114,539)	(114,539)	(114,539)	-
<b>Net change in fund balance</b>	<b>(134,813)</b>	<b>(192,888)</b>	<b>(4,668)</b>	<b>188,220</b>
Fund balance, beginning of year	1,198,763	1,198,763	1,198,763	-
<b>Fund balance, end of year</b>	<b>\$ 1,063,950</b>	<b>\$ 1,005,875</b>	<b>\$ 1,194,095</b>	<b>\$ 188,220</b>

## ISABELLA COUNTY, MICHIGAN

### ■ Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Building Inspections Fund* – This fund accounts for the activity related to construction inspections.

*Concessions Fund* – This fund accounts for the government’s sale of concessions within the County Jail.

*PA 105 Fund* – This fund accounts for the activities related to the County Treasurer’s audits of the Homestead (Homeowner’s Principal Residence) Exemption under Public Act 105 of 2003.

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2022

	Building Inspection	Concessions	PA 105	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1	\$ 162,542	\$ 76,446	\$ 238,989
Investments	1,000,679	-	-	1,000,679
Accounts receivable	4,144	40	-	4,184
Inventories	-	3,713	-	3,713
<b>Total current assets</b>	<b>1,004,824</b>	<b>166,295</b>	<b>76,446</b>	<b>1,247,565</b>
Noncurrent assets:				
Capital assets being depreciated, net	64,058	67,298	-	131,356
<b>Total assets</b>	<b>1,068,882</b>	<b>233,593</b>	<b>76,446</b>	<b>1,378,921</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	21,994	-	-	21,994
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	2,287	5,510	-	7,797
Accrued wages	4,968	-	-	4,968
Due to other funds	100	-	-	100
Current portion of long-term debt	9,774	-	-	9,774
<b>Total current liabilities</b>	<b>17,129</b>	<b>5,510</b>	<b>-</b>	<b>22,639</b>
Noncurrent liabilities:				
Long-term debt, net of current portion	14,661	-	-	14,661
Net pension liability	240,501	-	-	240,501
<b>Total noncurrent liabilities</b>	<b>255,162</b>	<b>-</b>	<b>-</b>	<b>255,162</b>
<b>Total liabilities</b>	<b>272,291</b>	<b>5,510</b>	<b>-</b>	<b>277,801</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	48,799	-	-	48,799
<b>Net position</b>				
Investment in capital assets	64,058	67,298	-	131,356
Unrestricted	705,728	160,785	76,446	942,959
<b>Total net position</b>	<b>\$ 769,786</b>	<b>\$ 228,083</b>	<b>\$ 76,446</b>	<b>\$ 1,074,315</b>

# ISABELLA COUNTY, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2022

	Building Inspection	Concessions	PA 105	Totals
<b>Operating revenues</b>				
Charges for services	\$ 490,550	\$ 15,552	\$ 3,104	\$ 509,206
Sales	-	286,252	-	286,252
<b>Total operating revenues</b>	<u>490,550</u>	<u>301,804</u>	<u>3,104</u>	<u>795,458</u>
<b>Operating expenses</b>				
Personnel services	345,136	-	-	345,136
Supplies	10,824	-	701	11,525
Contractual services	15,207	1,560	-	16,767
Other services and charges	10,816	5,954	-	16,770
Cost of goods sold	-	112,435	-	112,435
Depreciation	12,338	3,490	-	15,828
<b>Total operating expenses</b>	<u>394,321</u>	<u>123,439</u>	<u>701</u>	<u>518,461</u>
Operating income	<u>96,229</u>	<u>178,365</u>	<u>2,403</u>	<u>276,997</u>
<b>Nonoperating revenues</b>				
Interest revenue	7,453	154	85	7,692
Gain on the sale of capital assets	7,001	-	-	7,001
<b>Total nonoperating revenues</b>	<u>14,454</u>	<u>154</u>	<u>85</u>	<u>14,693</u>
Income before transfers	110,683	178,519	2,488	291,690
Transfers out	<u>(43,932)</u>	<u>(105,423)</u>	<u>-</u>	<u>(149,355)</u>
<b>Change in net position</b>	66,751	73,096	2,488	142,335
Net position, beginning of year	<u>703,035</u>	<u>154,987</u>	<u>73,958</u>	<u>931,980</u>
<b>Net position, end of year</b>	<u>\$ 769,786</u>	<u>\$ 228,083</u>	<u>\$ 76,446</u>	<u>\$ 1,074,315</u>



## ISABELLA COUNTY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2022

	Building Inspection	Concessions	PA 105	Totals
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 488,877	\$ 311,915	\$ 3,104	\$ 803,896
Cash payments for goods and services	(34,134)	(119,180)	(949)	(154,263)
Cash payments to employees	(378,971)	-	-	(378,971)
<b>Net cash provided by operating activities</b>	<u>75,772</u>	<u>192,735</u>	<u>2,155</u>	<u>270,662</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers out	(43,932)	(105,423)	-	(149,355)
<b>Cash flows from capital and related financing activities</b>				
Acquisition/construction of capital assets	(46,755)	-	-	(46,755)
Proceeds from sale of capital assets	29,628	-	-	29,628
<b>Net cash used in capital and related financing activities</b>	<u>(17,127)</u>	<u>-</u>	<u>-</u>	<u>(17,127)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	7,453	154	85	7,692
Purchase of investments	(25,980)	-	-	(25,980)
<b>Net cash provided by (used in) investing activities</b>	<u>(18,527)</u>	<u>154</u>	<u>85</u>	<u>(18,288)</u>
<b>Net change in cash and cash equivalents</b>	<u>(3,814)</u>	<u>87,466</u>	<u>2,240</u>	<u>85,892</u>
Cash and cash equivalents:				
Beginning of year	3,815	75,076	74,206	153,097
<b>End of year</b>	<u>\$ 1</u>	<u>\$ 162,542</u>	<u>\$ 76,446</u>	<u>\$ 238,989</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income	\$ 96,229	\$ 178,365	\$ 2,403	\$ 276,997
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	12,338	3,490	-	15,828
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(1,673)	10,111	-	8,438
Inventories	-	269	-	269
Prepays	2,325	512	-	2,837
Deferred outflows of resources related to pension	(1,738)	-	-	(1,738)
Accounts payable	288	(12)	(248)	28
Accrued wages	1,145	-	-	1,145
Due to other funds	100	-	-	100
Compensated absences	2,525	-	-	2,525
Net pension liability	(53,273)	-	-	(53,273)
Deferred inflows of resources related to pension	17,506	-	-	17,506
<b>Net cash provided by operating activities</b>	<u>\$ 75,772</u>	<u>\$ 192,735</u>	<u>\$ 2,155</u>	<u>\$ 270,662</u>

## ISABELLA COUNTY, MICHIGAN

### Fiduciary Funds

Fiduciary Funds are funds set up to account for assets held by the County, in a fiduciary capacity, for individuals, organizations, other units of government or other funds. The County's fiduciary funds are all custodial funds.

#### Custodial Funds

Custodial funds account for resources received and held by the County, in a custodial capacity, for individuals, organizations and other governments.

The *General Custodial Fund* is used to account for collection and distribution of court-imposed fines, current property tax collections remitted by the taxing units, and other similar collections.

The *Inmate Trust Fund* is used to account for cash held on behalf of inmates lodged in the county jail.

The *Library Penal Fines Fund* is used to receive funds from penal fines imposed for State law violations. Funds are transferred periodically to the various libraries within the County.

The *Central Michigan District Health Department Fund* is used to account for the funds held on behalf of the Health Department.

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Fiduciary Net Position

Custodial Funds

September 30, 2022

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health Department	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 3,041,507	\$ 11,718	\$ 490,351	\$ 5,667,717	\$ 9,211,293
Investments	-	-	-	470,837	470,837
Accounts receivable	-	-	-	24,378	24,378
<b>Total assets</b>	<u>3,041,507</u>	<u>11,718</u>	<u>490,351</u>	<u>6,162,932</u>	<u>9,706,508</u>
<b>Liabilities</b>					
Due to other governmental units:					
Federal/State	2,819,796	-	-	-	2,819,796
Local	2,627	-	490,351	6,162,932	6,655,910
Due to individuals and agencies	219,084	-	-	-	219,084
<b>Total liabilities</b>	<u>3,041,507</u>	<u>-</u>	<u>490,351</u>	<u>6,162,932</u>	<u>9,694,790</u>
<b>Net position</b>					
Restricted for:					
Individuals, organizations, and other governments	\$ -	\$ 11,718	\$ -	\$ -	\$ 11,718

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2022

	General Custodial	Inmate Trust	Library Penal Fines	Central Michigan District Health	Totals
<b>Additions</b>					
Real estate transfer tax collected for other governments	\$ 2,462,824	\$ -	\$ -	\$ -	\$ 2,462,824
Fees and fines collected on behalf of other governments	1,629,284	-	212,533	-	1,841,817
Collections from or on behalf of inmates	-	541,447	-	-	541,447
Collections on behalf of the Central Michigan District Health Department	-	-	-	15,565,342	15,565,342
Other taxes collected for other governments	20,249,292	-	-	-	20,249,292
<b>Total additions</b>	<b>24,341,400</b>	<b>541,447</b>	<b>212,533</b>	<b>15,565,342</b>	<b>40,660,722</b>
<b>Deductions</b>					
Payments of real estate transfer tax to other governments	2,462,824	-	-	-	2,462,824
Fees and fines remitted to other governments	1,629,284	-	212,533	-	1,841,817
Payments to or on behalf of inmates	-	538,682	-	-	538,682
Payments to the Central Michigan District Health Department	-	-	-	15,565,342	15,565,342
Payments of other taxes to other governments	20,249,292	-	-	-	20,249,292
<b>Total deductions</b>	<b>24,341,400</b>	<b>538,682</b>	<b>212,533</b>	<b>15,565,342</b>	<b>40,657,957</b>
<b>Change in net position</b>	<b>-</b>	<b>2,765</b>	<b>-</b>	<b>-</b>	<b>2,765</b>
Net position, beginning of year	-	8,953	-	-	8,953
<b>Net position, end of year</b>	<b>\$ -</b>	<b>\$ 11,718</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,718</b>

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Drainage Districts

September 30, 2022

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelor Drain Debt
<b>Assets</b>					
Cash and cash equivalents	\$ 38,481	\$ 126,009	\$ 49,276	\$ 180,856	\$ 114,966
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	216,689	274,337	1,567,854	33,638	353,279
Prepays	-	-	-	-	-
<b>Total assets</b>	<u>\$ 255,170</u>	<u>\$ 400,346</u>	<u>\$ 1,617,130</u>	<u>\$ 214,494</u>	<u>\$ 468,245</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	216,689	274,337	1,567,854	33,638	353,279
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted:					
Debt service	38,481	126,009	49,276	180,856	114,966
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>38,481</u>	<u>126,009</u>	<u>49,276</u>	<u>180,856</u>	<u>114,966</u>
<b>Total liabilities deferred inflows of resources and fund balances</b>	<u>\$ 255,170</u>	<u>\$ 400,346</u>	<u>\$ 1,617,130</u>	<u>\$ 214,494</u>	<u>\$ 468,245</u>

**Debt Service Funds**

<b>Figg Drain Debt</b>	<b>Lewis Drain Debt</b>	<b>Tice Drain Debt</b>	<b>Myers Drain Debt</b>	<b>Leonard Drain Debt</b>	<b>Cahoon Drain Debt</b>	<b>County Line Drain Debt</b>	<b>Jennings Drain Debt</b>
\$ 312,726	\$ 531,219	\$ 35,343	\$ 71,648	\$ 99,320	\$ 20,901	\$ 63,218	\$ 26,384
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
895,888	1,021,829	405,383	170,834	343,408	537,755	264,528	437,056
-	-	-	-	-	-	-	-
<u>\$ 1,208,614</u>	<u>\$ 1,553,048</u>	<u>\$ 440,726</u>	<u>\$ 242,482</u>	<u>\$ 442,728</u>	<u>\$ 558,656</u>	<u>\$ 327,746</u>	<u>\$ 463,440</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
895,888	1,021,829	405,383	170,834	343,408	537,755	264,528	437,056
-	-	-	-	-	-	-	-
312,726	531,219	35,343	71,648	99,320	20,901	63,218	26,384
-	-	-	-	-	-	-	-
<u>312,726</u>	<u>531,219</u>	<u>35,343</u>	<u>71,648</u>	<u>99,320</u>	<u>20,901</u>	<u>63,218</u>	<u>26,384</u>
<u>\$ 1,208,614</u>	<u>\$ 1,553,048</u>	<u>\$ 440,726</u>	<u>\$ 242,482</u>	<u>\$ 442,728</u>	<u>\$ 558,656</u>	<u>\$ 327,746</u>	<u>\$ 463,440</u>

continued...

**ISABELLA COUNTY, MICHIGAN**

**Combining Balance Sheet**

Drainage Districts  
September 30, 2022

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
<b>Assets</b>					
Cash and cash equivalents	\$ 5,374	\$ 43,668	\$ 99,461	\$ 20,768	\$ 52
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Special assessments receivable	85,173	364,998	904,369	-	2,252,258
Prepays	-	-	-	-	167,722
<b>Total assets</b>	<u>\$ 90,547</u>	<u>\$ 408,666</u>	<u>\$ 1,003,830</u>	<u>\$ 20,768</u>	<u>\$ 2,420,032</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from primary government	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	85,173	364,998	904,369	-	2,252,258
<b>Fund balances</b>					
Nonspendable	-	-	-	-	167,722
Restricted:					
Debt service	5,374	43,668	99,461	20,768	52
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>5,374</u>	<u>43,668</u>	<u>99,461</u>	<u>20,768</u>	<u>167,774</u>
<b>Total liabilities deferred inflows of resources and fund balances</b>	<u>\$ 90,547</u>	<u>\$ 408,666</u>	<u>\$ 1,003,830</u>	<u>\$ 20,768</u>	<u>\$ 2,420,032</u>

Debt Service Funds	Capital Project Funds		Totals
Mission Creek	County Drain Revolving	County Drain Construction & Maintenance	
\$ 50,387	\$ 17,097	\$ 4,080,948	\$ 5,988,102
-	-	1,532,953	1,532,953
-	-	5,881	5,881
-	546,299	100,000	646,299
2,788,862	-	-	12,918,138
-	-	-	167,722
<u>\$ 2,839,249</u>	<u>\$ 563,396</u>	<u>\$ 5,719,782</u>	<u>\$ 21,259,095</u>
\$ -	\$ -	\$ 645,126	\$ 645,126
-	100,000	546,299	646,299
-	150,000	-	150,000
-	250,000	1,191,425	1,441,425
<u>2,788,862</u>	<u>-</u>	<u>-</u>	<u>12,918,138</u>
-	-	-	167,722
50,387	-	-	1,890,057
-	313,396	4,528,357	4,841,753
<u>50,387</u>	<u>313,396</u>	<u>4,528,357</u>	<u>6,899,532</u>
<u>\$ 2,839,249</u>	<u>\$ 563,396</u>	<u>\$ 5,719,782</u>	<u>\$ 21,259,095</u>

concluded.



# ISABELLA COUNTY, MICHIGAN

## Reconciliation

Fund Balances of the Governmental Fund of the Drains Component Unit  
to Net Position of the Governmental Activities of the Drains Component Unit  
September 30, 2022

<b>Fund balances - drain component unit</b>	\$ 6,899,532
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Amounts reported for *governmental activities* in the statement of net position are different because:

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

Capital assets not being depreciated	5,351,072
Capital assets being depreciated, net	25,019,685

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred long-term receivables	12,918,138
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Internal service funds are used by management to charge the costs of certain equipment maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

	99,172
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Long-term debt and other noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(14,538,756)
Accrued interest on bonds and notes payable	(175,055)

<b>Net position of drains component unit</b>	<u><u>\$ 35,573,788</u></u>
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# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drainage Districts

For the Year Ended September 30, 2022

	Debt Service Funds				
	County Drain	Saunders Extension	Childs Creek & Dubois Drain	Beltinck Debt Retirement 220	Bachelor Drain Debt
<b>Revenues</b>					
Special assessments	\$ 42,449	\$ 55,961	\$ 169,826	\$ 37,076	\$ 60,252
Interest	55	176	1,369	230	235
Other	-	-	-	-	-
<b>Total revenues</b>	<u>42,504</u>	<u>56,137</u>	<u>171,195</u>	<u>37,306</u>	<u>60,487</u>
<b>Expenditures</b>					
Debt service:					
Principal	36,631	61,160	92,500	44,450	55,000
Interest and fiscal charges	9,000	16,055	60,773	3,742	27,290
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>45,631</u>	<u>77,215</u>	<u>153,273</u>	<u>48,192</u>	<u>82,290</u>
Revenues over (under) expenditures	<u>(3,127)</u>	<u>(21,078)</u>	<u>17,922</u>	<u>(10,886)</u>	<u>(21,803)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(3,127)</u>	<u>(21,078)</u>	<u>17,922</u>	<u>(10,886)</u>	<u>(21,803)</u>
Fund balances, beginning of year	<u>41,608</u>	<u>147,087</u>	<u>31,354</u>	<u>191,742</u>	<u>136,769</u>
<b>Fund balances, end of year</b>	<u>\$ 38,481</u>	<u>\$ 126,009</u>	<u>\$ 49,276</u>	<u>\$ 180,856</u>	<u>\$ 114,966</u>

continued...

Debt Service Funds							
Figg Drain Debt	Lewis Drain Debt	Tice Drain Debt	Myers Drain Debt	Leonard Drain Debt	Cahoon Drain Debt	County Line Drain Debt	Jennings Drain Debt
\$ 115,651	\$ 236,751	\$ 49,440	\$ 21,675	\$ 42,612	\$ 56,290	\$ 55,063	\$ 48,251
378	5,659	101	154	182	144	5,182	35
-	-	-	-	-	-	-	-
<u>116,029</u>	<u>242,410</u>	<u>49,541</u>	<u>21,829</u>	<u>42,794</u>	<u>56,434</u>	<u>60,245</u>	<u>48,286</u>
95,000	120,000	34,750	15,913	30,950	39,931	33,750	29,137
30,034	59,279	17,952	7,456	17,131	14,914	13,446	14,452
-	-	-	-	-	-	-	-
<u>125,034</u>	<u>179,279</u>	<u>52,702</u>	<u>23,369</u>	<u>48,081</u>	<u>54,845</u>	<u>47,196</u>	<u>43,589</u>
(9,005)	63,131	(3,161)	(1,540)	(5,287)	1,589	13,049	4,697
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(9,005)</u>	<u>63,131</u>	<u>(3,161)</u>	<u>(1,540)</u>	<u>(5,287)</u>	<u>1,589</u>	<u>13,049</u>	<u>4,697</u>
<u>321,731</u>	<u>468,088</u>	<u>38,504</u>	<u>73,188</u>	<u>104,607</u>	<u>19,312</u>	<u>50,169</u>	<u>21,687</u>
<u>\$ 312,726</u>	<u>\$ 531,219</u>	<u>\$ 35,343</u>	<u>\$ 71,648</u>	<u>\$ 99,320</u>	<u>\$ 20,901</u>	<u>\$ 63,218</u>	<u>\$ 26,384</u>

continued...

**ISABELLA COUNTY, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Drainage Districts

For the Year Ended September 30, 2022

	Debt Service Funds				
	Oberlin Drain Debt	Tripp Drain Debt	Blanchard Drain Debt	Dutt & Hart Drain Debt	Little Tobacco
<b>Revenues</b>					
Special assessments	\$ 9,793	\$ 42,164	\$ 67,491	\$ 8,219	\$ 209,841
Interest	7	57	136	23	8,624
Other	-	-	-	-	-
<b>Total revenues</b>	<u>9,800</u>	<u>42,221</u>	<u>67,627</u>	<u>8,242</u>	<u>218,465</u>
<b>Expenditures</b>					
Debt service:					
Principal	5,850	25,000	59,000	-	133,500
Interest and fiscal charges	3,229	15,938	37,386	-	30,788
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>9,079</u>	<u>40,938</u>	<u>96,386</u>	<u>-</u>	<u>164,288</u>
Revenues over (under) expenditures	<u>721</u>	<u>1,283</u>	<u>(28,759)</u>	<u>8,242</u>	<u>54,177</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>721</u>	<u>1,283</u>	<u>(28,759)</u>	<u>8,242</u>	<u>54,177</u>
Fund balances, beginning of year	<u>4,653</u>	<u>42,385</u>	<u>128,220</u>	<u>12,526</u>	<u>113,597</u>
<b>Fund balances, end of year</b>	<u>\$ 5,374</u>	<u>\$ 43,668</u>	<u>\$ 99,461</u>	<u>\$ 20,768</u>	<u>\$ 167,774</u>

continued...

Debt Service Fund		Capital Project Funds	
Mission Creek	County Drain Revolving	County Drain Construction & Maintenance	Totals
\$ 171,255	\$ -	\$ 199,567	\$ 1,699,627
8,389	63	21,589	52,788
-	-	291,519	291,519
<u>179,644</u>	<u>63</u>	<u>512,675</u>	<u>2,043,934</u>
148,000	-	-	1,060,522
55,440	-	-	434,305
-	-	2,348,845	2,348,845
<u>203,440</u>	<u>-</u>	<u>2,348,845</u>	<u>3,843,672</u>
<u>(23,796)</u>	<u>63</u>	<u>(1,836,170)</u>	<u>(1,799,738)</u>
-	-	150,000	150,000
73,920	-	-	73,920
-	-	(73,920)	(73,920)
<u>73,920</u>	<u>-</u>	<u>76,080</u>	<u>150,000</u>
50,124	63	(1,760,090)	(1,649,738)
263	313,333	6,288,447	8,549,270
<u>\$ 50,387</u>	<u>\$ 313,396</u>	<u>\$ 4,528,357</u>	<u>\$ 6,899,532</u>

concluded.

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Fund Balances of the Governmental Funds of the Drains Component Unit  
to Change in Net Position of the Governmental Activities of the Drains Component Unit  
For the Year Ended September 30, 2022

**Net change in fund balances - drains component unit** \$ (1,649,738)

Amounts reported for *governmental activities* in the statement of activities are different because:

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

Capital assets purchased/constructed	2,266,906
Depreciation expense	(650,644)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred long-term receivables	(954,957)
--	-----------

Internal service funds are used by management to charge the costs of certain equipment maintenance to individual funds. The net increase (decrease) in the net position of the internal service funds is reported with governmental activities.

Net change in net position of the internal service fund	5,776
---	-------

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term debt in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term debt in the statement of net position.

Issuance of long-term debt	(150,000)
Principal payments on long-term debt	1,060,522

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable on long-term debt	(12,397)
--	----------

**Change in net position of drains component unit** \$ (84,532)

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Drainage District - Drain Tile Internal Service Fund  
September 30, 2022

### Assets

Cash and cash equivalents	\$ 14,909
Inventories	<u>96,240</u>

### Total assets

111,149

### Liabilities

Accounts payable	<u>11,977</u>
------------------	---------------

### Net position

Unrestricted	<u><u>\$ 99,172</u></u>
--------------	-------------------------

# ISABELLA COUNTY, MICHIGAN

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

Drainage District - Drain Tile Internal Service Fund  
For the Year Ended September 30, 2022

### Revenues

Sales	\$	47,340
-------	----	--------

### Expenses

Materials		<u>41,564</u>
-----------	--	---------------

### Operating income/change in net position

5,776

Net position, beginning of year

93,396

### Net position, end of year

\$ 99,172



# ISABELLA COUNTY, MICHIGAN

## Statement of Cash Flows

Drainage District - Drain Tile Internal Service Fund

For the Year Ended September 30, 2022

### Cash flows from operating activities

Cash received from customers	\$ 47,340
Cash payments for goods and services	<u>(60,409)</u>

### Net change in cash and cash equivalents

(13,069)

Cash and cash equivalents:

Beginning of year	<u>27,978</u>
-------------------	---------------

End of year

\$ 14,909

### Reconciliation of operating income to net cash used in operating activities

Operating income	\$ 5,776
------------------	----------

Adjustments to reconcile operating income to net cash used in operating activities:

Changes in operating assets and liabilities

that provided (used) cash:

Inventories	(30,822)
-------------	----------

Accounts payable	<u>11,977</u>
------------------	---------------

### Net cash used in operating activities

\$ (13,069)

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Board of Public Works

September 30, 2022

	Governmental Activities	Business-type Activities	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 58,519	\$ 58,519
Cash at fiscal agent	134,639	-	134,639
Receivables	1,070,000	77,721	1,147,721
Capital assets not being depreciated	-	16,000	16,000
Capital assets being depreciated, net	-	36,207	36,207
<b>Total assets</b>	<b>1,204,639</b>	<b>188,447</b>	<b>1,393,086</b>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	43,504	-	43,504
<b>Liabilities</b>			
Accounts payable and accrued liabilities	23,889	33,453	57,342
Unearned revenue	134,639	-	134,639
Long-term liabilities:			
Due within one year	110,000	-	110,000
Due in more than one year	1,070,000	-	1,070,000
<b>Total liabilities</b>	<b>1,338,528</b>	<b>33,453</b>	<b>1,371,981</b>
<b>Net position</b>			
Investment in capital assets	-	52,207	52,207
Unrestricted (deficit)	(90,385)	102,787	12,402
<b>Total net position</b>	<b>\$ (90,385)</b>	<b>\$ 154,994</b>	<b>\$ 64,609</b>

# ISABELLA COUNTY, MICHIGAN

## Statement of Activities

Board of Public Works

For the Year Ended September 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Board of public works	\$ 55,778	\$ -	\$ 458,465	\$ 402,687	\$ -	\$ 402,687
Business-type activities:						
Board of public works	49,274	69,530	-	-	20,256	20,256
<b>Net program (expense) revenue</b>	<u>\$ 105,052</u>	<u>\$ 69,530</u>	<u>\$ 458,465</u>	402,687	20,256	422,943
<b>General revenues</b>						
Unrestricted investment earnings				-	53	53
<b>Change in net position</b>				402,687	20,309	422,996
Net position (deficit), beginning of year				(493,072)	134,685	(358,387)
Net position (deficit), end of year				<u>\$ (90,385)</u>	<u>\$ 154,994</u>	<u>\$ 64,609</u>

# ISABELLA COUNTY, MICHIGAN

## Combining Balance Sheet

Board of Public Works  
 Governmental Funds  
 September 30, 2022

	Debt Service Funds		
	Union Township Wastewater Treatment	Union Township Water System	Totals
<b>Assets</b>			
Cash held by fiscal agent	\$ -	\$ 134,639	\$ 134,639
Installment sales agreement receivable	-	1,070,000	1,070,000
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 1,204,639</u>	<u>\$ 1,204,639</u>
<b>Liabilities</b>			
Unearned revenue	\$ -	\$ 134,639	\$ 134,639
<b>Deferred inflows of resources</b>			
Unavailable revenue - installment sales agreement receivable	-	1,070,000	1,070,000
<b>Fund balances</b>			
Restricted	-	-	-
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 1,204,639</u>	<u>\$ 1,204,639</u>

# ISABELLA COUNTY, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds of the Board of Public Works Component Unit  
to Net Position of the Governmental Activities of the Board of Public Works Component Unit  
September 30, 2022

**Fund balances - governmental funds - Board of Public Works** \$ -

Amounts reported for *governmental activities* in the statement of net position are different because:

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Unavailable installment sales agreement receivable 1,070,000

Long-term debt and related deferred outflows are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Bonds and notes payable (1,180,000)

Deferred charge on refunding 43,504

Accrued interest on bonds and notes payable (23,889)

**Net position of governmental activities - Board of Public Works** \$ (90,385)

# ISABELLA COUNTY, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Board of Public Works

Governmental Funds

For the Year Ended September 30, 2022

	Debt Service Funds		Totals
	Union Township Wastewater Treatment	Union Township Water System	
<b>Revenues</b>			
Intergovernmental - local	\$ 413,100	\$ 155,365	\$ 568,465
<b>Expenditures</b>			
Debt service:			
Principal	405,000	105,000	510,000
Interest and fiscal charges	8,100	50,365	58,465
<b>Total expenditures</b>	<u>413,100</u>	<u>155,365</u>	<u>568,465</u>
<b>Net change in fund balances</b>	-	-	-
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## ISABELLA COUNTY, MICHIGAN

### Reconciliation

Net Change in Fund Balances of Governmental Funds of the Board of Public Works Component Unit  
to Change in Net Position of Governmental Activities of the Board of Public Works Component Unit  
For the Year Ended September 30, 2022

<b>Net change in fund balances of governmental funds - Board of Public Works</b>	\$ -
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.	
Change in installment sales agreement receivable	(110,000)
Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term debt in the statement of net position.	
Principal payments on long-term debt	510,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in deferred charge on refunding	(7,251)
Change in accrued interest payable on long-term debt	9,938
<b>Change in net position of governmental activities - Board of Public Works</b>	<u>\$ 402,687</u>

# ISABELLA COUNTY, MICHIGAN

## Statement of Net Position

Board of Public Works - Enterprise Fund  
Lake Isabella Water Supply System  
September 30, 2022

### Assets

Current assets:

Cash and cash equivalents	\$ 58,519
Accounts receivable	77,721
Total current assets	<u>136,240</u>

Noncurrent assets:

Capital assets not being depreciated	16,000
Capital assets being depreciated, net	36,207
Total noncurrent assets	<u>52,207</u>

### Total assets

188,447

### Liabilities

Accounts payable and accrued liabilities	4,850
Due to primary government	28,603

### Total liabilities

33,453

### Net position

Investment in capital assets	52,207
Unrestricted	102,787

### Total net position

\$ 154,994



# ISABELLA COUNTY, MICHIGAN

## Statement of Revenues, Expenses, and Changes in Net Position

Board of Public Works - Enterprise Fund

Lake Isabella Water Supply System

For the Year Ended September 30, 2022

### Revenues

Charges for services	\$ 69,530
----------------------	-----------

### Expenses

Personnel services	14,995
--------------------	--------

Supplies	3,688
----------	-------

Utilities	3,303
-----------	-------

Contractual services	15,084
----------------------	--------

Depreciation	6,343
--------------	-------

Interest	1,497
----------	-------

Other	4,364
-------	-------

<b>Total expenses</b>	<b>49,274</b>
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Operating income	20,256
------------------	--------

### Nonoperating revenues

Interest income	53
-----------------	----

<b>Change in net position</b>	<b>20,309</b>
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Net position, beginning of year	134,685
---------------------------------	---------

<b>Net position, end of year</b>	<b>\$ 154,994</b>
----------------------------------	-------------------

# ISABELLA COUNTY, MICHIGAN

## Statement of Cash Flows

Board of Public Works - Enterprise Fund  
Lake Isabella Water Supply System  
For the Year Ended September 30, 2022

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 64,463
Cash payments for goods and services	<u>(47,995)</u>
<b>Net cash provided by operating activities</b>	16,468
<b>Cash flows from investing activities</b>	
Interest received	<u>53</u>
<b>Net change in cash and cash equivalents</b>	16,521
Cash and cash equivalents:	
Beginning of year	<u>41,998</u>
<b>End of year</b>	<u><u>\$ 58,519</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 20,256
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,343
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	(5,067)
Accounts payable	3,746
Due to other funds	<u>(8,810)</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 16,468</u></u>

## **STATISTICAL SECTION**

# ISABELLA COUNTY, MICHIGAN

## Statistical Section Table of Contents

This part of Isabella County, Michigan's (the "County") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

		<b><u>Page</u></b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. (Tables 1-4)	160
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. (Tables 5-9)	170
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. (Tables 10-	177
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. (Table 14-16)	182
<b>Operating Information</b>	These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. (Tables 17-18)	186

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

# ISABELLA COUNTY, MICHIGAN

## Net Position by Component

Last Ten Fiscal Years

	2022	2021	2020	2019
<b>Governmental activities</b>				
Net investment in capital assets	\$ 14,329,044	\$ 14,054,394	\$ 14,662,825	\$ 13,679,396
Restricted	8,221,822	8,009,100	7,061,626	5,915,564
Unrestricted (deficit)	<u>(5,313,039)</u>	<u>(4,736,503)</u>	<u>(4,358,039)</u>	<u>(1,221,220)</u>
<b>Total governmental activities</b>	<u>\$ 17,237,827</u>	<u>\$ 17,326,991</u>	<u>\$ 17,366,412</u>	<u>\$ 18,373,740</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 1,246,504	\$ 1,156,803	\$ 1,150,698	\$ 1,155,991
Restricted	-	-	-	-
Unrestricted	<u>9,132,342</u>	<u>8,300,699</u>	<u>8,017,065</u>	<u>8,218,891</u>
<b>Total business-type activities</b>	<u>\$ 10,378,846</u>	<u>\$ 9,457,502</u>	<u>\$ 9,167,763</u>	<u>\$ 9,374,882</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 15,575,548	\$ 15,211,197	\$ 15,813,523	\$ 14,835,387
Restricted	8,221,822	8,009,100	7,061,626	5,915,564
Unrestricted	<u>3,819,303</u>	<u>3,564,196</u>	<u>3,659,026</u>	<u>6,997,671</u>
<b>Total primary government</b>	<u>\$ 27,616,673</u>	<u>\$ 26,784,493</u>	<u>\$ 26,534,175</u>	<u>\$ 27,748,622</u>

**Table 1 - Unaudited**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 13,669,179	\$ 13,481,108	\$ 13,621,811	\$ 13,030,558	\$ 12,414,882	\$ 11,884,156
5,269,315	4,872,321	3,528,717	2,903,804	4,774,534	4,497,495
(1,578,584)	(1,725,563)	1,096,840	3,743,803	12,789,431	11,690,749
<u>\$ 17,359,910</u>	<u>\$ 16,627,866</u>	<u>\$ 18,247,368</u>	<u>\$ 19,678,165</u>	<u>\$ 29,978,847</u>	<u>\$ 28,072,400</u>
\$ 1,108,106	\$ 1,286,733	\$ 1,423,200	\$ 1,455,010	\$ 1,636,046	\$ 1,405,648
-	-	350,000	350,000	350,000	350,000
8,534,022	8,573,804	7,675,320	9,403,965	9,897,272	10,133,828
<u>\$ 9,642,128</u>	<u>\$ 9,860,537</u>	<u>\$ 9,448,520</u>	<u>\$ 11,208,975</u>	<u>\$ 11,883,318</u>	<u>\$ 11,889,476</u>
\$ 14,777,285	\$ 14,767,841	\$ 15,045,011	\$ 14,485,568	\$ 14,050,928	\$ 13,289,804
5,269,315	4,872,321	3,878,717	3,253,804	5,124,534	4,847,495
6,955,438	6,848,241	8,772,160	13,147,768	22,686,703	21,824,577
<u>\$ 27,002,038</u>	<u>\$ 26,488,403</u>	<u>\$ 27,695,888</u>	<u>\$ 30,887,140</u>	<u>\$ 41,862,165</u>	<u>\$ 39,961,876</u>

# ISABELLA COUNTY, MICHIGAN

## Change in Net Position

Last Ten Fiscal Years

	2022	2021	2020	2019
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,723,726	\$ 6,539,913	\$ 7,370,269	\$ 4,927,863
Judicial	7,681,864	7,578,874	6,962,886	6,675,082
Public safety	10,238,276	10,167,940	8,366,130	7,808,136
Public works	771,477	823,855	728,169	665,041
Health and welfare	4,795,180	4,880,071	5,121,962	4,911,239
Culture and recreation	1,063,815	982,754	826,908	881,766
Community and economic development	476,778	315,788	332,245	439,750
Interest on long-term debt	69,300	-	1,667	15,025
	<u>30,820,416</u>	<u>31,289,195</u>	<u>29,710,236</u>	<u>26,323,902</u>
Business-type activities:				
Delinquent tax	321,109	254,546	107,518	302,994
Building inspections	394,725	408,748	572,322	402,858
Recycling facility	1,413,057	1,264,817	1,090,829	1,237,073
Concessions	123,439	151,752	146,193	198,240
	<u>2,252,330</u>	<u>2,079,863</u>	<u>1,916,862</u>	<u>2,141,165</u>
<b>Total primary government expenses</b>	<u>33,072,746</u>	<u>33,369,058</u>	<u>31,627,098</u>	<u>28,465,067</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	778,912	943,009	780,083	947,765
Judicial	779,875	717,686	745,987	1,090,374
Public safety	2,218,365	3,228,860	2,142,596	2,053,413
Health and welfare	262,074	212,001	192,194	187,605
Culture and recreation	605,060	618,382	405,054	455,032
Community and economic development	148,619	68,552	116,622	277,318
Operating grants and contributions	5,738,647	5,469,723	5,364,758	5,249,472
Capital grants and contributions	-	-	-	-
	<u>10,531,552</u>	<u>11,258,213</u>	<u>9,747,294</u>	<u>10,260,979</u>
Business-type activities:				
Charges for services:				
Delinquent tax	818,087	1,150,257	677,153	913,501
Building inspections	490,550	484,234	718,524	589,597
Recycling facility	894,858	772,449	423,877	512,344
Concessions	301,804	293,827	232,779	339,225
Operating grants and contributions	459,879	381,438	387,966	327,123
	<u>2,965,178</u>	<u>3,082,205</u>	<u>2,440,299</u>	<u>2,681,790</u>
<b>Total primary government program revenues</b>	<u>13,496,730</u>	<u>14,340,418</u>	<u>12,187,593</u>	<u>12,942,769</u>

Table 2 - Unaudited

	2018	2017	2016	2015	2014	2013
\$	10,430,062	\$ 11,863,489	\$ 12,092,262	\$ 10,870,079	\$ 10,051,170	\$ 10,178,468
	-	-	-	-	-	-
	7,787,004	7,660,384	7,831,619	7,120,091	7,112,889	7,276,762
	622,151	680,225	626,388	497,128	242,005	242,392
	5,434,018	297,673	485,698	423,975	289,280	226,684
	1,060,491	5,796,511	6,478,989	6,346,368	5,783,379	5,959,473
	263,314	937,252	963,879	904,810	833,562	769,779
	29,097	41,126	42,997	98,065	114,830	143,230
	<u>25,626,137</u>	<u>27,276,660</u>	<u>28,521,832</u>	<u>26,260,516</u>	<u>24,427,115</u>	<u>24,796,788</u>
	219,381	363,633	569,796	379,153	349,329	312,806
	366,529	369,458	384,258	352,828	304,450	273,768
	1,210,634	1,161,993	1,069,899	1,040,113	1,020,239	981,435
	234,868	221,673	201,812	231,245	256,820	284,061
	<u>2,031,412</u>	<u>2,116,757</u>	<u>2,225,765</u>	<u>2,003,339</u>	<u>1,930,838</u>	<u>1,852,070</u>
	<u>27,657,549</u>	<u>29,393,417</u>	<u>30,747,597</u>	<u>28,263,855</u>	<u>26,357,953</u>	<u>26,648,858</u>
	2,257,527	2,518,550	2,872,758	2,706,910	2,923,473	3,128,327
	-	-	-	-	-	-
	2,243,496	1,844,867	1,947,806	1,741,185	1,969,112	3,041,601
	231,115	31,752	26,636	17,484	21,047	13,715
	421,983	259,719	353,901	274,621	282,756	418,918
	44,396	401,626	412,195	389,947	347,735	328,447
	4,960,741	4,147,196	4,464,476	4,950,360	4,570,129	5,101,328
	6,500	89,607	38,920	13,040	8,472	46,169
	<u>10,165,758</u>	<u>9,293,317</u>	<u>10,116,692</u>	<u>10,093,547</u>	<u>10,122,724</u>	<u>12,078,505</u>
	772,058	821,178	814,021	720,086	643,695	875,716
	476,658	405,426	352,600	346,840	417,505	369,585
	633,117	764,538	572,053	531,197	595,105	632,811
	313,651	369,171	320,894	342,860	305,405	374,519
	206,197	399,268	271,930	165,300	256,373	170,524
	<u>2,401,681</u>	<u>2,759,581</u>	<u>2,331,498</u>	<u>2,106,283</u>	<u>2,218,083</u>	<u>2,423,155</u>
	<u>12,567,439</u>	<u>12,052,898</u>	<u>12,448,190</u>	<u>12,199,830</u>	<u>12,340,807</u>	<u>14,501,660</u>



## ISABELLA COUNTY, MICHIGAN

### Change in Net Position

Last Ten Fiscal Years

	2022	2021	2020	2019
<b>Net (expenses) revenues</b>				
Governmental activities	\$ (20,288,864)	\$ (20,030,982)	\$ (19,962,942)	\$ (16,062,923)
Business-type activities	712,848	1,002,342	523,437	540,625
<b>Total primary government net expense</b>	<u>(19,576,016)</u>	<u>(19,028,640)</u>	<u>(19,439,505)</u>	<u>(15,522,298)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Property taxes	17,750,046	15,949,317	14,825,715	14,020,126
State shared revenue	1,336,889	1,306,336	1,004,609	1,274,111
Unrestricted grants and contributions	1,141,210	1,948,195	2,177,899	703,409
Unrestricted investment earnings	149,974	65,445	151,722	183,438
Other revenues	-	-	-	-
Transfers	(178,419)	722,268	795,669	895,669
Total governmental activities	<u>20,199,700</u>	<u>19,991,561</u>	<u>18,955,614</u>	<u>17,076,753</u>
Business-type activities:				
Unrestricted investment earnings	30,077	9,665	65,113	87,798
Other revenues	-	-	-	-
Transfers	178,419	(722,268)	(795,669)	(895,669)
Total business-type activities	<u>208,496</u>	<u>(712,603)</u>	<u>(730,556)</u>	<u>(807,871)</u>
<b>Total primary government</b>	<u>20,408,196</u>	<u>19,278,958</u>	<u>18,225,058</u>	<u>16,268,882</u>
<b>Changes in net position</b>				
Governmental activities	(89,164)	(39,421)	(1,007,328)	1,013,830
Business-type activities	921,344	289,739	(207,119)	(267,246)
<b>Total primary government changes in net position</b>	<u>\$ 832,180</u>	<u>\$ 250,318</u>	<u>\$ (1,214,447)</u>	<u>\$ 746,584</u>

Table 2 - Unaudited

2018	2017	2016	2015	2014	2013
\$ (15,460,379)	\$ (17,983,343)	\$ (18,405,140)	\$ (16,166,969)	\$ (14,304,391)	\$ (12,718,283)
<u>370,269</u>	<u>642,824</u>	<u>105,733</u>	<u>102,944</u>	<u>287,245</u>	<u>571,085</u>
<u>(15,090,110)</u>	<u>(17,340,519)</u>	<u>(18,299,407)</u>	<u>(16,064,025)</u>	<u>(14,017,146)</u>	<u>(12,147,198)</u>
13,454,955	13,096,866	12,933,132	12,640,166	12,642,259	11,934,960
1,268,181	1,255,625	1,243,491	1,241,312	995,270	948,914
495,729	520,942	494,694	829,107	812,668	729,054
125,013	97,377	74,993	70,725	71,988	40,477
200,802	217,407	334,083	167,374	353,023	193,523
647,743	740,000	1,893,950	550,000	396,076	(130,000)
<u>16,192,423</u>	<u>15,928,217</u>	<u>16,974,343</u>	<u>15,498,684</u>	<u>15,271,284</u>	<u>13,716,928</u>
59,065	31,466	22,674	90,673	86,149	107,985
-	-	5,088	3,551	31,911	8,077
<u>(647,743)</u>	<u>(740,000)</u>	<u>(1,893,950)</u>	<u>(550,000)</u>	<u>(396,076)</u>	<u>130,000</u>
<u>(588,678)</u>	<u>(708,534)</u>	<u>(1,866,188)</u>	<u>(455,776)</u>	<u>(278,016)</u>	<u>246,062</u>
<u>15,603,745</u>	<u>15,219,683</u>	<u>15,108,155</u>	<u>15,042,908</u>	<u>14,993,268</u>	<u>13,962,990</u>
732,044	(2,055,126)	(1,430,797)	(668,285)	966,893	998,645
<u>(218,409)</u>	<u>(65,710)</u>	<u>(1,760,455)</u>	<u>(352,832)</u>	<u>9,229</u>	<u>817,147</u>
<u>\$ 513,635</u>	<u>\$ (2,120,836)</u>	<u>\$ (3,191,252)</u>	<u>\$ (1,021,117)</u>	<u>\$ 976,122</u>	<u>\$ 1,815,792</u>

concluded

# ISABELLA COUNTY, MICHIGAN

## Fund Balances, Governmental Funds Last Ten Fiscal Years

	2022	2021	2020	2019
<b>General fund</b>				
Nonspendable	\$ 280,771	\$ 268,621	\$ 249,043	\$ 74,279
Committed	1,214,978	-	-	-
Assigned	6,401,154	5,985,723	3,095,284	3,120,819
Unassigned	4,455,813	5,387,449	5,635,570	5,795,821
<b>Total general fund</b>	<u>12,352,716</u>	<u>11,641,793</u>	<u>8,979,897</u>	<u>8,990,919</u>
<b>All other governmental funds</b>				
Nonspendable	43,803	10,468	8,423	14,337
Restricted	9,629,717	10,613,000	6,031,877	5,906,204
Committed	196,378	142,606	62,248	56,753
Assigned	-	-	46,689	46,655
<b>Total all other governmental funds</b>	<u>9,869,898</u>	<u>10,766,074</u>	<u>6,149,237</u>	<u>6,023,949</u>
<b>Total all governmental funds</b>	<u>\$ 22,222,614</u>	<u>\$ 22,407,867</u>	<u>\$ 15,129,134</u>	<u>\$ 15,014,868</u>

**Table 3 - Unaudited**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 70,672	\$ 54,375	\$ 57,833	\$ 48,774	\$ 55,628	\$ 41,001
-	-	-	-	-	-
3,331,980	4,788,096	5,082,391	3,073,275	3,097,321	3,063,686
5,300,917	4,764,319	5,611,774	7,970,365	7,869,977	6,300,152
<u>8,703,569</u>	<u>9,606,790</u>	<u>10,751,998</u>	<u>11,092,414</u>	<u>11,022,926</u>	<u>9,404,839</u>
7,873	46,734	47,238	82,140	97,151	148,844
5,271,702	4,842,045	3,501,036	2,858,438	3,671,083	4,570,594
38,683	54,925	81,573	669,741	591,963	457,593
46,614	46,843	-	-	-	-
<u>5,364,872</u>	<u>4,990,547</u>	<u>3,629,847</u>	<u>3,610,319</u>	<u>4,360,197</u>	<u>5,177,031</u>
<u>\$ 14,068,441</u>	<u>\$ 14,597,337</u>	<u>\$ 14,381,845</u>	<u>\$ 14,702,733</u>	<u>\$ 15,383,123</u>	<u>\$ 14,581,870</u>

# ISABELLA COUNTY, MICHIGAN

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	2022	2021	2020	2019
<b>Revenues</b>				
Property taxes	\$ 17,637,185	\$ 16,006,000	\$ 14,981,259	\$ 13,962,571
Licenses and permits	867,785	749,843	584,448	816,321
Intergovernmental	7,461,607	8,108,980	7,663,098	6,595,533
Charges for services	3,990,159	4,034,798	3,640,373	3,995,521
Fines and forfeitures	84,181	92,553	102,941	130,874
Interest and rent	363,757	280,051	368,216	442,004
Contributions	152,729	109,001	129,594	217,492
Other revenue	323,651	343,410	608,650	341,716
<b>Total revenues</b>	<u>30,881,054</u>	<u>29,724,636</u>	<u>28,078,579</u>	<u>26,502,032</u>
<b>Expenditures</b>				
General government	5,358,425	5,175,608	6,127,302	5,199,394
Judicial	7,685,399	7,425,434	7,026,471	6,675,082
Public safety	9,781,758	9,849,856	8,768,377	7,678,254
Public works	395,108	451,758	377,654	334,681
Health and welfare	4,763,106	4,560,678	4,904,195	4,901,173
Recreation and culture	1,175,606	889,863	973,896	850,584
Community and economic development	478,203	309,710	325,993	443,671
Capital outlay	1,250,283	1,393,182	-	-
Debt service:				
Principal	-	-	250,000	350,000
Interest and fiscal charges	-	-	6,094	18,435
<b>Total expenditures</b>	<u>30,887,888</u>	<u>30,056,089</u>	<u>28,759,982</u>	<u>26,451,274</u>
Revenues over (under) expenditures	<u>(6,834)</u>	<u>(331,453)</u>	<u>(681,403)</u>	<u>50,758</u>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	6,000,000	-	-
Insurance proceeds	-	887,918	-	-
Transfers in	2,212,938	3,881,833	3,301,699	3,277,712
Transfers out	(2,391,357)	(3,159,565)	(2,506,030)	(2,382,043)
<b>Total other financing sources (uses)</b>	<u>(178,419)</u>	<u>7,610,186</u>	<u>795,669</u>	<u>895,669</u>
<b>Net change in fund balance</b>	<u>\$ (185,253)</u>	<u>\$ 7,278,733</u>	<u>\$ 114,266</u>	<u>\$ 946,427</u>
Debt service as a percentage of noncapital expenditures	<u>0.0%</u>	<u>0.0%</u>	<u>0.9%</u>	<u>1.4%</u>

Table 4 - Unaudited

	2018	2017	2016	2015	2014	2013
\$	13,341,536	\$ 13,256,738	\$ 12,984,397	\$ 12,892,823	\$ 12,871,889	\$ 12,094,789
	569,366	519,329	539,884	491,750	453,337	477,251
	5,844,499	5,381,666	6,010,487	6,164,258	5,830,859	6,156,755
	4,303,766	4,203,003	4,291,135	4,006,683	4,373,826	5,651,331
	149,042	173,908	166,783	208,841	248,534	284,880
	478,359	418,106	701,525	661,330	668,069	632,066
	239,796	197,923	212,634	657,714	433,670	517,428
	755,294	619,474	341,506	211,489	345,555	269,826
	<u>25,681,658</u>	<u>24,770,147</u>	<u>25,248,351</u>	<u>25,294,888</u>	<u>25,225,739</u>	<u>26,084,326</u>
	11,051,966	10,588,359	10,751,157	10,265,973	9,578,054	9,523,692
	-	-	-	-	-	-
	7,933,236	7,019,442	6,904,261	6,730,652	6,782,321	6,840,398
	309,515	311,051	565,096	478,372	232,163	232,383
	5,428,675	5,592,663	5,889,326	6,159,223	5,626,061	5,754,149
	1,066,790	842,038	881,414	881,966	813,424	749,408
	684,963	782,796	975,074	778,566	655,758	661,849
	280	495,854	411,957	283,250	65,752	255,678
	350,000	350,000	791,729	754,102	773,856	745,788
	32,872	47,747	293,175	293,174	293,174	293,175
	<u>26,858,297</u>	<u>26,029,950</u>	<u>27,463,189</u>	<u>26,625,278</u>	<u>24,820,563</u>	<u>25,056,520</u>
	<u>(1,176,639)</u>	<u>(1,259,803)</u>	<u>(2,214,838)</u>	<u>(1,330,390)</u>	<u>405,176</u>	<u>1,027,806</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,289,963	3,576,294	4,410,252	2,396,938	1,769,673	1,269,512
	<u>(1,642,220)</u>	<u>(2,836,294)</u>	<u>(2,516,302)</u>	<u>(1,746,938)</u>	<u>(1,373,597)</u>	<u>(1,399,512)</u>
	<u>647,743</u>	<u>740,000</u>	<u>1,893,950</u>	<u>650,000</u>	<u>396,076</u>	<u>(130,000)</u>
\$	<u>(528,896)</u>	<u>(519,803)</u>	<u>(320,888)</u>	<u>(680,390)</u>	<u>801,252</u>	<u>897,806</u>
	<u>1.5%</u>	<u>1.6%</u>	<u>4.0%</u>	<u>4.0%</u>	<u>4.4%</u>	<u>4.2%</u>

**Governmental Activities Tax Revenue by Source**

Last Ten Fiscal Years

Fiscal Year	Property Tax
2022	\$ 17,750,046
2021	15,949,317
2020	14,825,715
2019	14,020,126
2018	13,454,955
2017	13,096,866
2016	12,933,132
2015	12,640,166
2014	12,642,259
2013	11,934,960

## ISABELLA COUNTY, MICHIGAN

### Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	A.V. Real Property		A.V. Personal Property	Total Assessed Valuation	Total Direct Tax Rate
	Agriculture/ Residential	Commercial/ Industrial			
2022	\$ 1,939,799,076	\$ 620,802,697	\$ 488,293,345	\$ 3,048,895,118	9.6996
2021	1,844,643,006	562,126,117	342,366,414	2,749,135,537	9.6791
2020	1,769,203,882	564,161,187	213,395,800	2,546,760,869	9.6791
2019	1,702,688,534	568,536,200	167,223,011	2,438,447,745	9.3996
2018	1,622,872,540	524,730,024	126,296,029	2,273,898,593	9.3996
2017	1,595,416,010	516,258,066	121,099,536	2,232,773,612	9.3996
2016	1,567,017,396	494,692,800	118,952,744	2,180,662,940	9.3996
2015	1,537,364,463	490,359,261	126,167,761	2,153,891,485	9.3996
2014	1,464,742,254	446,647,572	120,690,993	2,032,080,819	9.3996
2013	1,410,121,499	449,752,506	137,740,937	1,997,614,942	9.1720

Source: Isabella County Equalization Department

Note: Property in the County is reassessed annually. The tax rates are applied to taxable value to generate revenue. True cash values are estimated at twice the State equalized values. Estimated actual value is calculated by dividing assessed value by those percentages.

Tax rates are per \$1,000 of taxable value.



Table 6 - Unaudited



Total Taxable Value	Estimated Actual Value	Taxable Value as a Percentage of True Cash Value
\$ 2,383,091,657	\$ 6,097,790,236	39.08%
2,142,583,406	5,498,271,074	38.97%
1,976,397,220	5,093,521,738	38.80%
1,887,838,296	4,876,895,490	38.71%
1,806,146,131	4,547,797,186	39.71%
1,758,379,688	4,465,547,224	39.38%
1,720,335,250	4,361,325,880	39.45%
1,711,805,770	4,307,782,970	39.74%
1,664,679,324	4,064,161,638	40.96%
1,658,603,851	3,995,229,884	41.51%

## ISABELLA COUNTY, MICHIGAN

### Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

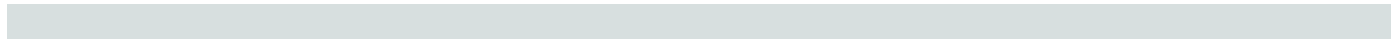
Fiscal Year	Direct Rates - Isabella County			Overlapping Rates		
	Operating <sup>(1)</sup> Millage	Special Millage	Total County Millage	State Education Tax <sup>(2)</sup>	Local School Districts	Intermediate Schools
2022	6.6100	3.0896	9.6996	6.0000	20.6546 - 26.6000	3.0133 - 5.4640
2021	6.6100	3.0691	9.6791	6.0000	20.8820 - 26.6000	2.6756 - 5.4640
2020	6.6100	3.0691	9.6791	6.0000	20.8820 - 26.6000	2.6756 - 5.4640
2019	6.6100	2.7896	9.3996	6.0000	20.1000 - 26.6000	2.6756 - 5.2985
2018	6.6100	2.7896	9.3996	6.0000	20.3700 - 26.0000	2.6756 - 5.2985
2017	6.6100	2.7896	9.3996	6.0000	20.4400 - 26.0000	2.6756 - 5.2985
2016	6.6100	2.7896	9.3996	6.0000	20.4500 - 26.0000	2.6756 - 5.2985
2015	6.6100	2.7896	9.3996	6.0000	20.4500 - 26.0000	2.0385 - 5.2985
2014	6.6100	2.7896	9.3996	6.0000	19.8500 - 26.0000	2.0385 - 5.2985
2013	6.6100	2.5620	9.1720	6.0000	19.8500 - 26.0000	2.0385 - 5.2985

(1) Rates reduced to comply with the Headlee Amendment.

(2) Proposal A voted in on March 15, 1994 implemented a 6 mill state education tax with the exception of 2003 which was reduced to 5 mills.

Source: Isabella County Equalization Department

Table 7 - Unaudited



Overlapping Rates						
Library Districts	Community Colleges		Townships	Cities		Villages
	Mid-Michigan Community College	Montcalm Community College		Mt. Pleasant	Clare	
.9923 - 1.75	1.2183	2.6516	0.9772 - 4.6289	16.2500	22.2500	1.8180 - 11.5000
.9923 - 1.75	1.2202	2.6853	0.9925 - 4.4541	16.2500	22.2500	1.8386 - 11.5000
.9923 - 1.75	1.2202	2.7054	0.9758 - 5.4914	16.2500	22.2500	1.8386 - 11.5000
.9931 - 1.75	1.2232	2.7175	0.9872 - 5.4970	16.2500	22.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7187	0.9872 - 5.4970	16.2500	21.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7191	0.9872 - 5.4970	16.2500	21.2500	1.8420 - 11.5000
.9931 - 1.75	1.2232	2.7200	0.9938 - 5.4864	16.2500	18.2500	1.8424 - 11.5000
.9931 - 1.75	1.2232	2.7200	0.9938 - 5.4864	16.2500	18.2500	1.8463 - 13.0000
.9931 - 1.75	1.2232	2.7292	0.9938 - 5.4864	16.2500	19.0000	1.8463 - 13.0000
.9931 - 1.75	1.2232	2.7292	0.9976 - 5.1619	15.7500	19.0000	1.8463 - 13.0000

**Ten Largest Ad Valorem Taxpayers**  
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
DTE (Some Wind Turbines - Alt Energy - Utility PP)	\$341,066,300	1	14.31%			
Consumers Energy	58,886,051	2	2.47%	\$ 33,923,101	1	2.05%
SZ Mount Pleasant Townhomes LLC	16,267,300	3	0.68%			
Morbark LLC (Formerly Morbark Inc.)	9,096,489	4	0.38%	7,449,581	6	0.45%
Deerfield Village LLC	8,195,408	5	0.34%	8,166,852	3	0.49%
Lexington Ridge Apts LLC	8,122,479	6	0.34%	6,267,900	9	0.38%
Chips Housing	7,787,900	7	0.33%			
PEP-CMU LLC (Formerly GFII)	7,725,032	8	0.32%			
Westpoint Village LLC	7,329,400	9	0.31%			
SZ Mount Pleasant Apartments East LLC	6,918,486	10	0.29%			
Saginaw Chippewa Indian Tribe				13,545,563	2	0.82%
GF II / Bluegrass LLC				8,164,300	4	0.49%
Copper Beech Townhome				7,544,933	5	0.45%
Soaring Eagle Convention Center				6,696,000	7	0.40%
Jamestown Mt Pleasant Apt LLC				6,277,100	8	0.38%
Michigan Consolidated Gas				6,018,291	10	0.36%

Source: Isabella County Equalization Department

**Property Tax Levies and Collections**

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer <sup>(1)</sup>	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount <sup>(2)</sup>	Percentage of Levy
2022	(2)	(2)	(2)	(2)	(2)	(2)	(2)
2021	\$ 86,684,233	\$ 83,226,552	96.01%	\$ 3,457,681	\$ 2,081,494	\$ 85,308,046	98.41%
2020	81,456,218	77,644,346	95.32%	3,811,872	2,319,033	79,963,379	98.17%
2019	76,849,214	73,191,883	95.24%	3,657,331	1,994,983	75,186,866	97.84%
2018	74,536,934	70,817,924	95.01%	3,719,010	2,101,291	72,919,215	97.83%
2017	73,371,500	69,785,738	95.11%	3,585,762	1,910,284	71,696,022	97.72%
2016	72,178,585	68,547,174	94.97%	3,631,411	1,438,267	69,985,441	96.96%
2015	71,563,655	67,958,016	94.96%	3,589,022	3,060,239	71,018,255	99.24%
2014	69,838,758	66,202,847	94.79%	3,635,911	3,560,617	69,763,464	99.89%
2013	68,483,244	64,654,008	94.41%	3,829,236	3,824,362	68,478,370	99.99%

(1) Includes all delinquent tax years March 31- March 31 and excludes personal tax collections.

(2) Tax settlement not completed.

Source: Isabella County Administration / Isabella County Treasurer

**Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds					
2022	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	0.22%	\$ 86
2021	6,000,000	-	-	6,000,000	0.24%	86
2020	-	-	-	-	0.00%	-
2019	250,000	-	-	250,000	0.01%	4
2018	605,946	-	-	605,946	0.03%	9
2017	950,000	-	-	950,000	0.04%	13
2016	1,300,000	-	-	1,300,000	0.06%	28
2015	2,300,000	-	-	2,300,000	0.10%	33
2014	3,225,000	-	-	3,225,000	0.15%	55
2013	4,135,000	-	-	4,135,000	0.19%	69

(1) See Statistical Table Number 14 for personal income and population data. These ratios are calculated using the most recent available income and population data.

**Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2022	\$ 6,000,000	\$ -	\$ 6,000,000	0.25%	\$ 86
2021	6,000,000	-	6,000,000	0.28%	86
2020	-	-	-	0.00%	-
2019	250,000	50,177	199,823	0.01%	3
2018	605,946	43,408	562,538	0.03%	8
2017	950,000	36,272	913,728	0.05%	13
2016	1,300,000	33,883	1,266,117	0.07%	18
2015	2,300,000	537,181	1,762,819	0.10%	25
2014	3,225,000	1,008,322	2,216,678	0.13%	31
2013	4,135,000	1,407,011	2,727,989	0.16%	39

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

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

**Direct and Overlapping Governmental Activities Debt**  
As of September 30, 2022

Name of Governmental Unit	Net General Obligation Debt Outstanding	% Applicable to County	Amount Applicable to County
<b>Net direct - County</b>	\$ 6,000,000	100.00%	<u>\$ 6,000,000</u>
<b>Overlapping debt</b>			
Cities:			
City of Clare	2,782,495	11.17%	310,805
City of Mt. Pleasant	8,500,000	100.00%	<u>8,500,000</u>
			<u>8,810,805</u>
Townships:			
Lincoln	32,550	100.00%	32,550
Nottawa	1,434,000	100.00%	1,434,000
Union	1,607,102	100.00%	<u>1,607,102</u>
			<u>3,073,652</u>
Village:			
Lake Isabella	678,000	100.00%	<u>678,000</u>
School districts:			
Alma	25,205,467	0.01%	2,521
Beal City	5,269,149	100.00%	5,269,149
Chippewa Hills	20,760,000	30.07%	6,242,532
Clare	2,935,000	27.39%	803,897
Coleman	5,810,000	16.55%	961,555
Farwell	17,275,000	11.64%	2,010,810
Montabella	19,350,000	31.71%	6,135,885
Mt. Pleasant	36,685,000	100.00%	36,685,000
Shepherd	25,291,306	94.90%	24,001,449
St. Louis	22,142,429	4.83%	1,069,479
Vestaburg	13,100,899	7.40%	969,467
			<u>84,151,744</u>
Intermediate School districts:			
Clare-Gladwin ISD	620,000	6.20%	38,440
Montcalm ISD	459,000	3.08%	<u>14,137</u>
			<u>52,577</u>
Community colleges:			
Mid-Michigan Community College	5,915,000	6.20%	366,730
Montcalm Community College	7,360,000	3.08%	<u>226,688</u>
			<u>593,418</u>
<b>Total overlapping debt</b>			<u>97,360,196</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 103,360,196</u></u>

Source: Municipal Advisory Council of Michigan

Note: the Municipal Advisory Council gathers all the financial obligations of the various political jurisdictions that also partially falls into a neighboring jurisdiction throughout the State of Michigan and maps out this debt geographically to determine the total overlapping debt that is the responsibility of each taxpayer within each jurisdiction. This proportional share of the other jurisdictions debt, plus the County's direct debt together make up the municipality's overall debt amounts. The overlapping percentage is calculated by dividing the taxable value of property of the overlapping government located in Isabella County by the total taxable value of all property in the overlapping government.



## ISABELLA COUNTY, MICHIGAN

### Legal Debt Margin

Last Ten Fiscal Years

	2022	2021	2020	2019
Debt limit	\$ 238,309,166	\$ 214,258,341	\$ 197,639,722	\$ 188,783,830
Total net debt applicable to limit	<u>6,000,000</u>	<u>6,590,000</u>	<u>1,160,000</u>	<u>1,960,000</u>
Legal debt margin	<u>\$ 232,309,166</u>	<u>\$ 207,668,341</u>	<u>\$ 196,479,722</u>	<u>\$ 186,823,830</u>
Total net debt applicable to the limit as a percentage of debt limit	2.52%	3.08%	0.59%	1.04%

#### Legal Debt Margin Calculation for Fiscal Year 2022

Taxable value	\$ 2,383,091,657
Debt limitation - 10 percent of total taxable value in County	238,309,166
Debt applicable to limit	6,000,000
Less:	
Assets in debt service funds	<u>-</u>
Total amount of debt applicable to debt limit	<u>6,000,000</u>
<b>Legal debt margin</b>	<u><b>\$ 232,309,166</b></u>

Note: Under state finance law Isabella County's outstanding general obligation debt shall not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**Table 13 - Unaudited**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 180,614,613	\$ 175,837,969	\$ 172,033,525	\$ 171,180,577	\$ 166,467,932	\$ 165,860,385
<u>2,845,946</u>	<u>3,711,894</u>	<u>4,491,560</u>	<u>5,466,126</u>	<u>6,377,238</u>	<u>7,304,890</u>
<u>\$ 177,768,667</u>	<u>\$ 172,126,075</u>	<u>\$ 167,541,965</u>	<u>\$ 165,714,451</u>	<u>\$ 160,090,694</u>	<u>\$ 158,555,495</u>
1.58%	2.11%	2.61%	3.19%	3.83%	4.40%

**Demographic and Economic Statistics**  
Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2022	(1)	(1)	(1)	(1)	4.60%
2021	64,813	\$ 2,959,189,000	\$ 45,657	24,046	5.20%
2020	69,504	2,781,637,000	40,021	25,947 (3)	6.20%
2019	69,872	2,540,248,000	36,356	25,947	3.70%
2018	70,562	2,505,029,000	35,501	29,729 (2)	3.30%
2017	71,063	2,348,845,000	33,053	29,729	4.40%
2016	71,282	2,332,921,000	32,728	30,266	3.70%
2015	70,698	2,255,267,000	31,900	30,602	4.60%
2014	70,506	2,175,646,000	30,810	31,056	5.60%
2013	70,436	2,192,286,000	31,125	31,642	6.80%

Data sources:

- U.S. Department of Commerce, Bureau of the Census
- Bureau of Economic Analysis, U.S. Department of Commerce (<http://bea.gov/iTable>) Table CA 1-3 Personal Income Summary
- Michigan Department of Technology, Management & Budget - Labor Market Information (<http://milmi.org>)

- (1) Information not available.
- (2) 2018 data not available.
- (3) 2020 data not available.

**Ten Largest Principal Employers**  
Current Year and Nine Years Ago

Employer	2022 (1)			2012 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees (1)	Rank	Percentage of Total County Employment
Saginaw Chippewa Indian Tribe	2,888	1	8.66%	3,331	1	9.69%
Central Michigan University	2,092	2	6.27%	2,551	2	7.42%
Bandit Industries	800	3	2.40%			
Welbilt/Delfied	500	4	1.50%	542	5	1.58%
Morbark LLC	430	5	1.29%	412	8	1.20%
McBride Quality Care Services	420	6	1.26%	500	6	1.45%
Mt. Pleasant Public Schools	420	6	1.26%	456	7	1.33%
McLaren Central Michigan (3)	413	8	1.24%	703	3	2.04%
Walmart	398	9	1.19%	550	4	1.60%
Meijer	350	10	1.05%	400	9	1.16%
LaBella Management				400	9	1.16%

(1) Most recent data on Middle Michigan Development Company website was for 2022.

(2) Isabella County Annual Comprehensive Financial Report 9/30/2013. MMDC could not provide 2013 data.

Source:  
www.mmdc.org

## ISABELLA COUNTY, MICHIGAN

### Full-Time Equivalent County Governmental Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2022	2021	2020	2019
General service administration	122.4	122.4	119.5	115.3
Legislative	1.9	7.0	7.0	7.0
Law enforcement and corrections	51.9	51.9	52.9	51.4
Public safety and emergency services	21.5	22.3	19.8	18.8
Health and welfare	26.8	26.8	26.8	27.9
Culture and recreation	18.3	6.8	6.8	6.8
Planning and development	2.5	2.5	3.8	3.8
Other agencies	11.1	10.9	10.9	10.9
	<u>256.4</u>	<u>250.6</u>	<u>247.5</u>	<u>241.9</u>

Source: Isabella County Administration Office

**Table 16 - Unaudited**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
108.9	108.5	112.9	110.1	109.5	102.9
7.0	7.0	7.0	7.0	7.0	7.0
53.8	48.4	53.7	50.8	52.4	49.9
20.8	21.3	21.0	22.1	21.4	21.5
27.9	11.6	26.5	25.3	29.1	28.2
6.9	6.6	8.2	7.9	8.3	8.3
3.8	3.8	2.5	3.6	3.4	2.6
10.9	10.9	7.5	15.0	16.2	14.8
<u>239.9</u>	<u>218.1</u>	<u>239.3</u>	<u>241.8</u>	<u>247.3</u>	<u>235.2</u>

## ISABELLA COUNTY, MICHIGAN

### Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2022	2021	2020	2019
General government activities				
Trial Court total caseload	10,656	10,399	9,167	11,337
Law enforcement and corrections:				
Number of incarcerated offenders	2,049	1,764	2,496	3,482
Public safety and emergency services:				
Animal control:				
Complaints	1,051	1,155	834	885
Animal adoptions	544	458	439	470
Health and welfare:				
Health Department:				
Immunizations administered	7,965	24,575	3,048	4,250
House numbering:				
House numbers issued	85	88	195	106
Housing:				
Mortgages granted	-	-	-	-
Recreation and culture:				
Annual vehicle park passes	2,849	3,189	2,082	2,213
Daily vehicle park passes	13,031	15,469	12,318	12,258
Annual boat passes	886	1,016	834	1,012

Note: Indicators are not available for the legislative or planning and development functions

Sources: Isabella County Trial Court, Isabella County Sheriff Department, Isabella County Animal Control, Central Michigan District/Health Department, Isabella County Community Development, Isabella County Parks & Recreation.

**Table 17 - Unaudited**



2018	2017	2016	2015	2014	2013
12,577	14,737	14,857	13,459	13,586	13,722
3,803	4,092	4,064	4,331	4,449	6,227
1,304	1,711	1,449	1,455	1,151	1,705
567	595	560	972	1,042	1,620
3,646	5,496	3,586	3,495	4,194	4,863
84	62	61	47	48	44
-	-	7	4	9	7
2,177	2,109	2,089	1,782	1,640	1,447
11,972	12,577	13,390	12,248	10,646	9,425
1,057	941	1,001	739	653	564



# ISABELLA COUNTY, MICHIGAN

## Capital Assets Statistics by Function/Program Last Ten Fiscal Years

Function/Program	2022	2021	2020	2019
General government:				
Juvenile detention:				
Facilities	2	2	2	2
Law enforcement and corrections:				
Sheriff:				
Vehicles	21	20	21	21
Boats	1	1	1	1
Jail facilities	1	1	1	1
Public safety and emergency services:				
Animal control - vehicles	1	1	1	3
Emergency services - vehicles	1	1	1	1
Community and economic development - vehicles	3	3	3	3
Recreation and culture:				
Parks and recreation:				
Parks	5	5	5	5
Vehicles	9	8	10	8

Source: Isabella County Finance Department

Note: No capital asset indicators are available for the legislative, health and welfare, or public works functions.

Table 18 - Unaudited



2018	2017	2016	2015	2014	2013
2	2	2	2	2	2
26	23	18	19	20	21
1	1	1	1	1	1
1	1	1	1	1	1
3	2	2	2	2	2
1	2	2	2	2	2
3	1	1	1	1	1
5	5	5	5	5	5
8	7	7	7	7	7