

**Tuscola County, Michigan
Annual Comprehensive
Financial Report**



**Fiscal Year Ended
December 31, 2022**

**Annual Comprehensive Financial Report
Of
Tuscola County, Michigan
Caro, Michigan**



**For the Year Ended
December 31, 2022**

Issued by:

County Controller's Department
Clayette A. Zechmeister, Controller/Administrator

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Introductory Section

**TUSCOLA COUNTY
CONTROLLER/ADMINISTRATOR'S OFFICE**

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June 30, 2023

To the Honorable Board of Commissioners and Citizens of Tuscola County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of Tuscola County for the fiscal year ended December 31, 2022.

This report consists of management's representations concerning the finances of Tuscola County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Tuscola County has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Tuscola County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Tuscola County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Tuscola County's financial statements have been audited by Gabridge & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Tuscola County for the fiscal year ended December 31, 2022 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Tuscola County's financial statements for the fiscal year ended December 31, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Tuscola County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires 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 MD&A and should be read in conjunction with it. Tuscola County's MD&A can be found immediately following the report of the independent auditors.

I - Profile of the Government

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence. Tuscola County was incorporated in 1851 and is located in the east central portion of the lower peninsula of the state. The County occupies an area of approximately 803 square miles and serves a population of approximately 52,945.

County government is operated under a five member elected County Board of Commissioners. Members are elected on a partisan basis by district. Districts are established every 10 years through an apportionment process. The County Board of Commissioners is responsible, among other things, for adoption of balanced annual operational and capital improvement budgets, determining tax levies, property equalization among local governmental units, establishing certain policies, appointing members to various boards and commissions, and appointing certain County officials.

In 1986, the Board of Commissioners established an appointed County Controller-Administrator position to be the Chief Administrative/Financial Officer of the County. This is the lead financial and accounting office of the county. Other duties of this position involve the management of the following: Recycling Operation, Mosquito Abatement, Dispatch, Equalization, Building and Grounds, Animal Control, Information Systems, Risk Management, Human Resources, Payroll, Corporate Council, Indigent Defense, Accounting-Budgeting and other statutory functions.

The Controller-Administrator and office staff have been instrumental in keeping the county in good financial standing for many years. The effectiveness of this position and office has been created by integrating budgeting, auditing, general ledger, accounts payable, payroll, labor negotiations, fringe benefit administration and financial planning. The County Controller/Administrator shall have the authority to transfer up to \$5,000 between non-wage/fringe benefit accounts within an adopted activity (departmental) budget without approval of the Board of Commissioners. However, any increase in a total activity budget appropriation requires Board of Commissioner approval. Centralizing these critical functions has produced significant efficiency and capabilities that otherwise would not be possible.

The offices of Prosecuting Attorney, Sheriff, Clerk, Treasurer, Register of Deeds, and Drain Commissioner are elected at large on a partisan basis and serve for a four-year term. The Judicial branch of government consists of three judges with one each in Circuit/Family Court whom also serves as the Chief Judge, District Court, and Probate Court. All judges are elected at large on a non-partisan basis and serve a six-year term.

Tuscola County provides a full range of services which includes: police; dispatch; courts; indigent defense; jail; vital records maintenance; drainage; public health; child support and custody; care of abused, neglected, and delinquent youth; building codes; animal control; emergency services/homeland security; economic development; recycling; mosquito abatement; medical care facility; etc.

II - Annual County Budget Development and Financial Reporting Process

A well-established highly effective financial management system remains in place. County officials continue to maintain effective financial management. This is critical because it enables safeguarding of public funds, operating within financial means and delivery of quality public services.

The foundations of this system are the annual budget, capital improvement planning, annual audit (Annual Comprehensive Financial Report), financial status reporting and multi-year financial planning. The effectiveness of this system has produced positive results for many years.

All agencies of Tuscola County are required to submit annual budget appropriation requests to the Controller-Administrator. The Controller-Administrator uses these requests as the starting point for developing a proposed budget. The Controller-Administrator then presents this proposed budget to the Board of Commissioners for review. Departments who are not in agreement with their budget have opportunities to address specific concerns with the Board of Commissioners. Budget Public Hearings are required to be held and adoption of a final budget is required no later than December 31, which is the close of Tuscola County's fiscal year.

The appropriated budget is prepared and adopted by fund, activity, and line item detail. Transfers of appropriations require the approval of the Board of Commissioners. For governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, as listed in the table of contents.

III - Economic Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific economic and overall environment within which the County of Tuscola operates.

Economic Indicators

Positive Indicators

Even with economic challenges, Tuscola County is financially stable and well managed. This is evidenced by another bond rating upgrade in 2014 from A+ to AA-. The AA- rating was reaffirmed in early 2022. It is a credit to all county officials that a conservative fiscal philosophy is consistently maintained. This cautious and careful approach to financial management has enabled the on-going delivery of quality services while operating within limited financial means.

The near term financial position for county operations has improved primarily because of the tax revenue from wind turbine (WT) and transmission line development by the International Transmission Company. County assessed value increased by 3.07% from 2019 to 2020 and then increased by 3.16% from 2020 to 2021. Most of the increase was from WT personal property. Although the receipt of WT revenue is valuable, it is critical to note the amount received will continue to decline on an annual basis.

Tuscola County per capita income continues to increase. According to the Bureau of Economic Analysis, Tuscola County's per capita income increased 13.3% from 2019 to 2020, which was a greater increase than the state at 8.1% and the nation at 6.2%.

Negative Indicators

The near term financial position for county operations has not improved because of the tax revenue decrease from wind turbine (WT) and transmission line development by the International Transmission Company. The county assessed value has decreased from 2021 to 2022; the decrease is 1.10%. Industrial, Commercial & Development and Residential have increased in value with a decrease in Timber-Cut & Agriculture taxable value.

Tuscola County annualized unemployment rate at the end of 2022 was 5.2% which was higher than the state at 4.3% and the nation at 3.5%. Tuscola County's unemployment rate was also higher than surrounding counties similar in size, Huron County at 4.6% and Sanilac County at 4.9%.

The World Health Organization declared a pandemic following the outbreak of COVID-19 in 2020, a respiratory disease caused by a new strain of the coronavirus. On March 10, 2020, Michigan Governor Gretchen Whitmer declared a state of emergency across the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. The current spread of COVID-19, and actions taken by the federal and state and local governments in response thereto, are altering the behavior of businesses and people in a manner that may have a long term negative effect on economic activity, and therefore could adversely affect the future financial condition of the County, directly or indirectly. The majority of jobs lost during the pandemic have been in industries that pay low average wages according to Labor Department employment data.

Tuscola County continues to experience certain economic indicators of concern. Michigan was one of nineteen states in the nation to experience a population decline from 2020 to 2021. Since 2010 Tuscola County continues to have a decline in population with the exception of the period from 2019 to 2020. The county has economic development challenges because it is rural and is also impacted by the manufacturing employment decline that occurred in surrounding metropolitan areas including Flint, Saginaw and Bay City. People have been forced to seek employment outside of the state.

According to the U.S. Census Bureau, county population declined from 54,662 in 2012 to 52,945 in 2022. This is a 10 year loss of 1,717 people or 3%. The declining population is also evidenced by school enrollment declines. In 2012, school enrollment in the county was 9,140 compared to only 7,453 in 2022. This is a 10 year decline of 1,687 students or 18.54%.

Michigan's preliminary annual average unemployment rate in 2022 was 5.2%, a significant decrease of 7.9% at end of January 2021. Tuscola County's unemployment rate was higher than the state and nation. Approximately 31% of the county residents receive some form of public assistance. Over 11.4% of the population is living at poverty level. Median household income is lower in Tuscola County than the state and nation. Home values are much lower in Tuscola County than the state and nation. The number of residents in the county with a bachelor's degree or higher is only 13.5% which is well below the state respectively at 30.0% and the nation at 32.9% with higher degrees. This creates more challenges in trying to create employment opportunities.

Positive Steps Taken To Revitalize the Economy

The Tuscola County Economic Development Corporation (EDC) has continued economic development efforts in Tuscola County. Recent positive initiatives and activities that have retained and/or created new jobs with the assistance of the Tuscola County EDC and other economic development entities are outlined below.

Job Retention/Creation

Positive economic development initiatives and activities that have retained and/or created new jobs with the assistance of the Tuscola County EDC and other economic development entities are outlined below.

1. Received a \$500,000 allocation from Tuscola County for a Small Business Revitalization Program, combined with the EDC's Revolving Loan Fund, the EDC distributed nearly \$650,000 in grants and loans to 24 local businesses in the Cass City, Millington, Vassar, Reese, Caro, Kingston and Unionville areas with Tuscola County.

2. The EDC attracted Quality Roasting, LLC - a Wisconsin based agricultural processing company. Worked with them on an incentive package which lead to the construction of a \$1,000,000+ expansion, giving our area farmers additional AG Value to their product.
3. The EDC continues to work with the LaBudde Group with their Akron, Michigan expansion project as they continue to handle by-products from food and beverage processing plants.
4. Continues to work with Detroit Edison regarding brownout energy challenges in Tuscola County.
5. The EDC administered \$450,000 worth of Brownfield projects to reclaim and restore blighted property.

Important Tools Used by the EDC to Promote Economic Development Include

Roth Business Development Center

The EDC assisted in the establishment of a business incubator which is available to help start-up businesses with low-cost office space leasing, free business planning and assistance with logos, business cards and available meeting rooms. The Roth Business Center continues to work with various non-profits in Tuscola County.

Revolving Loan Fund/ Equipment Lease Program

The EDC has combined its Revolving Loan Fund and the Equipment Lease Program. This change will allow for more flexibility for businesses that need gap financing from the EDC. Over the last year, more than \$100,000 has been loaned to businesses needing funds for equipment needs within their companies. Demand for this type of program through the EDC continues to be high.

Regional Revolving Loan Fund Program

The Tuscola County EDC is a leader in developing a Regional Revolving Loan Fund. This fund will help to provide resources to entrepreneurs and small business owners throughout Region 6. This Revolving Loan Fund will help regional businesses retain and create jobs by helping businesses meet their financing needs.

Agribusiness Development Plan

The Tuscola County EDC is working on the Agribusiness Development Plan. Agribusiness is Tuscola County's strength and provides regional advantages through dairy, cattle, livestock markets, cash crops, milling, agricultural processing, grain storage and organic farming. This program is focusing on devoting resources to develop craft agriculture and concentrating on the needs of agribusiness. This plan has the goals to increase awareness, promote existing infrastructure and to capitalize on talent in the area.

IV – 2022 County Activity Summary

Through the challenges of the negative effects from the pandemic in 2020-2021, there were many accomplishments. These positive actions and developments are outlined below. We are truly advancing the county for an even more efficient county government in the future. We must continue to challenge ourselves to achieve more successes for 2022 and future years. Some of the significant positive activities for the Tuscola County government in 2022 are outlined below.

Wind Turbine Development Major Source of Revenue for Public Services

Without question the most significant event that has impacted finances in Tuscola County over the last 10 years is the construction of wind turbines (WT). WT development has become a critical source of revenue to fund not only county operations, but also other government services. From 2013 to 2022, nearly \$22,303,202 in WT revenue has been received.

There are 13 public services that directly benefit from WT revenue including, schools, county general operating, road repairs, bridge repairs, libraries, senior citizen programs, recycling, Medical Care Facility, veteran services, Michigan State University extension services, mosquito control, sheriff road patrol, township that includes; operational costs fire protection, drains, ambulance and emergency services.

Beneficiaries of wind development include: property owners that have leases with the wind companies in addition to governmental entities that levy millage to provide public services. The amount of funds received is based on the number of mills levied and the taxable value of the WT located in the political jurisdiction. WT revenue has helped to maintain current levels of service that otherwise would not have been possible without millage increases or some other major new source of revenue. There is no question WT revenue has played an important part in helping to stabilize the county's financial position on a short term basis.

However, with the current method of assessing/taxing WT the amount of revenue received ultimately substantially declines over time. This fact combined with the other uncertainty factors described above results in the need for the county to reduce its level of dependency on WT revenue.

Wind Turbine Assessing/Taxation

Approximately \$22,203,202 in WT revenue was collected in Tuscola County in 2022. If this had to be reduced by 27% based on the STC MT, the estimated revenue loss would be \$6,021,865. This reduction would impact police, schools, roads, bridges, townships, senior citizens, recycling, libraries, medical care facility, veterans, fire, ambulance, mosquito control and other millage funded services. Calculated over 20 years these losses increased tremendously. Considering WT are currently in seven or eight other counties (and potentially more in the future), the collective revenue loss is tens of millions of dollars.

A nearly ten year costly dispute between county/local governments, DTE and Consumers Energy needs resolution. Members of the Michigan Renewable Energy Collaborative (MREC) firmly believe citizens in communities hosting WT deserve a fair MT that does not under or over value WT. Appraisal Economics was hired by MREC to conduct a professional study to determine a fair fact based method of assessing/taxing WT.

Michigan Indigent Defense Commission Program Successfully Implemented and in the Fourth Year

The MIDC was established to make improvements to the indigent defense system throughout the state. A first year plan was developed in 2018 over several months by county-court personnel and local defense attorneys. The plan included a cost analysis to strengthen indigent defense in the county and to comply with state standards to assure fair legal representation. The October 1, 2021 to September 30, 2022 budget is \$1,138,082 with a state share of \$885,274 and a county share of \$253,708. For the 2021 Budget from October 1, 2021 through September 30, 2022 is \$1,501,036 with the state share of \$1,249,564 and a county share of \$251,472.

A separate county fund has been established to account for and administer the program. The MIDC requires the program to be operated independent of the court. To accomplish this important objective the Board of Commissioners assigned overall program responsibility and administration to the County Controller-Administrator. The MIDC Act requires the agency to establish minimum standards, rules, and procedures to

adhere to the following: “The delivery of indigent criminal defense services shall be independent of the judiciary but ensure that the judges of this state are permitted and encouraged to contribute information and advice concerning that delivery of indigent criminal defense services.” Standard 5 - Independence from the Judiciary was implemented in 2021.

Continued Successful Financial Management and Strong Bond Rating

Tuscola County officials continue to practice highly effective financial management. This is accomplished through the annual All Funds Budget, the Annual Comprehensive Financial Report (Audit), multi-year financial planning and on-going financial monitoring/reporting. The County continues to receive the Government Finance Officers highest award for Excellence in Financial Reporting for the annual budget and audit.

All county funds continue to have positive fund balance positions and the annual budget remains balanced with adequate reserves. Importantly, funds continued to be transferred for equipment/technology and capital improvement needs in 2022. The county bond rating remains strong at AA- which documents the stable financial position of the county to financial markets which lowers the costs of borrowing funds for needed infrastructure and other projects. The county continues to operate within its financial means.

County Animal Control Department Continues to Improve Service Delivery

Notice was received in mid-year 2018 that Sanilac County was terminating the 14 year animal control contract with Tuscola County. This two county contractual program was less than optimum with limited funding and staff. There were only three staff serving both counties covering 1,700 square miles with a combined population of about 95,000. Because animal control is a public safety operation, a solution to the possibility of there being no county animal control in Tuscola County was needed.

After reviewing the potential of contracting with other counties it was decided the best option was to re-establish a county operated program. The county program has been in operation for four full years now and we continue to be pleased with the success. We increased the staffing in 2022 to three full-time and two part-time employees. Improvements to the shelter have been implemented for housing and providing other animal control services. More animals are being rescued and the community is pleased with the progress and improvements that have been made. Citizens have graciously donated food, volunteered their time and desire to provide ways in assisting with the needs of abused and neglected animals. An electronic means of donation was implemented in 2022.

Potential New Jail

A comprehensive study of the county jail was conducted by the National Sheriff’s Association. The study results were presented to the Board of Commissioners in November of 2018. It explained many of the deficiencies of the current jail cannot be adequately remedied by renovation or expansion, it is outdated and poorly designed for current needs. There is a significant overall lack of space for inmate recreation, record storage, food, laundry, supplies, inmate visitation, etc.

The jail planning committee has reviewed details from the study. An architectural firms developed conceptual drawings and a footprint for a new jail to include cost estimates. Methods of financing construction and possibly certain operational costs were reviewed. In 2020 Byce & Associates completed a more specific plan. In 2021 the final plans were presented and the New Jail project proposal was placed on the ballot in November 2022. The efforts failed and the Commissioners have decided to take it to the voters again in August 2023.

Geographic Information System Continues to Advance in 2022

Tuscola County GIS has seen rapid development over the past few years. The basic framework of the county GIS was completed in fall of 2015 and full time management responsibility was handed over to the new GIS Coordinator in summer of 2018. Since then GIS has become increasingly integrated within the county. The first major project was the completion of an inventory of county owned properties for the Board of Commissioners. Following that, the process of certifying deeds saw improvements with the introduction of GIS software and user training in the Treasurer's office. A series of well received land value maps was produced for local assessors as a requirement of the state mandated AMAR review.

A large scale map plotter is used to allow Tuscola County to produce high quality printed maps which also serves as a revenue source. A template for tax map books is available for county citizens, as well as, for each township. Web apps for county departments and the public at large has been provided, along with a Delinquent Tax app.

Technological Advancements Strengthen Operational Efficiency

In 2022, approximately \$305,805 was invested in technology advancements from our Capital Improvements Fund. These funds were used to replace and/or upgrade connectivity within the network by replacing old cable infrastructure, replaced the jail management software with an updated solution, continued replacement of aging workstations, purchased and installed second scanning workstation for Probate Court's document imaging workflow, making them more productive, began initial installation of security cameras in the Purdy building exterior and interior, expanded the security camera solution in the Treasurer and County Clerk offices, replaced the exhausted camera solution in the Jail and on boarded to exiting camera solution, kept all departments functioning with technology solutions accomplishing a 99.999% availability and uptime, processed and resolved over 3,359 countywide service requests and served as statewide technology leader.

Tuscola Officials Continue to be Recycling Leaders

The Tuscola County Recycling Center relocated in 2020 which provided the added space needed to expand the recycling program for Tuscola County and other surrounding counties and continues to be a success in 2022.

Continued Successful Thumb Regional Sobriety Court

For the past nine years, Tuscola County Courts have operated a highly successful Thumb Regional Sobriety program to reduce recidivism for people who have been convicted of driving while under the influence of alcohol. This is a treatment program that is funded in part by a \$53,806 grant from the State Court Administrative Office. The program is administered by Tuscola County courts. It is available to residents of Tuscola, Huron and Sanilac Counties if the individual is referred by the courts.

Mental Health Court Continues to Grow

Tuscola County Courts provides the Mental Health court program to assist those struggling with addiction and counseling needs. This is a treatment program that is funded by a \$56,000 grant from the State Court Administrative Office. The program is administered by Tuscola County courts. It is available to residents of Tuscola, Huron and Sanilac Counties if the individual is referred by the courts.

Tuscola County Courts established a Juvenile Mental Health Court to problem solve in combination of judicial supervision with community mental health and other support services in an effort to reduce court contact and improve the quality of life for program participants. This is a treatment program that is funded by a \$30,000 grant

from the State Court Administrative Office. The program is administered by Tuscola County courts. It is available to residents of Tuscola, Huron and Sanilac Counties if the individual is referred by the courts.

Other Accomplishments/Activities in 2022

- A. Dispatch was able to secure a FEMA Memorandum of Agreement so Tuscola County can be signed up in the IPAWS System (Integrated Public Alert & Warning System) (no cost for this system)
- B. Tuscola County Veterans program continues to secure the \$50,000 veterans outreach grant for 4 years now. This grant assists veterans throughout the county on how to receive help that is available to them for many services.
- C. Tuscola County implemented an online service for online payments in order to improve internet services and convenience for citizens.
- D. Tuscola County Treasurer's office improved services affecting property foreclosures in order to comply with legislative changes.
- E. Improvements to the Tuscola County Vanderbilt Park were completed with a gravel road centerline at affected property boundary.
- F. The Unified Courts implemented the installation of a hybrid courtroom video and audio system to improve efficiencies and security.
- G. Tuscola County Road Commission continues to make progress in improving the funding status of their MERS retirement and health insurance programs. This was accomplished by allocating increased funding to these programs over the last few years.
- H. Tuscola County declared the county a sanctuary county, a place of refuge for the law abiding citizens in regards to the citizens' rights under The Constitution for the United States of America and Michigan Constitution including but not limited to the Second Amendment right to Keep and Bear Arms.
- I. Tuscola County implemented paperless payroll to reduce cost and increase convenience to staff.
- J. Tuscola County executed participation agreements with three wholesale distributors regarding the Opioid crisis in 2021 and filed more in 2022. Some of the Opioid settlements have been received and an Opioid Task Force has been formed to see that these funds are spent in accordance with the settlements.
- K. Tuscola County land bank continues to be operative and improves ways to move forward to revitalize properties throughout Tuscola County. Two projects were reviewed and are moving forward into 2023.
- L. Plans continue to be considered to replace the aging Tuscola County jail. The proposed \$44 million dollar project was taken to the voters in November 2022 and failed with a narrow margin.

The commissioners will be placing it on the August 2023 ballot in hopes for the passage of this very important project.

- M. In 2022 the Juvenile Mental Health Court was established. This was possible by a grant from the State Court Administrative Office (SCAO). Juvenile Mental health court is modeled after the drug court and was developed in response to the overrepresentation of people with mental illnesses in the criminal justice system.
- N. Risk Avoidance Program (RAP) Certification and Accreditation Program (CAP) application for the ProQA Priority Dispatch project was approved. Emergency dispatchers can now save time and improve accuracy, in essence, become “smarter” when moving to vital Pre-Arrival Instructions. After PDIs, ProQA now highlights a logically suggested DLS Link to the most-appropriate PAI based on the information gathered.
- O. Tuscola County in-home child care supervised visitation program continues to be successful to keep the institutional care cost down. Additional programs continue to be implemented in 2022.
- P. Tuscola County Drain Commission was able to complete needed repairs to the Murphy Lake Dam.

V- Effective Financial Policies

The Tuscola County has established long-standing effective financial policies that have stood the tests of time and financial pressures. Although the County has several financial related policies, the two most significant ones are: maintaining a minimum general fund balance and management of how delinquent tax revolving funds are used on an annual basis. Well-reasoned fiscal policy is integral to maintaining financial stability and a strong bond rating on a long-term basis. The following is a summary of these key County financial policies.

- 1. General Fund Balance Assigned for Contingency Reserve** – The current County policy stipulates 10% of current fiscal year adopted budgeted expenditures be assigned for contingency reserve in the general fund. This reflects only slightly more than one month’s operational expenses. The County auditors have previously explained the need to maintain this fund balance contingency reserve. This reserve is an important factor for enabling preservation of overall positive county cash flow, covering unexpected emergencies and maintaining a strong bond rating.
- 2. Delinquent Tax Revolving Funds** – One of the cornerstones of County finances has been the proper management of delinquent tax revolving funds. The delinquent tax policy of the County is to not spend principle, to use annual net income for operational and capital improvement needs and to maintain a self-funding arrangement. (Self-funding enables the County to pay local taxing units in full for their share of current taxes that are determined to be delinquent on an annual basis rather than borrow funds). It is essential to continue sound management of County financial policies and practices involving delinquent tax funds. Fiscal discipline and management of these funds are vital to overall long-term County financial stability.
- 3. Other Key Financial Planning Documents/Policies Include** – multi-year financial plans, capital improvement plans, general fund minimum fund balance policy and delinquent tax policy (discussed above), purchasing, investment, claims processing, debit card usage, establishing and reconciliation of bank accounts and travel/meal reimbursement.

VI - Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tuscola County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021. The county has received this prestigious award for 21 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Tuscola County Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Tuscola County's finances.

Respectfully submitted,

Clayette A. Zechmeister (signature withheld for security purposes)
Controller/Administrator

The Board of Commissioners

Thomas Bardwell
District 2
Chairperson

District 1 Thomas Young
District 4 Douglas DuRussel

District 3 Kim Vaughan
District 5 Daniel Grimshaw

Administration

County Controller/Administrator

Clayette Zechmeister

Elected Officials

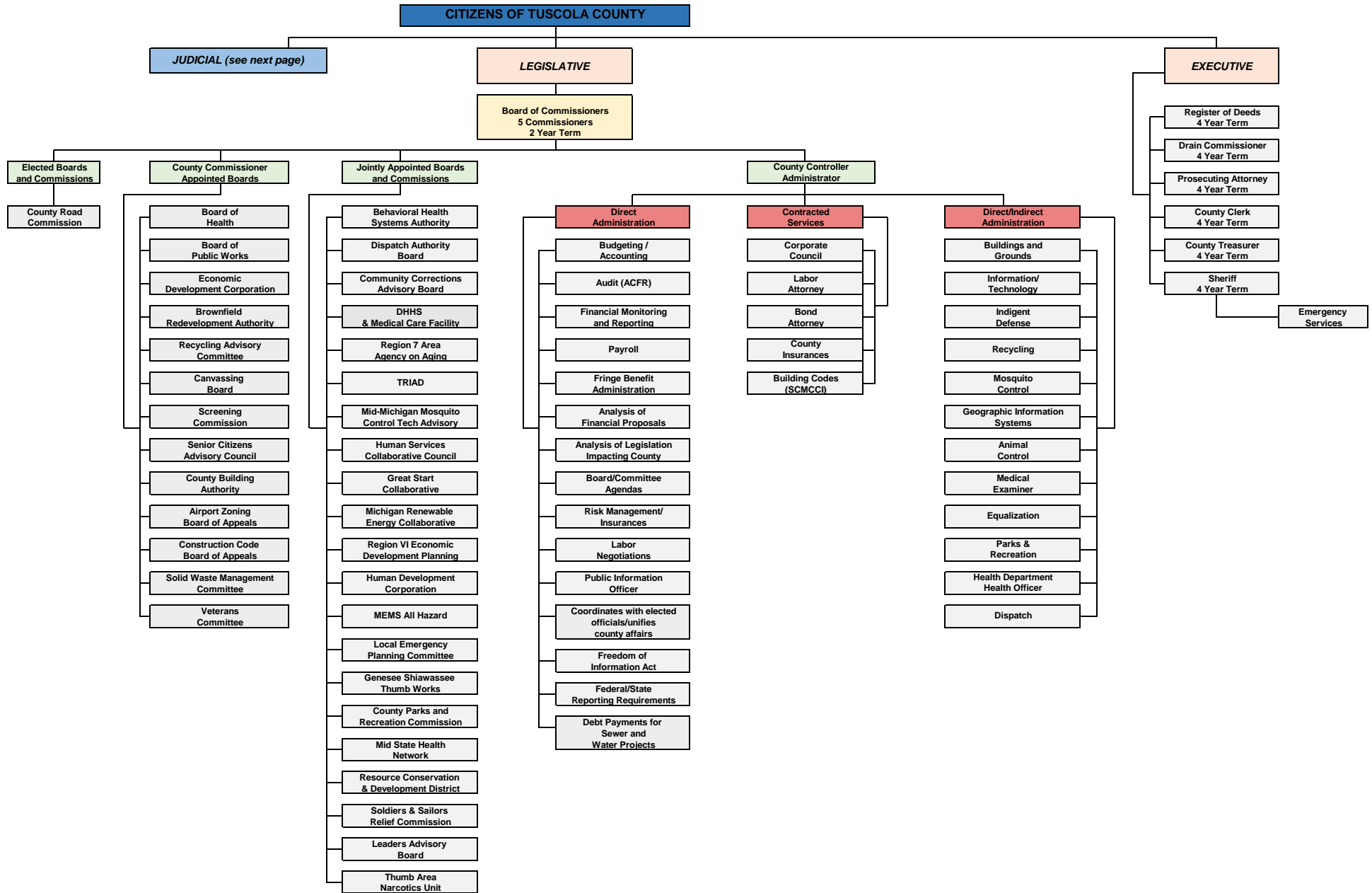
Circuit Court Judge
County Clerk
District Court Judge
Drain Commissioner
Probate Court Judge
Prosecutor
Register of Deeds
Sheriff
Treasurer

Amy Grace Gierhart
Jodi Fetting
Jason Bitzer
Robert Mantey
Nancy Thane
Mark Reese
John Bishop
Glen Skrent
Ashley Bennett

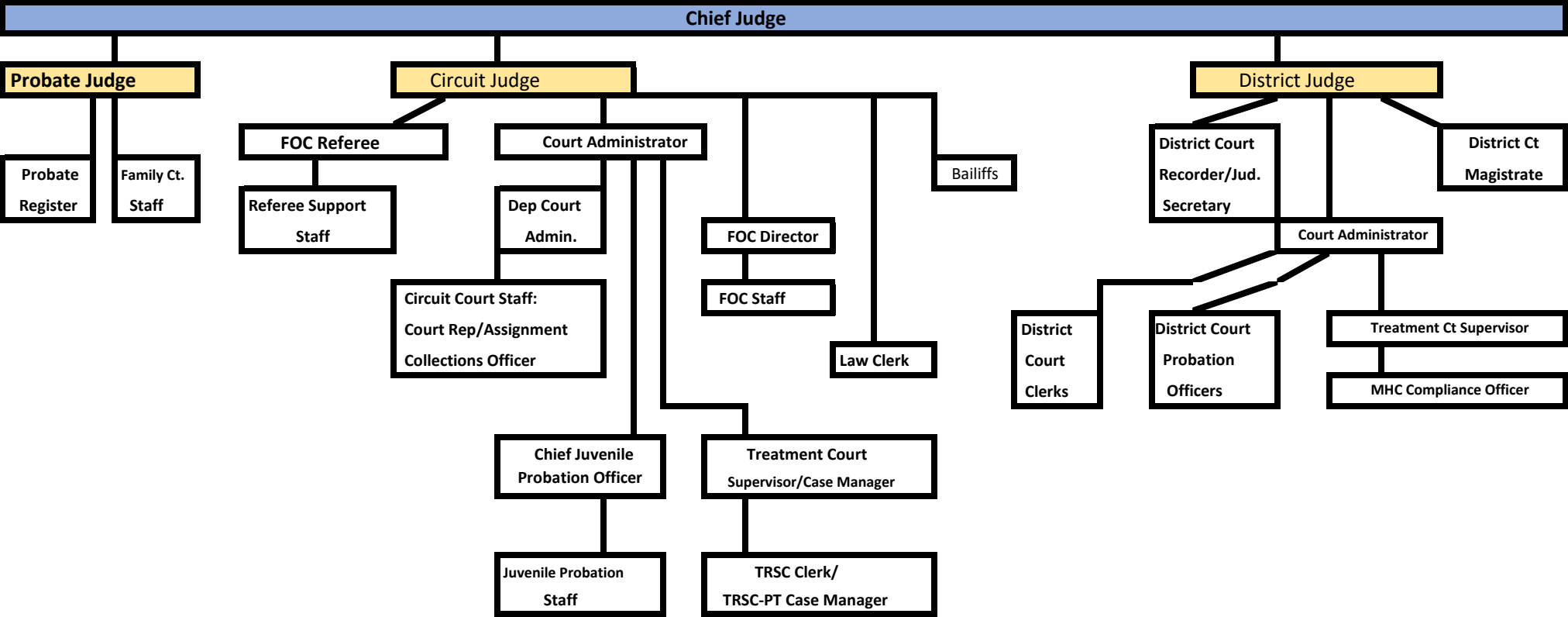
Appointed Officials

Circuit Court Administrator
Director of Facilities & Buildings
Director of Information Systems
Dispatch Director
Equalization Director
Friend of the Court
Health Officer
Mosquito Abatement Director
MSU/Co-op Director
Recycling Coordinator
Undersheriff

Sheila Long
Mike Miller
Eean Lee
Sandy Nielsen
Angela Daniels
Sandy Erskine
Ann Hepfer
Larry Zapfe
Jerry Johnson
Mike Miller
Robert Baxter



Tuscola County Courts Organizational Chart



Effective 10-14-2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tuscola County
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tuscola County, Michigan

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola County, Michigan (the "County"), as of and for the year ended December 31, 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tuscola County Road Commission, which represents 85.1%, 84.9%, and 91.4%, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Tuscola County Road Commission, are based solely on the report of the other auditors. Also, we did not audit the financial statements of the Tuscola County Medical Care Facility, which represents 76.6% of the assets and deferred outflows of resources, 66.7% of the net position, and 94.8% of the revenues of the business-type activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tuscola County Medical Care Community is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Tuscola County Health Department, which represents 7.2% of the assets and deferred outflows of resources, (9.7)% of the net position, and 11.0% of the revenues of the governmental activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tuscola County Health Department is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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.

Change in Accounting Principle

As stated in Note 18 to the basic financial statements, the County adopted GASB Statement No. 87, *Leases* in 2022, which represents a change in its policy for reporting lease activities. Our opinions are not modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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, budgetary comparison information, and the pension schedules, 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 nonmajor governmental funds, internal service funds, custodial funds, Drains Commission (discretely presented component unit) financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for

purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental funds, internal service funds, custodial funds, Drains Commission (discretely presented component unit) financial statements, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we 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 our report dated June 30, 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 County's internal control over financial reporting and compliance.



Gabridge & Company, PLC
Grand Rapids, Michigan
June 30, 2023

Management's Discussion and Analysis

Tuscola County Management's Discussion and Analysis December 31, 2022

As management of *Tuscola County, Michigan* (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 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

Key metrics and financial highlights of the County for the year ended December 31, 2022 are as follows:

- The assets and deferred outflows of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$41,068,721 (net position), an increase of \$3,736,031 from the prior year.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, debt service, and permanent funds) reported combined ending fund balances of \$24,408,4015 an increase of \$6,974,402 in comparison with the prior year. Of the fund balance amount, \$1,776,847 is available for spending at the government's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$9,688,655, an increase of \$7,091,086 from the prior year. At the end of the year, the unassigned portion of the fund balance in the general fund was \$1,776,847, or approximately 11.2% percent of total general fund expenditures and transfers out for the year.
- The County's investment in capital assets was \$18,011,534 at the end of the current fiscal year, which compares to \$17,596,848 at the end of the prior fiscal year.
- The County's total long-term installment debt decreased by \$447,851 during the year, from \$19,543,773 in the prior year to \$19,095,922 as of year-end.

Overview of the Financial Statements

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

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 residual 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 Tuscola County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, public safety, public works, health and welfare, recreation and cultural, and community and economic development activities. The business-type activities of the County include delinquent tax administration and operation of a medical care facility.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tuscola 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. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains numerous governmental funds. Information 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, road patrol fund, Tuscola County Health Department (September 30, 2022), ARPA, Caro Sewer Series 2007 fund, and the Wisner Twp Water Dist Sys fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tuscola County uses enterprise funds to account for its delinquent tax collection and administration, Medical Care Community, and tax foreclosures.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool fund, workers' compensation insurance, and health insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Tuscola County Medical Care Facility, tax foreclosure fund, and combined revolving tax fund, which are considered to be major funds of the County.

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*. This is limited to this management's discussion and analysis, budgetary comparison schedules, and the schedules for the County pension plan.

The combining statements and schedules referred to earlier in connection with nonmajor funds are presented 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. Summary information on the County assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position is as follows:

Tuscola County's Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| ASSETS | | | | | | |
| <i>Current Assets</i> | | | | | | |
| Cash and investments | \$ 24,616,894 | \$ 23,381,719 | \$ 13,625,249 | \$ 15,744,121 | \$ 38,242,143 | \$ 39,125,840 |
| Receivables, net | 11,209,025 | 10,748,660 | 4,696,762 | 5,370,714 | 15,905,787 | 16,119,374 |
| Due from other governments | 1,674,059 | 1,360,211 | 4,137,427 | 256,020 | 5,811,486 | 1,616,231 |
| Other assets | 138,795 | 99,715 | 251,714 | 385,147 | 390,509 | 484,862 |
| Total Current Assets | 37,638,773 | 35,590,305 | 22,711,152 | 21,756,002 | 60,349,925 | 57,346,307 |
| <i>Noncurrent Assets</i> | | | | | | |
| Leases receivable, long-term | 1,717,429 | - | - | - | 1,717,429 | - |
| Contracts receivable, long-term | 6,625,323 | 7,726,323 | - | - | 6,625,323 | 7,726,323 |
| Restricted cash | - | - | 554,752 | 23,001 | 554,752 | 23,001 |
| Capital assets, net | 7,230,790 | 6,312,018 | 10,780,744 | 11,284,830 | 18,011,534 | 17,596,848 |
| Total Assets | 53,212,315 | 49,628,646 | 34,046,648 | 33,063,833 | 87,258,963 | 82,692,479 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension related deferred outflows | 5,850,104 | 2,901,953 | 1,190,077 | 1,223,326 | 7,040,181 | 4,125,279 |
| Total Deferred Outflows of Resources | 5,850,104 | 2,901,953 | 1,190,077 | 1,223,326 | 7,040,181 | 4,125,279 |
| LIABILITIES | | | | | | |
| <i>Current Liabilities</i> | | | | | | |
| Accounts payable | 923,207 | 1,207,024 | 1,012,232 | 2,036,049 | 1,935,439 | 3,243,073 |
| Accrued liabilities | 1,294,459 | 927,348 | 707,873 | 534,785 | 2,002,332 | 1,462,133 |
| Accrued interest | 104,932 | 118,104 | 8,527 | 9,102 | 113,459 | 127,206 |
| Unearned revenue | 102,878 | 5,237,837 | 583,517 | 28,651 | 686,395 | 5,266,488 |
| Current portion of compensated absences | 261,111 | 224,437 | 180,020 | 156,346 | 441,131 | 380,783 |
| Current portion of long-term debt | 1,166,595 | 1,060,000 | 2,785,993 | 238,042 | 3,952,588 | 1,298,042 |
| Internal balances | - | (36) | - | 36 | - | - |
| Total Current Liabilities | 3,853,182 | 8,774,714 | 5,278,162 | 3,003,011 | 9,131,344 | 11,777,725 |
| <i>Noncurrent Liabilities</i> | | | | | | |
| Compensated absences | 337,599 | 363,093 | 247,255 | 270,579 | 584,854 | 633,672 |
| Long-term debt | 14,645,928 | 15,058,043 | 497,406 | 3,187,688 | 15,143,334 | 18,245,731 |
| Net pension liability | 11,419,140 | 3,540,624 | 1,613,869 | 213,542 | 13,033,009 | 3,754,166 |
| Total Liabilities | 30,255,849 | 27,736,474 | 7,636,692 | 6,674,820 | 37,892,541 | 34,411,294 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension related deferred inflows | 1,213,336 | 3,354,472 | 2,371,711 | 1,669,035 | 3,585,047 | 5,023,507 |
| Deferred lease revenues | 2,011,733 | - | - | - | 2,011,733 | - |
| Property taxes levied for subsequent year | 9,216,269 | 8,997,234 | 524,833 | 510,729 | 9,741,102 | 9,507,963 |
| Total Deferred Inflows of Resources | 12,441,338 | 12,351,706 | 2,896,544 | 2,179,764 | 15,337,882 | 14,531,470 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 5,932,060 | 5,714,234 | 7,497,345 | 7,859,100 | 13,429,405 | 13,573,334 |
| Restricted | 21,024,386 | 21,407,541 | - | - | 21,024,386 | 21,407,541 |
| Unrestricted (deficit) | (10,591,214) | (14,679,356) | 17,206,144 | 17,573,475 | 6,614,930 | 2,894,119 |
| Total Net Position | \$ 16,365,232 | \$ 12,442,419 | \$ 24,703,489 | \$ 25,432,575 | \$ 41,068,721 | \$ 37,874,994 |

A portion of the County's net position is unrestricted and available for future operations, while a significant portion of net position relates to its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County 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.

Significant changes from the prior year include:

- The net pension liability increased from \$3,754,166 to \$13,033,009 as of December 31, 2022. Negative investment returns during 2022 combined with unfavorable changes in assumptions led to decreased pension assets and an increased pension liability.
- Pension related deferred outflows increased by \$2,914,902 as of December 31, 2022 as investment losses during 2022 were classified as deferred outflows and will be amortized over the next four years.
- Pension related deferred inflows decreased by \$1,438,460 as of December 31, 2022 as prior year excess investment earnings were classified as deferred outflows due to the significance of the 2022 investment losses.
- Leases receivable of \$1,717,429 was recognized as of December 31, 2022. This is due to the implementation of GASB 87.
- Unearned revenue decreased from \$5,266,488 to \$686,395 as of December 31, 2022 due to the county spending all ARPA funds.

Tuscola County's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 6,103,584 | \$ 7,078,392 | \$20,627,864 | \$21,056,436 | \$26,731,448 | \$28,134,828 |
| Operating grants and contributions | 18,183,578 | 7,717,826 | 4,672,257 | 4,952,530 | 22,855,835 | 12,670,356 |
| General Revenues | | | | | | |
| Property taxes | 17,720,775 | 16,753,687 | 509,103 | 496,665 | 18,229,878 | 17,250,352 |
| Unrestricted state revenue sharing | 1,220,546 | 1,158,441 | - | - | 1,220,546 | 1,158,441 |
| Interest income | 139,133 | 141,089 | 26,539 | 56,925 | 165,672 | 198,014 |
| Total Revenues | 43,367,616 | 32,849,435 | 25,835,763 | 26,562,556 | 69,203,379 | 59,411,991 |
| Expenses | | | | | | |
| Legislative | 263,335 | 194,031 | - | - | 263,335 | 194,031 |
| Judicial | 7,454,471 | 6,179,674 | - | - | 7,454,471 | 6,179,674 |
| General government | 5,045,301 | 4,431,667 | - | - | 5,045,301 | 4,431,667 |
| Public safety | 10,452,266 | 8,264,280 | - | - | 10,452,266 | 8,264,280 |
| Public works | 4,185,558 | 3,941,222 | - | - | 4,185,558 | 3,941,222 |
| Health and welfare | 9,610,182 | 8,236,356 | - | - | 9,610,182 | 8,236,356 |
| Culture and recreation | 22,977 | 23,208 | - | - | 22,977 | 23,208 |
| Interest on long-term debt | 414,930 | 680,166 | - | - | 414,930 | 680,166 |
| Community and economic development | 2,128,387 | 438,485 | - | - | 2,128,387 | 438,485 |
| Tuscola County Medical Care Facility | - | - | 25,484,584 | 22,315,379 | 25,484,584 | 22,315,379 |
| Tax foreclosure fund | - | - | 405,357 | 376,262 | 405,357 | 376,262 |
| Combined tax revolving fund | - | - | - | 150,000 | - | 150,000 |
| Total Expenses | 39,577,407 | 32,389,089 | 25,889,941 | 22,841,641 | 65,467,348 | 55,230,730 |
| Changes in Net Position Before Transfers | 3,790,209 | 460,346 | (54,178) | 3,720,915 | 3,736,031 | 4,181,261 |
| Transfers | 674,908 | 497,179 | (674,908) | (497,179) | - | - |
| Changes in Net Position | 4,465,117 | 957,525 | (729,086) | 3,223,736 | 3,736,031 | 4,181,261 |
| <i>Net Position at the Beginning of Period (restated)</i> | <i>11,900,115</i> | <i>11,484,894</i> | <i>25,432,575</i> | <i>22,208,839</i> | <i>37,332,690</i> | <i>33,693,733</i> |
| Net Position at the End of Period | \$ 16,365,232 | \$12,442,419 | \$24,703,489 | \$25,432,575 | \$41,068,721 | \$37,874,994 |

Net position of the County increased by \$3,736,031 during the year ended December 31, 2022. The governmental activities increased by \$4,465,117 when compared to the prior year and the business-type activities decreased by \$729,086.

Additional significant items to note during 2022 include:

- Charges for services decreased in part due to business-type activities having decreased charges to clients due to diminished census at the Medical Care Facility as a result of COVID-19.
- Operating grants and contributions increased by \$10,185,479, mostly due to the county receiving and spending ARPA funding during 2022.
- Property taxes increased by \$979,526 as the taxable value continued to increase for the current fiscal year.

Governmental Activities

During the year, the County invested \$5,045,301, or approximately 12.75%, of expenses to general government activities. Health and welfare expenses totaled \$9,610,182, or 24.28%, of governmental activities. Public safety expenses totaled \$10,452,266, or 26.41%, of governmental activities expenses. Public works, legislative, judicial, culture and recreation, community and economic development, and interest on long-term debt made up the remaining 36.56% of governmental activities expenses. In the current year expenses increased by \$7,188,318, which was primarily the result of the increased grant funding opportunities.

Business-type activities

Business type activities decreased the County's net position by \$729,086. The cause of this decrease is related to the decrease in net position of the Tuscola County Medical Care Facility (audited by other auditors) of \$999,709.

Financial Analysis of the Government'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 \$24,408,415, an increase of \$6,974,402 in comparison with the prior year. The overall increase in fund balance is described later in this analysis. Approximately 7.3%, or \$1,776,847, of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is restricted (\$13,225,681 or 54.2%), *committed* (\$569,541 or 2.3%), or *assigned* (\$8,231,252 or 33.7%) to indicate that it cannot be used at the County's discretion, or it is

nonspendable (\$605,094 or 2.5%) because it has already been committed, in this case, for prepaid items, advances, and inventory.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,776,847. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and net transfers out. Unassigned fund balance represents 11.2% of total general fund expenditures and transfers out. The general fund had an increase in fund balance of \$7,091,086 for an ending total fund balance of \$9,688,655. Revenues remained comparable with the prior year seeing mostly modest increases, while transfers in saw the biggest increase, expenditures saw a comparable increase across the board.

The road patrol fund, a major fund, had an increase in fund balance of \$410,566 for an ending total fund balance of \$2,132,035. The increase in fund balance was greater than the prior year as a result of increase in collected property taxes.

The Tuscola County Health Department (September 30, 2022), a major fund, had an increase in fund balance of \$52,503. Revenues and expenditures saw comparable increases during the year.

The ARPA fund had no change in fund balance as expenditures equaled the revenues recognized in the current year.

The Caro Sewer Series 2007 and Wisner Twp Water Dist Sys debt service funds both had no significant changes when compared to the prior year. These funds receive enough monies to cover the underlying debt service payments.

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

Net position of the enterprise funds decreased \$729,086. Key elements of this change have been addressed elsewhere in this analysis.

The Tuscola County Medical Care Facility ended the year with net position of \$16,466,128, a decrease of \$999,709 from the prior year.

The tax foreclosure fund ended the year with net position of \$2,198,847, an increase of \$337,758 from the prior year.

The combined revolving tax fund ended the year with net position of \$6,038,514, a decrease of \$67,135 from the prior year.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments

when it became clearer which departments would actually be charged for expenditures incurred. Generally, the movement of the appropriations between departments was not significant.

Final budget compared to actual results. See below for accounts in excess of the amount appropriated across all departments.

| | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Negative Variance</u> |
|----------------------------------|-------------------------|--------------------------|------------------------------|
| General fund | | | |
| Equalization | \$ 254,679 | \$ 254,865 | \$ (186) |
| Prosecutor | 770,049 | 771,914 | (1,865) |
| Co-op reimbursement - prosecutor | 228,164 | 228,590 | (426) |
| Computer operations | 851,776 | 852,009 | (233) |
| County weigh master enforcement | 97,305 | 97,622 | (317) |
| Emergency services | 120,509 | 121,792 | (1,283) |
| Drain commission | 257,156 | 258,410 | (1,254) |
| Transfers out | 2,559,901 | 2,564,370 | (4,469) |

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounted to \$18,011,534 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|---------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land | \$ 441,712 | \$ 416,144 | \$ 215,572 | \$ 327,926 | \$ 657,284 | \$ 744,070 |
| Construction in progress | 28,222 | - | 171,000 | - | 199,222 | - |
| Buildings | 7,697,701 | 7,697,701 | 14,078,195 | 13,705,512 | 21,775,896 | 21,403,213 |
| Right to use buildings | 791,899 | - | - | - | 791,899 | - |
| Improvements | 4,164,239 | 4,074,914 | 2,815,907 | 2,829,043 | 6,980,146 | 6,903,957 |
| Equipment | 5,098,678 | 4,406,060 | 9,587,841 | 9,555,485 | 14,686,519 | 13,961,545 |
| Vehicles | 2,208,054 | 2,129,834 | - | - | 2,208,054 | 2,129,834 |
| Health Department | 736,426 | 736,426 | - | - | 736,426 | 736,426 |
| Accumulated depreciation | (13,936,141) | (13,149,061) | (16,087,771) | (15,133,136) | (30,023,912) | (28,282,197) |
| Total | <u>\$ 7,230,790</u> | <u>\$ 6,312,018</u> | <u>\$ 10,780,744</u> | <u>\$ 11,284,830</u> | <u>\$ 18,011,534</u> | <u>\$ 17,596,848</u> |

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

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding, exclusive of compensated absences, of \$19,095,922. Of this amount, \$15,812,523 was debt of governmental activities and \$3,283,399 was debt of business-type activities.

| | Long-term Debt | | | | | |
|--------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| General obligation bonds | \$ 11,085,862 | \$ 12,035,834 | \$ 2,660,000 | \$ 3,320,000 | \$ 13,745,862 | \$ 15,355,834 |
| USDA loans | 3,956,209 | 4,082,209 | - | - | 3,956,209 | 4,082,209 |
| Installment loans | 770,452 | - | 623,399 | 105,730 | 1,393,851 | 105,730 |
| Total | \$ 15,812,523 | \$ 16,118,043 | \$ 3,283,399 | \$ 3,425,730 | \$ 19,095,922 | \$ 19,543,773 |

Additional information on the County’s long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the County’s budget for 2023:

- Revenue growth is expected to be limited over the next three years. The total projected 2022 to 2023 revenue decrease is \$7,340,608 or 31.95% for the general fund, as the one-time ARPA revenues were fully expended during 2022.
- Currently wind turbine revenue generates about \$3.2 million for County services, with approximately \$1.5 million to the general fund and \$1.7 million to the nine special millage funds. However, moving forward in the upcoming years with the depreciation of the wind farms we will see a revenue decline.
- The outcome of the Michigan Renewal Energy Collaborative occurred in 2022. The 156-page opinion by Judge Enyart was not totally favorable to local governments. Appeals have been filed and the litigation will continue. The county currently has \$2,873,639 in escrowed funds: \$1,498,120 in the general fund and \$1,375,519 in the special millage fund.

Requests for Information

This financial report is designed to provide a general overview of the County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to:

Tuscola County Administrator
125 Lincoln Street
Caro, Michigan 48723

Or by telephone at (989) 672-3700.

Basic Financial Statements

Tuscola County
Statement of Net Position
December 31, 2022

| | Primary Government | | | Component Units |
|---|------------------------------------|-------------------------------------|----------------------|----------------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| <i>Current Assets</i> | | | | |
| Cash and investments | \$ 24,616,894 | \$ 13,625,249 | \$ 38,242,143 | \$ 13,803,068 |
| Taxes receivable | 9,737,279 | 3,028,042 | 12,765,321 | 2,633,824 |
| Special assessments receivable | -- | -- | -- | 415,027 |
| Lease receivable | 343,261 | -- | 343,261 | -- |
| Contracts receivable, current | 557,000 | -- | 557,000 | -- |
| Due from other governments | 1,674,059 | 4,137,427 | 5,811,486 | 3,812,320 |
| Accounts receivable | 571,485 | 1,668,720 | 2,240,205 | 209,046 |
| Prepays | 82,737 | 154,594 | 237,331 | 262,457 |
| Inventory | 56,058 | 97,120 | 153,178 | 574,619 |
| Total Current Assets | 37,638,773 | 22,711,152 | 60,349,925 | 21,710,361 |
| <i>Noncurrent Assets</i> | | | | |
| Contracts receivable | 6,625,323 | -- | 6,625,323 | -- |
| Special assessments receivable | -- | -- | -- | 2,463,964 |
| Restricted cash | -- | 554,752 | 554,752 | -- |
| Capital assets not being depreciated | 469,934 | 386,572 | 856,506 | 39,926,180 |
| Capital assets being depreciated, net | 6,760,856 | 10,394,172 | 17,155,028 | 94,405,685 |
| Leases receivable, long-term | 1,717,429 | -- | 1,717,429 | -- |
| Total Noncurrent Assets | 15,573,542 | 11,335,496 | 26,909,038 | 136,795,829 |
| Total Assets | 53,212,315 | 34,046,648 | 87,258,963 | 158,506,190 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related | 5,850,104 | 1,190,077 | 7,040,181 | 423,619 |
| OPEB related | -- | -- | -- | 853,926 |
| Total Deferred Outflows of Resources | 5,850,104 | 1,190,077 | 7,040,181 | 1,277,545 |
| LIABILITIES | | | | |
| <i>Current Liabilities</i> | | | | |
| Accounts payable | 923,207 | 1,012,232 | 1,935,439 | 487,316 |
| Accrued liabilities | 1,294,459 | 707,873 | 2,002,332 | 173,707 |
| Accrued interest | 104,932 | 8,527 | 113,459 | 5,279 |
| Unearned revenue | 102,878 | 583,517 | 686,395 | 408,268 |
| Due to other governmental units | -- | -- | -- | 371,300 |
| Current portion of compensated absences | 261,111 | 180,020 | 441,131 | -- |
| Current portion of long-term debt | 1,166,595 | 2,785,993 | 3,952,588 | 888,975 |
| Total Current Liabilities | 3,853,182 | 5,278,162 | 9,131,344 | 2,334,845 |
| <i>Noncurrent Liabilities</i> | | | | |
| Compensated absences | 337,599 | 247,255 | 584,854 | 64,778 |
| Long-term debt | 14,645,928 | 497,406 | 15,143,334 | 3,052,926 |
| Net pension liability | 11,419,140 | 1,613,869 | 13,033,009 | 1,781,787 |
| Net OPEB liability | -- | -- | -- | 9,124,924 |
| Advance from primary government | -- | -- | -- | 510,000 |
| Total Noncurrent Liabilities | 26,402,667 | 2,358,530 | 28,761,197 | 14,534,415 |
| Total Liabilities | 30,255,849 | 7,636,692 | 37,892,541 | 16,869,260 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related | 1,213,336 | 2,371,711 | 3,585,047 | 1,690,207 |
| OPEB related | -- | -- | -- | 4,011,584 |
| Deferred lease revenue | 2,011,733 | -- | 2,011,733 | -- |
| Taxed levied for a subsequent period | 9,216,269 | 524,833 | 9,741,102 | -- |
| Total Deferred Inflows of Resources | 12,441,338 | 2,896,544 | 15,337,882 | 5,701,791 |
| NET POSITION | | | | |
| Net investment in capital assets | 5,932,060 | 7,497,345 | 13,429,405 | 130,389,964 |
| <i>Restricted for:</i> | | | | |
| Debt service | 7,729,108 | -- | 7,729,108 | 2,959,492 |
| General government | 198,716 | -- | 198,716 | -- |
| Judicial | 116,741 | -- | 116,741 | -- |
| Public safety | 4,015,638 | -- | 4,015,638 | -- |
| Public works | 1,984,127 | -- | 1,984,127 | 1,796,657 |
| Drains | -- | -- | -- | 5,117,148 |
| Health and welfare | 4,042,987 | -- | 4,042,987 | -- |
| Culture and recreation | 18,630 | -- | 18,630 | -- |
| Capital projects | 2,918,439 | -- | 2,918,439 | -- |
| <i>Unrestricted</i> | (10,591,214) | 17,206,144 | 6,614,930 | (3,050,577) |
| Total Net Position | \$ 16,365,232 | \$ 24,703,489 | \$ 41,068,721 | \$ 137,212,684 |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Activities
For the Year Ended December 31, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue | | | Component Units |
|--|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-type Activities | Total | |
| Primary Government | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Legislative | \$ 263,335 | \$ -- | \$ 239,063 | \$ -- | \$ (24,272) | \$ -- | \$ (24,272) | \$ -- |
| Judicial | 7,454,471 | 809,373 | 4,918,541 | -- | (1,726,557) | -- | (1,726,557) | -- |
| General government | 5,045,301 | 1,581,762 | 4,488,354 | -- | 1,024,815 | -- | 1,024,815 | -- |
| Public safety | 10,452,266 | 2,654,456 | 3,520,205 | -- | (4,277,605) | -- | (4,277,605) | -- |
| Public works | 4,185,558 | 158,854 | 351,413 | -- | (3,675,291) | -- | (3,675,291) | -- |
| Health and welfare | 9,610,182 | 765,613 | 4,248,674 | -- | (4,595,895) | -- | (4,595,895) | -- |
| Community and economic development | 2,128,387 | 106,234 | 417,328 | -- | (1,604,825) | -- | (1,604,825) | -- |
| Culture and recreation | 22,977 | 27,292 | -- | -- | 4,315 | -- | 4,315 | -- |
| Interest on long-term debt | 414,930 | -- | -- | -- | (414,930) | -- | (414,930) | -- |
| Total Governmental Activities | 39,577,407 | 6,103,584 | 18,183,578 | -- | (15,290,245) | -- | (15,290,245) | -- |
| Business-type Activities: | | | | | | | | |
| Tuscola County Medical Care Facility | 25,484,584 | 19,260,508 | 4,672,257 | -- | -- | (1,551,819) | (1,551,819) | -- |
| Tax Foreclosure | 405,357 | 773,482 | -- | -- | -- | 368,125 | 368,125 | -- |
| Combined Revolving Tax | -- | 593,874 | -- | -- | -- | 593,874 | 593,874 | -- |
| Total Business-type Activities | 25,889,941 | 20,627,864 | 4,672,257 | -- | -- | (589,820) | (589,820) | -- |
| Total Primary Government | \$ 65,467,348 | \$ 26,731,448 | \$ 22,855,835 | \$ -- | \$ (15,290,245) | \$ (589,820) | \$ (15,880,065) | -- |
| Component Units | | | | | | | | |
| Tuscola County Road Commission | \$ 15,179,784 | \$ 1,551,460 | \$ 7,030,782 | \$ 9,206,108 | -- | -- | -- | 2,608,566 |
| Tuscola County Drain Commission | 1,904,256 | 1,874,636 | -- | -- | -- | -- | -- | (29,620) |
| Total Component Units | \$ 17,084,040 | \$ 3,426,096 | \$ 7,030,782 | \$ 9,206,108 | -- | -- | -- | 2,578,946 |
| General Purpose Revenues and Transfers: | | | | | | | | |
| Revenues | | | | | | | | |
| Property taxes | | | | | 17,720,775 | 509,103 | 18,229,878 | 2,615,554 |
| Unrestricted state revenue sharing | | | | | 1,220,546 | -- | 1,220,546 | -- |
| Interest income | | | | | 139,133 | 26,539 | 165,672 | 67,160 |
| Transfers | | | | | 674,908 | (674,908) | -- | -- |
| Total General Revenues and Transfers | | | | | 19,755,362 | (139,266) | 19,616,096 | 2,682,714 |
| Change in Net Position | | | | | 4,465,117 | (729,086) | 3,736,031 | 5,261,660 |
| <i>Net Position at Beginning of Period - Restated, Note 16</i> | | | | | 11,900,115 | 25,432,575 | 37,332,690 | 131,951,024 |
| Net Position at End of Period | | | | | \$ 16,365,232 | \$ 24,703,489 | \$ 41,068,721 | \$ 137,212,684 |

The Notes to the Financial Statements are an integral part of these Financial Statements

**Tuscola County
Balance Sheet
Governmental Funds
December 31, 2022**

| | Special Revenue | | | Debt Service | | | | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------|---|------------------------------------|---------------------------|------------------------------|----------------------|--------------------------------|--------------------------------|
| | General | Road Patrol | Tuscola County Health Department (September 30, 2022) | American Rescue Plan Act (ARPA) | Caro Sewer Series 2007 | Wisner Twp Water Dist Sys | | | |
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 8,305,460 | \$ 2,178,779 | \$ 3,272,910 | \$ -- | \$ -- | \$ -- | \$ 10,084,153 | \$ 23,841,302 | |
| Taxes receivable | 521,010 | 2,797,047 | -- | -- | -- | -- | 6,419,222 | 9,737,279 | |
| Lease receivable | 1,957,749 | -- | -- | -- | -- | -- | 102,941 | 2,060,690 | |
| Due from other governments | 834,588 | -- | 259,640 | -- | -- | -- | 579,831 | 1,674,059 | |
| Accounts receivable | 136,457 | 2,909 | 83,937 | -- | -- | -- | 348,182 | 571,485 | |
| Prepays | 22,712 | -- | 15,169 | -- | -- | -- | 1,155 | 39,036 | |
| Inventory | -- | -- | 56,058 | -- | -- | -- | -- | 56,058 | |
| Due from other funds | 442,788 | -- | -- | -- | -- | -- | -- | 442,788 | |
| Contracts receivable | -- | -- | -- | -- | 2,447,114 | 2,490,000 | 2,245,209 | 7,182,323 | |
| Total Assets | \$ 12,220,764 | \$ 4,978,735 | \$ 3,687,714 | \$ -- | \$ 2,447,114 | \$ 2,490,000 | \$ 19,780,693 | \$ 45,605,020 | |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 172,340 | \$ 12,253 | \$ 271,874 | \$ -- | \$ -- | \$ -- | \$ 450,164 | \$ 906,631 | |
| Accrued liabilities | 190,485 | 37,400 | 652,286 | -- | -- | -- | 194,584 | 1,074,755 | |
| Unearned revenue | -- | -- | 102,878 | -- | -- | -- | -- | 102,878 | |
| Due to other funds | -- | -- | -- | -- | -- | -- | 442,788 | 442,788 | |
| Total Liabilities | 362,825 | 49,653 | 1,027,038 | -- | -- | -- | 1,087,536 | 2,527,052 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenue - taxes | 259,228 | -- | -- | -- | -- | -- | -- | 259,228 | |
| Unavailable revenue - contracts | -- | -- | -- | -- | 2,447,114 | 2,490,000 | 2,245,209 | 7,182,323 | |
| Deferred lease revenue | 1,910,056 | -- | -- | -- | -- | -- | 101,677 | 2,011,733 | |
| Taxed levied for a subsequent period | -- | 2,797,047 | -- | -- | -- | -- | 6,419,222 | 9,216,269 | |
| Total Liabilities and Deferred Inflows of Resources | 2,532,109 | 2,846,700 | 1,027,038 | -- | 2,447,114 | 2,490,000 | 9,853,644 | 21,196,605 | |
| FUND BALANCE | | | | | | | | | |
| Nonspendable | 532,712 | -- | 71,227 | -- | -- | -- | 1,155 | 605,094 | |
| Restricted | -- | 2,132,035 | 1,167,752 | -- | -- | -- | 9,925,894 | 13,225,681 | |
| Committed | 5,000 | -- | 564,541 | -- | -- | -- | -- | 569,541 | |
| Assigned | 7,374,096 | -- | 857,156 | -- | -- | -- | -- | 8,231,252 | |
| Unassigned | 1,776,847 | -- | -- | -- | -- | -- | -- | 1,776,847 | |
| Total Fund Balance | 9,688,655 | 2,132,035 | 2,660,676 | -- | -- | -- | 9,927,049 | 24,408,415 | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 12,220,764 | \$ 4,978,735 | \$ 3,687,714 | \$ -- | \$ 2,447,114 | \$ 2,490,000 | \$ 19,780,693 | \$ 45,605,020 | |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

| | | |
|---|-----------|--------------------------|
| Total Fund Balance - Governmental Funds | \$ | 24,408,415 |
| Net Position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements | | 583,013 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due. | | (104,932) |
| General government capital assets of \$21,166,931, net of accumulated depreciation of \$13,936,141, are not financial resources, and accordingly are not reported in the funds. | | 7,230,790 |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. | | (598,710) |
| Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. | | (15,812,523) |
| Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds. | | 7,441,551 |
| Net pension liabilities, along with pension related deferred inflows, are not due and payable in the current period and, accordingly, are not reported in the funds. | | (6,782,372) |
| Total Net Position - Governmental Activities | \$ | <u>16,365,232</u> |

The Notes to the Financial Statements are an integral part of these Financial Statements

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

| | Special Revenue | | | | Debt Service | | | Total Governmental Funds |
|--|---------------------|---------------------|---|------------------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------|
| | General | Road Patrol | Tuscola County Health Department (September 30, 2022) | American Rescue Plan Act (ARPA) | Caro Sewer Series 2007 | Wisner Twp Water Dist Sys | Other Governmental Funds | |
| Revenues | | | | | | | | |
| Property taxes | \$ 8,847,912 | \$ 2,712,752 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 6,259,512 | \$ 17,820,176 |
| Licenses and permits | 1,735 | -- | 202,879 | -- | -- | -- | 757,823 | 962,437 |
| Intergovernmental | 2,109,091 | 11,781 | 3,368,178 | 10,073,179 | 422,853 | 154,644 | 3,436,743 | 19,576,469 |
| Charges for services | 1,498,728 | 5,836 | 451,044 | -- | -- | -- | 1,773,566 | 3,729,174 |
| Fines and forfeits | 62,636 | -- | -- | -- | -- | -- | 10,560 | 73,196 |
| Interest and rents | 573,134 | 8,764 | -- | 5,463 | -- | -- | 38,586 | 625,947 |
| Other | 312,856 | 49,573 | 348,178 | -- | -- | -- | 513,011 | 1,223,618 |
| Total Revenues | 13,406,092 | 2,788,706 | 4,370,279 | 10,078,642 | 422,853 | 154,644 | 12,789,801 | 44,011,017 |
| Expenditures | | | | | | | | |
| Legislative | 190,092 | -- | -- | 34,662 | -- | -- | -- | 224,754 |
| Judicial | 3,447,900 | -- | -- | 487,593 | -- | -- | 2,862,513 | 6,798,006 |
| General government | 3,598,802 | -- | -- | 392,353 | -- | -- | 324,960 | 4,316,115 |
| Public safety | 3,001,955 | 2,333,175 | -- | 429,669 | -- | -- | 3,104,979 | 8,869,778 |
| Public works | 621,852 | -- | -- | 49,920 | -- | -- | 3,373,238 | 4,045,010 |
| Health and welfare | 481,676 | -- | 4,597,696 | 1,614 | -- | -- | 3,905,257 | 8,986,243 |
| Community and economic development | 1,931,658 | -- | -- | 60,508 | -- | -- | 76,635 | 2,068,801 |
| Culture and recreation | -- | -- | -- | -- | -- | -- | 48,316 | 48,316 |
| Other | 48,665 | -- | -- | 4,182 | -- | -- | -- | 52,847 |
| Capital outlay | -- | -- | -- | -- | -- | -- | 776,132 | 776,132 |
| Debt service - principal | 21,447 | -- | -- | -- | 380,000 | 85,000 | 614,000 | 1,100,447 |
| Debt service - interest | -- | -- | -- | -- | 42,853 | 69,644 | 312,577 | 425,074 |
| Total Expenditures | 13,344,047 | 2,333,175 | 4,597,696 | 1,460,501 | 422,853 | 154,644 | 15,398,607 | 37,711,523 |
| Excess of Revenues Over (Under) Expenditures | 62,045 | 455,531 | (227,417) | 8,618,141 | -- | -- | (2,608,806) | 6,299,494 |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers in | 9,593,411 | -- | 468,395 | -- | -- | -- | 2,353,096 | 12,414,902 |
| Transfers out | (2,564,370) | (44,965) | (188,475) | (8,618,141) | -- | -- | (324,043) | (11,739,994) |
| Net Other Financing Sources (Uses) | 7,029,041 | (44,965) | 279,920 | (8,618,141) | -- | -- | 2,029,053 | 674,908 |
| Net Change in Fund Balance | 7,091,086 | 410,566 | 52,503 | -- | -- | -- | (579,753) | 6,974,402 |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | <i>2,597,569</i> | <i>1,721,469</i> | <i>2,608,173</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>10,506,802</i> | <i>17,434,013</i> |
| Fund Balance at End of Period | \$ 9,688,655 | \$ 2,132,035 | \$ 2,660,676 | \$ -- | \$ -- | \$ -- | \$ 9,927,049 | \$ 24,408,415 |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

| | | |
|--|-----------|-------------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | 6,974,402 |
| Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements | | (302,939) |
| Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$1,078,068 exceeds depreciation expense of \$850,371 and net disposal of capital assets of \$100,824. | | 126,873 |
| Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position. | | 13,172 |
| Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position. | | (11,180) |
| The change in net pension liability, and the pension related deferrals, does not require the use of current resources and is not reported in the governmental funds. | | (2,789,229) |
| Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the net of the principal payments on long-term debt of \$1,100,447 and the changes in related bond premiums and discounts of \$3,028 during the year. | | 1,097,419 |
| 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 the following year. This represents the change in unavailable revenues during the year. | | (643,401) |
| Changes in Net Position - Governmental Activities | \$ | <u>4,465,117</u> |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Net Position
Proprietary Funds
December 31, 2022

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|---|---|------------------------|-----------------------------------|-----------------------------------|---|
| | Tuscola County Medical Care Facility | Tax Foreclosure | Combined Revolving Tax | Total Enterprise Funds | |
| ASSETS | | | | | |
| <i>Current Assets</i> | | | | | |
| Cash and investments | \$ 8,085,670 | \$ 2,204,898 | \$ 3,334,681 | \$ 13,625,249 | \$ 775,592 |
| Taxes receivable | 524,833 | -- | 2,503,209 | 3,028,042 | -- |
| Due from other governments | 3,939,229 | -- | 198,198 | 4,137,427 | -- |
| Accounts receivable | 1,665,629 | 665 | 2,426 | 1,668,720 | -- |
| Prepays | 154,594 | -- | -- | 154,594 | 43,701 |
| Inventory | 97,120 | -- | -- | 97,120 | -- |
| Total Current Assets | 14,467,075 | 2,205,563 | 6,038,514 | 22,711,152 | 819,293 |
| <i>Noncurrent Assets</i> | | | | | |
| Restricted cash | 554,752 | -- | -- | 554,752 | -- |
| Capital assets not being depreciated | 386,572 | -- | -- | 386,572 | -- |
| Capital assets being depreciated, net | 10,394,172 | -- | -- | 10,394,172 | -- |
| Noncurrent Assets | 11,335,496 | -- | -- | 11,335,496 | -- |
| Total Assets | 25,802,571 | 2,205,563 | 6,038,514 | 34,046,648 | 819,293 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related | 1,190,077 | -- | -- | 1,190,077 | -- |
| Total Deferred Outflows of Resources | 1,190,077 | -- | -- | 1,190,077 | -- |
| LIABILITIES | | | | | |
| <i>Current Liabilities</i> | | | | | |
| Accounts payable | 1,008,977 | 3,255 | -- | 1,012,232 | 16,576 |
| Accrued liabilities | 704,412 | 3,461 | -- | 707,873 | 219,704 |
| Accrued interest | 8,527 | -- | -- | 8,527 | -- |
| Unearned revenue | 583,517 | -- | -- | 583,517 | -- |
| Current portion of compensated absences | 180,020 | -- | -- | 180,020 | -- |
| Current portion of long-term debt | 2,785,993 | -- | -- | 2,785,993 | -- |
| Total Current Liabilities | 5,271,446 | 6,716 | -- | 5,278,162 | 236,280 |
| <i>Noncurrent Liabilities</i> | | | | | |
| Compensated absences | 247,255 | -- | -- | 247,255 | -- |
| Long-term debt | 497,406 | -- | -- | 497,406 | -- |
| Net pension liability | 1,613,869 | -- | -- | 1,613,869 | -- |
| Noncurrent Liabilities | 2,358,530 | -- | -- | 2,358,530 | -- |
| Total Liabilities | 7,629,976 | 6,716 | -- | 7,636,692 | 236,280 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related | 2,371,711 | -- | -- | 2,371,711 | -- |
| Taxed levied for a subsequent period | 524,833 | -- | -- | 524,833 | -- |
| Total Deferred Inflows of Resources | 2,896,544 | -- | -- | 2,896,544 | -- |
| NET POSITION | | | | | |
| Net investment in capital assets | 7,497,345 | -- | -- | 7,497,345 | -- |
| <i>Unrestricted</i> | 8,968,783 | 2,198,847 | 6,038,514 | 17,206,144 | 583,013 |
| Total Net Position | \$ 16,466,128 | \$ 2,198,847 | \$ 6,038,514 | \$ 24,703,489 | \$ 583,013 |

The Notes to the Financial Statements are an integral part of these Financial Statements

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

Business-type Activities - Enterprise Funds

| | Tuscola County Medical Care Facility | Tax Foreclosure | Combined Revolving Tax | Total Enterprise Funds | Governmental Activities Internal Service Funds |
|--|---|------------------------|-----------------------------------|-----------------------------------|---|
| Operating Revenues | | | | | |
| Charges for services | \$ 18,128,268 | \$ 773,482 | \$ 593,874 | \$ 19,495,624 | \$ 3,478,056 |
| Other | 1,132,240 | -- | -- | 1,132,240 | -- |
| Total Operating Revenues | 19,260,508 | 773,482 | 593,874 | 20,627,864 | 3,478,056 |
| Operating Expenses | | | | | |
| Operation and maintenance | 16,871,766 | -- | -- | 16,871,766 | 3,643,278 |
| Administration | 7,239,231 | 405,357 | -- | 7,644,588 | 137,717 |
| Depreciation | 1,157,848 | -- | -- | 1,157,848 | -- |
| Total Operating Expenses | 25,268,845 | 405,357 | -- | 25,674,202 | 3,780,995 |
| Operating Income (Loss) | (6,008,337) | 368,125 | 593,874 | (5,046,338) | (302,939) |
| Non-Operating Revenues (Expenses) | | | | | |
| Property taxes | 509,103 | -- | -- | 509,103 | -- |
| Interest income | 43,007 | (30,367) | 13,899 | 26,539 | -- |
| Federal and state grant revenues | 4,672,257 | -- | -- | 4,672,257 | -- |
| Loss on sale of capital assets | (111,609) | -- | -- | (111,609) | -- |
| Interest expense and fiscal charges | (104,130) | -- | -- | (104,130) | -- |
| Net Non-Operating Revenues (Expenses) | 5,008,628 | (30,367) | 13,899 | 4,992,160 | -- |
| Income Before Transfers | (999,709) | 337,758 | 607,773 | (54,178) | (302,939) |
| Transfers out | -- | -- | (674,908) | (674,908) | -- |
| Change In Net Position | (999,709) | 337,758 | (67,135) | (729,086) | (302,939) |
| <i>Net Position at Beginning of Period</i> | 17,465,837 | 1,861,089 | 6,105,649 | 25,432,575 | 885,952 |
| Net Position at End of Period | \$ 16,466,128 | \$ 2,198,847 | \$ 6,038,514 | \$ 24,703,489 | \$ 583,013 |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|--|---|------------------------|-----------------------------------|-----------------------------------|---|
| | Tuscola County Medical Care Facility | Tax Foreclosure | Combined Revolving Tax | Total Enterprise Funds | |
| Cash Flows from Operating Activities | | | | | |
| Cash received from customers | \$ 15,644,618 | \$ 772,817 | \$ 512,938 | \$ 16,930,373 | \$ - |
| Cash received from interfund services provided | - | - | - | - | 3,478,056 |
| Cash payments to suppliers for goods and services | (6,713,846) | (401,501) | - | (7,115,347) | (3,773,987) |
| Cash payments to employees for services | (14,922,695) | - | - | (14,922,695) | - |
| Net Cash Provided by (Used in) Operating Activities | (5,991,923) | 371,316 | 512,938 | (5,107,669) | (295,931) |
| Cash Flows from Non-capital Financing Activities | | | | | |
| Property taxes | 509,103 | - | - | 509,103 | - |
| Federal and state grant revenues | 4,672,257 | - | - | - | - |
| Transfers out | - | - | (674,908) | (674,908) | - |
| Net increase/decrease in interfund balances | - | (36) | - | (36) | (13,082) |
| Net Cash Provided by (Used in) Non-capital Financing Activities | 5,181,360 | (36) | (674,908) | (165,841) | (13,082) |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Issuance of long-term debt | 547,500 | - | - | 547,500 | - |
| Principal payments on long-term debt | (689,831) | - | - | (689,831) | - |
| Interest payments and fiscal charges on long-term debt | (104,705) | - | - | (104,705) | - |
| Proceeds from sale of fixed assets | 176,452 | - | - | 176,452 | - |
| Purchases of capital assets | (941,823) | - | - | (941,823) | - |
| Net Cash Used in Capital and Related Financing Activities | (1,012,407) | - | - | (1,012,407) | - |
| Cash Flows from Investing Activities | | | | | |
| Interest received on investments, net of purchases | 43,007 | (30,367) | 13,899 | 26,539 | - |
| Net Cash Provided by (Used in) Investing Activities | 43,007 | (30,367) | 13,899 | 26,539 | - |
| Net Increase (Decrease) in Cash and Investments | (1,779,963) | 340,913 | (148,071) | (1,587,121) | (309,013) |
| <i>Cash and Investments - Beginning of Year</i> | 10,420,385 | 1,863,985 | 3,482,752 | 15,767,122 | 1,084,605 |
| Cash and Investments - End of Year | \$ 8,640,422 | \$ 2,204,898 | \$ 3,334,681 | \$ 14,180,001 | \$ 775,592 |
| Statement of Net Position - Cash and Investments | | | | | |
| Cash and investments | \$ 8,085,670 | \$ 2,204,898 | \$ 3,334,681 | \$ 13,625,249 | \$ 775,592 |
| Restricted cash | 554,752 | - | - | 554,752 | - |
| Total Statement of Net Position - Cash and Investments | \$ 8,640,422 | \$ 2,204,898 | \$ 3,334,681 | \$ 14,180,001 | \$ 775,592 |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

| | <u>Business-type Activities - Enterprise Funds</u> | | | | <u>Governmental Activities Internal Service Funds</u> |
|--|---|--------------------------|-----------------------------------|-----------------------------------|---|
| | <u>Tuscola County Medical Care Facility</u> | <u>Tax Foreclosure</u> | <u>Combined Revolving Tax</u> | <u>Total Enterprise Funds</u> | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | |
| Operating income (loss) | \$ (6,008,337) | \$ 368,125 | \$ 593,874 | \$ (5,046,338) | \$ (302,939) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | |
| Depreciation | 1,157,848 | - | - | 1,157,848 | - |
| Change in assets, liabilities, and deferred outflows/inflows: | | | | | |
| Taxes receivable | - | - | (136,332) | (136,332) | - |
| Accounts receivable | 827,479 | (665) | (2,426) | 824,388 | - |
| Prepays | (45,636) | - | - | (45,636) | (9,397) |
| Inventory | 179,069 | - | - | 179,069 | - |
| Due from other governments | (3,939,229) | - | 57,822 | (3,881,407) | - |
| Accounts payable | (1,026,600) | 2,783 | - | (1,023,817) | 16,405 |
| Accrued liabilities | 172,015 | 1,073 | - | 173,088 | - |
| Unearned revenue | 554,866 | - | - | 554,866 | - |
| Compensated absences | 350 | - | - | 350 | - |
| Net pension liability and related deferred items | 2,136,252 | - | - | 2,136,252 | - |
| <i>Net Cash Provided by (Used in) Operating Activities</i> | <u>\$ (5,991,923)</u> | <u>\$ 371,316</u> | <u>\$ 512,938</u> | <u>\$ (5,107,669)</u> | <u>\$ (295,931)</u> |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Fiduciary Net Position
Fiduciary Funds
12/31/2022

| | Custodial Funds |
|---------------------------------|------------------------|
| ASSETS | |
| Cash and investments | \$ 1,521,551 |
| <i>Total Assets</i> | 1,521,551 |
| LIABILITIES | |
| Due to other governmental units | 92,079 |
| Undistributed collections | 1,429,472 |
| <i>Total Liabilities</i> | 1,521,551 |
| NET POSITION | |
| Held in Trust | \$ -- |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

| | Custodial Funds |
|---|------------------------|
| Additions | |
| Taxes collected for other governments | \$ 23,502,006 |
| Library penal fine collections | 255,593 |
| Court collections | 572,265 |
| County clerk/register of deeds collections | 2,457,399 |
| Inmate trust collections | 9,257 |
| Total Additions | 26,796,520 |
| Deductions | |
| Payments of property taxes to other governments | 23,502,006 |
| Library penal fine distributions | 255,593 |
| Court distributions | 572,265 |
| County clerk/register of deeds distributions | 2,457,399 |
| Inmate trust distributions | 9,257 |
| Total Deductions | 26,796,520 |
| Change in Net Position | -- |
| <i>Net Position at Beginning of Period</i> | <i>--</i> |
| <i>Net Position at End of Period</i> | <i>--</i> |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Combining Statement of Net Position
Component Units
December 31, 2022

| | Tuscola County Road Commission | Tuscola County Drain Commission | Total Component Units |
|---|---|--|----------------------------------|
| ASSETS | | | |
| <i>Current Assets</i> | | | |
| Cash and investments | \$ 7,902,481 | \$ 5,900,587 | \$ 13,803,068 |
| Taxes receivable | 2,633,824 | -- | 2,633,824 |
| Special assessments receivable | -- | 415,027 | 415,027 |
| Due from other governments | 3,812,320 | -- | 3,812,320 |
| Accounts receivable | 209,046 | -- | 209,046 |
| Prepays | 262,457 | -- | 262,457 |
| Inventory | 574,619 | -- | 574,619 |
| Total Current Assets | 15,394,747 | 6,315,614 | 21,710,361 |
| <i>Noncurrent Assets</i> | | | |
| Special assessments receivable | -- | 2,463,964 | 2,463,964 |
| Capital assets not being depreciated | 39,926,180 | -- | 39,926,180 |
| Capital assets being depreciated, net | 79,455,636 | 14,950,049 | 94,405,685 |
| Noncurrent Assets | 119,381,816 | 17,414,013 | 136,795,829 |
| Total Assets | 134,776,563 | 23,729,627 | 158,506,190 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related | 423,619 | -- | 423,619 |
| OPEB related | 853,926 | -- | 853,926 |
| Total Deferred Outflows of Resources | 1,277,545 | -- | 1,277,545 |
| LIABILITIES | | | |
| <i>Current Liabilities</i> | | | |
| Accounts payable | 299,657 | 187,659 | 487,316 |
| Accrued liabilities | 173,707 | -- | 173,707 |
| Accrued interest | -- | 5,279 | 5,279 |
| Unearned revenue | 408,268 | -- | 408,268 |
| Due to other governmental units | 371,300 | -- | 371,300 |
| Current portion of long-term debt | 527,991 | 360,984 | 888,975 |
| Total Current Liabilities | 1,780,923 | 553,922 | 2,334,845 |
| <i>Noncurrent Liabilities</i> | | | |
| Compensated absences | 64,778 | -- | 64,778 |
| Long-term debt | 1,084,005 | 1,968,921 | 3,052,926 |
| Net pension liability | 1,781,787 | -- | 1,781,787 |
| Net OPEB liability | 9,124,924 | -- | 9,124,924 |
| Advance from primary government | -- | 510,000 | 510,000 |
| Noncurrent Liabilities | 12,055,494 | 2,478,921 | 14,534,415 |
| Total Liabilities | 13,836,417 | 3,032,843 | 16,869,260 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related | 1,690,207 | -- | 1,690,207 |
| OPEB related | 4,011,584 | -- | 4,011,584 |
| Total Deferred Inflows of Resources | 5,701,791 | -- | 5,701,791 |
| NET POSITION | | | |
| Net investment in capital assets | 117,769,820 | 12,620,144 | 130,389,964 |
| <i>Restricted for:</i> | | | |
| Debt service | -- | 2,959,492 | 2,959,492 |
| Public works | 1,796,657 | -- | 1,796,657 |
| Drains | -- | 5,117,148 | 5,117,148 |
| <i>Unrestricted</i> | <i>(3,050,577)</i> | <i>--</i> | <i>(3,050,577)</i> |
| Total Net Position | \$ 116,515,900 | \$ 20,696,784 | \$ 137,212,684 |

The Notes to the Financial Statements are an integral part of these Financial Statements

Tuscola County
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2022

| | <u>Tuscola County Road Commission</u> | <u>Tuscola County Drain Commission</u> | <u>Total Component Units</u> |
|--|---|--|----------------------------------|
| Expenses | | | |
| Public works | \$ 15,179,784 | \$ 1,832,908 | \$ 17,012,692 |
| Debt service - interest | -- | 71,348 | 71,348 |
| Total Expenses | <u>15,179,784</u> | <u>1,904,256</u> | <u>17,084,040</u> |
| Program Revenues | | | |
| Charges for services | 1,551,460 | 1,874,636 | 3,426,096 |
| Operating grants and contributions | 7,030,782 | -- | 7,030,782 |
| Capital grants and contributions | 9,206,108 | -- | 9,206,108 |
| Total Program Revenues | <u>17,788,350</u> | <u>1,874,636</u> | <u>19,662,986</u> |
| Net Program Revenues (Expenses) | <u>2,608,566</u> | <u>(29,620)</u> | <u>2,578,946</u> |
| General Revenue | | | |
| Property taxes | 2,615,554 | -- | 2,615,554 |
| Interest income | 18,986 | 48,174 | 67,160 |
| Total General Revenues | <u>2,634,540</u> | <u>48,174</u> | <u>2,682,714</u> |
| Change in Net Position | <u>5,243,106</u> | <u>18,554</u> | <u>5,261,660</u> |
| <i>Net Position at Beginning of Period</i> | 111,272,794 | 20,678,230 | 131,951,024 |
| Net Position at End of Period | <u>\$ 116,515,900</u> | <u>\$ 20,696,784</u> | <u>\$ 137,212,684</u> |

The Notes to the Financial Statements are an integral part of these Financial Statements

Notes to the Financial Statements

Tuscola County

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Tuscola, Michigan* (the “County” or “government”) was incorporated in 1840 and covers an area of approximately 914 square miles in eastern Michigan. The County operates under a five-member elected Board of Commissioners and an appointed County Administrator /Controller. The County seat is located in the City of Caro, Michigan.

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

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

The *Tuscola County Building Authority* (the “*Building Authority*”) has been included as part of the County financial statements since the County appoints the five-member governing authority and the Building Authority provides its services entirely to Tuscola County. The purpose of the Building Authority is to finance through tax-exempt bonds the construction of public facilities for use by the County, with bonds secured by lease agreements with, and serviced through lease payments from, the County. A separate audit report is not issued for the Building Authority.

Discretely Presented Component Units

The *Tuscola County Road Commission* (the “*Road Commission*”). The governing Board of the Road Commission consists of five elected members, all appointed by the County Board of Commissioners, which is deemed to provide the County with effective control over the Road Commission. The Road Commission deposits money with the County Treasurer. The County has the ability to significantly influence operations of the Road Commission. The component unit is audited individually, and complete financial statements may be obtained from the Road Commission’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Tuscola County

Notes to the Financial Statements

The Road Commission's administrative office is located at:

Tuscola County Road Commission
1733 Mertz Road
Caro, Michigan 48723

The *Tuscola County Drain Commission* (the "*Drain Commission*"). The Drain commission is considered a discretely presented component unit as the nature and significance of the relationship between the primary government and the Commission is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property, etc. The statutory drainage Board of Chapter 21 drainage districts consist of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 3, 4, and 8 of the Drain Code. 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 district. Complete financial statements for the Tuscola County Drain Commission may be obtained at the entity's administrative offices:

Tuscola County Drain Commission
125 W. Lincoln St. Suite 100
Caro, Michigan 48723

Funds With Other Year Ends - The financial statements of the Tuscola County Health Department are presented in the accompanying financial statements using its fiscal year-end of September 30, 2022.

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

Tuscola County

Notes to the Financial Statements

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 funds and major individual 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 fund 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. 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, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 government.

The County reports the following major governmental funds:

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

The ***Road Patrol fund*** accounts for revenues received from a County millage. This is the only county-wide 24-hour police service.

Tuscola County

Notes to the Financial Statements

The *Tuscola County Health Department fund (September 30, 2022)* accounts for the charges of medical services and grant revenues along with the related operations of the Tuscola County Health Department.

The *American Rescue Plan Act* accounts for revenues recognized under ARPA funding and corresponding expenditures.

The *Caro Sewer Series 2007 fund* accounts for resources collected (against a long-term contract receivable from the City of Caro) to be used for servicing bond principal and interest payments.

The *Wisner Township Water Distribution System fund* accounts for resources collected (against a long-term contract receivable from the Township of Wisner) to be used for servicing bond principal and interest payments.

The County reports the following major proprietary funds:

The *Tuscola County Medical Care Facility fund* accounts for the operations of the Tuscola County Medical Care Facility. The primary revenue sources are charges for medical services and property taxes.

The *Tax Foreclosure fund* accounts for various fees and costs related to the new delinquent tax reversion process.

The *Combined Revolving Tax fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Internal service funds account for the workers compensation, health insurance, and retirement services provided to other departments or agencies of the government on a cost reimbursement basis.

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.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Tuscola County

Notes to the Financial Statements

Capital projects funds account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

Custodial funds are custodial in nature. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments, state funds, penal fines held for libraries in the County, and funds received for the benefit of inmates).

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash, Cash Equivalents, and Investments

All short-term investments that are highly liquid and have an original maturity of three months or less are considered to be cash equivalents.

Statutory Authority

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified institution.
- c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.

Tuscola County

Notes to the Financial Statements

- e. 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.
- f. Mutual funds registered under the investments company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The County's investment policy allows for all of these types of investments.

Restricted Cash and Investments

Restricted cash and investments are assets that have been set aside for future purposes in the Tuscola County Medical Care Facility.

Receivables and Payables

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

Activity 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 noncurrent 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."

Advances between funds, as reported in the fund financial statements, are reported as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Leases Receivable

The County acts as a lessor for leases involving the right to use County assets. As per GASB 87, the County recognizes a lease receivable and a deferred inflow of resources in its government-wide and governmental fund financial statements.

Initially, the lease receivable is measured at the present value of expected lease payments over the lease term. The lease receivable is subsequently 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. Over the lease term, the deferred inflow of resources is recognized as revenue.

Tuscola County

Notes to the Financial Statements

Significant estimates and judgments involved include determining the discount rate used to present value lease receipts, determining the lease term, and estimating lease receipts. The County utilizes its estimated incremental borrowing rate as the discount rate for leases. The lease term comprises the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable consist of fixed payments from the lessee.

The County continually monitors changes that may necessitate a remeasurement of the lease receivable. If significant changes occur, the lease receivable will be remeasured accordingly.

Inventories and Prepaid Items

Inventories of the Health Department are accounted for utilizing the consumption method and are valued at cost using the first-in / first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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 assets constructed. No such interest expense was incurred during the current fiscal year.

Tuscola County

Notes to the Financial Statements

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

| <u>Asset Type</u> | <u>Years</u> |
|-------------------|--------------|
| Buildings | 5 - 30 |
| Equipment | 5 - 10 |
| Vehicles | 5 - 10 |
| Improvements | 5 - 30 |
| Infrastructure | 8 - 50 |

Amortization of intangible assets occurs on a straight-line basis over the life of the related right of use agreement or the life of the asset, whichever is shorter. The amount of amortization expense is presented in the depreciation line item on the financial statements for proprietary funds and in its natural governmental function category for governmental activities.

Deferred Outflows/Inflows 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, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods, and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category, which are the differences between expected and actual experience of the defined benefit pension plan, the net difference between projected and actual earnings on pension plan investments, the change in assumptions for the County's defined benefit pension plan, and County contributions made subsequent to the measurement date. The amounts are amortized in the plan year in which it applies.

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*, represent an acquisition of net assets that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from receivables collected beyond 60 days after the end of the County's year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods, as well as deferred lease revenues. Also, another item is future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.

Tuscola County

Notes to the Financial Statements

Property Taxes

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 2022 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2022, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing for the financing of the County's operations. Therefore, the entire amount of the December 1, 2022, levy is reported as deferred inflows of resources at year-end.

Defined Benefit Pension Plan

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

Compensated Absences

Eligible 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, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount.

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.

Tuscola County

Notes to the Financial Statements

Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of the resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a resolution of the County's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the County that can, by adoption of a board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. By resolution of the Board of Commissioners, the Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. In addition, by resolution of the Board of Commissioners, authority to assign fund balance has been designated to the Chief Financial Officer or his/her designee subject to the approval of the Tuscola County Commission. Unlike commitments, assignments generally only

Tuscola County

Notes to the Financial Statements

exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The purpose of the fund balance policy for the general fund is to establish a level of reserve within the general fund to preserve fiscal stability. The level of fund balance prescribed within this policy is designed to ensure adequate cash flow for operations and adequate reserves for contingency and emergency purposes. The authority to establish fund balance levels is with the Tuscola County Board of Commissioners. The Board of Commissioners and Controller/Administrator shall be responsible for the implementation of this policy. The general fund shall maintain a minimum unassigned fund balance of approximately 10% of the most current Board approved general fund budget.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- Annual budgets are legally adopted, and formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Annual informational budget summaries are prepared for enterprise funds and internal service funds.
- The activity level in the general fund and functional level within special revenue funds is the legal level of control. The Appropriations Act details the budget at the line-item level. Examples of activities are Sheriff's Department, Prosecutor, and Medical Examiner – each of these activities can be found within the Public Safety, Judicial, and Health and Welfare functions, respectively. The County Controller is authorized to transfer budgeted amounts from one category to another (salaries and wages, health insurance costs, etc.) within an activity and between activities within the same fund in an amount up to \$5,000 for all expenditures. These transfers at the category level do not effect the general appropriations act as these categorical transfers do not alter appropriation to the activity. Revisions that alter the total expenditures of any fund or total activity within the general fund must be approved by the Board of Commissioners.

Tuscola County

Notes to the Financial Statements

- Budgets for the general and special revenue funds are prepared on a modified accrual basis.
- Budget appropriations lapse at year-end.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.

Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The County had the following expenditures in excess of the amounts appropriated during the year ended December 31, 2022:

| | Final Budget | Actual Amount | Negative Variance |
|----------------------------------|-------------------------|--------------------------|------------------------------|
| General fund | | | |
| Equalization | \$ 254,679 | \$ 254,865 | \$ (186) |
| Prosecutor | 770,049 | 771,914 | (1,865) |
| Co-op reimbursement - prosecutor | 228,164 | 228,590 | (426) |
| Computer operations | 851,776 | 852,009 | (233) |
| County weigh master enforcement | 97,305 | 97,622 | (317) |
| Emergency services | 120,509 | 121,792 | (1,283) |
| Drain commission | 257,156 | 258,410 | (1,254) |
| Transfers out | 2,559,901 | 2,564,370 | (4,469) |

Net Position Deficit

The County governmental activities had an unrestricted net position deficit of \$(10,591,214) as of year-end. In addition, the Tuscola County Road Commission, a discretely presented component unit, had unrestricted net position deficit of \$(3,050,577).

NOTE 3 - DEPOSITS AND INVESTMENTS

The County utilizes various pooled cash accounts and investments consisting of a common checking account and mutual funds. The County’s pooled cash accounts and investments are utilized by the general fund, special revenue funds, debt service funds, capital projects funds, internal service funds, fiduciary funds, and the component units. All other funds of the County utilize separate savings and interest- bearing checking accounts. In addition, certificates of deposit, money market funds, and U.S. government treasuries and agencies are held separately by several of the County’s funds.

Tuscola County

Notes to the Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2022:

| | Primary Government | Component Units | Total |
|---|-------------------------------|----------------------------|----------------------|
| Statement of Net Position | | | |
| Cash and investments | \$ 38,242,143 | \$ 13,803,068 | \$ 52,045,211 |
| Restricted cash | 554,752 | - | 554,752 |
| Statement of Fiduciary Net Position | | | |
| Cash and investments - custodial funds | 1,521,551 | - | 1,521,551 |
| Total Deposits and Investments | \$ 40,318,446 | \$ 13,803,068 | \$ 54,121,514 |
| <i>Less Units Separately Audited</i> | | | |
| Tuscola County Health Department (September 30, 2022) | (8,640,422) | - | (8,640,422) |
| Tuscola County Medical Care Facility | (3,272,910) | - | (3,272,910) |
| Tuscola County Road Commission | - | (7,902,481) | (7,902,481) |
| Deposits and Investments Managed by the County | \$ 28,405,114 | \$ 5,900,587 | \$ 34,305,701 |

The following schedule summarizes the types of deposits and investments held as of year-end:

| Deposits and Investments | |
|---------------------------------------|----------------------|
| Checking and savings accounts | \$ 28,962,443 |
| Investments | 5,335,358 |
| Cash on hand | 7,900 |
| Total Deposits and Investments | \$ 34,305,701 |

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, \$26,967,859 of the County’s bank balance of \$27,492,166 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.

Tuscola County

Notes to the Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2022:

| | |
|-------------------------|----------------------------|
| U.S. government bonds | \$ 348,874 |
| Money market funds | 7,504 |
| Commercial paper | 768,977 |
| Michigan CLASS | 2,789,184 |
| Certificates of deposit | 1,420,819 |
| Total | <u>\$ 5,335,358</u> |

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools 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. Credit risk ratings, where applicable, are summarized as follows:

| | |
|------------------------|----------------------------|
| Standards & Poor's AA | \$ 348,874 |
| Standards & Poor's AAM | 2,789,184 |
| Standards & Poor's AA+ | 768,977 |
| Not rated | 1,428,323 |
| Total | <u>\$ 5,335,358</u> |

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. Maturity dates for investments held at year-end are summarized as follows:

| | |
|------------------|----------------------------|
| No maturity | \$ 451,097 |
| Less than 1 year | 3,588,171 |
| 1-5 years | 1,296,090 |
| Total | <u>\$ 5,335,358</u> |

Tuscola County

Notes to the Financial Statements

Concentration of Credit Risk. 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.

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

The County holds shares in the Michigan CLASS government investment pool 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. After the initial offering period, U.S. government securities are valued based on active trade data for comparable investments.

The County had the following recurring fair value measurements at year-end:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------|---------------------|---------------------|----------------|------------------|
| U.S. government bonds | \$ 348,874 | \$ - | \$ - | \$ 348,874 |
| Commercial paper | 768,977 | - | - | 768,977 |
| Michigan CLASS | - | 2,789,184 | - | 2,789,184 |
| Totals | \$ 1,117,851 | \$ 2,789,184 | \$ - | 3,907,035 |

Investment accounts not subject to fair value disclosure requirements:

| | |
|--------------------------|---------------------|
| Money market accounts | 7,504 |
| Certificates of deposit | 1,420,819 |
| Total Investments | \$ 5,335,358 |

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Tuscola County

Notes to the Financial Statements

of December 31, 2022, due from other funds (receivable)/due to other funds (payable) consisted of the following:

| | Receivable | Payable |
|-----------------------------|-------------------|-------------------|
| General | \$ 442,788 | \$ - |
| Nonmajor governmental funds | - | 442,788 |
| <i>Totals</i> | \$ 442,788 | \$ 442,788 |

Advances - CU

| | Receivable | Payable |
|----------------------|-------------------|-------------------|
| General | \$ 510,000 | \$ - |
| Drain Commission | - | 510,000 |
| <i>Totals</i> | \$ 510,000 | \$ 510,000 |

As of December 31, 2022, the general fund had a short-term advance to various nonmajor governmental funds in the amount of \$442,788. In addition, the general fund had a long-term advance to the Tuscola County Drain Commission in the amount of \$510,000 classified as due from other governmental units.

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 December 31, 2022, interfund transfers consisted of the following:

| | Transfers In | Transfers Out |
|---|----------------------|----------------------|
| General | \$ 9,593,411 | \$ 2,564,370 |
| Road patrol | - | 44,965 |
| Tuscola County Health Department (September 30, 2022) | 468,395 | 188,475 |
| American Rescue Plan Act | - | 8,618,141 |
| Nonmajor governmental funds | 2,353,096 | 324,043 |
| Combined revolving tax fund | - | 674,908 |
| <i>Totals</i> | \$ 12,414,902 | \$ 12,414,902 |

Tuscola County

Notes to the Financial Statements

NOTE 5 - LEASES RECEIVABLE

The County is reporting total lease receivables of \$2,060,690 and deferred lease revenues of \$2,011,733 as of December 31, 2022. For fiscal year 2022, the County reported lease revenue of \$378,277 and interest revenue of \$55,993 related to lease payments received.

The following describes the County's leases receivable as of year-end:

Michigan Department of Health and Human Services ("DHHS") lease: On November 1, 2008 the County entered into an agreement with DHHS to provide appropriate premises to accommodate health services and administrative services provided by DHHS. The lease is set to expire in October 2028. The County expects all extensions to be executed and to receive payments through October 31, 2028.

Michigan Department of State Police ("MSP"): On January 1, 2000 the County entered into an agreement with the MSP to provide a building for operations. The lease after extensions, is set to expire on December 31, 2024. The County expects to receive payments through December 31, 2024.

NOTE 6 - CAPITAL ASSETS

Primary Government

Capital asset activity for the primary government for the year ended December 31, 2022 is summarized on the following page:

Tuscola County

Notes to the Financial Statements

| Governmental Activities | Beginning Balance | Additions | Reductions | Ending Balance |
|---|------------------------------|---------------------|---------------------|---------------------------|
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 416,144 | \$ 25,568 | \$ - | \$ 441,712 |
| Construction in progress | - | 28,222 | - | 28,222 |
| Subtotal | 416,144 | 53,790 | - | 469,934 |
| Capital Assets Being Depreciated | | | | |
| Buildings | 7,697,701 | - | - | 7,697,701 |
| Right to use - buildings | - | 791,899 | - | 791,899 |
| Improvements | 4,074,914 | 152,015 | (62,690) | 4,164,239 |
| Equipment | 4,406,060 | 724,365 | (31,747) | 5,098,678 |
| Vehicles | 2,129,834 | 147,898 | (69,678) | 2,208,054 |
| Health department | 736,426 | - | - | 736,426 |
| Subtotal | 19,044,935 | 1,816,177 | (164,115) | 20,696,997 |
| Less Accumulated Depreciation/Amortization | | | | |
| Buildings | 5,735,190 | 148,399 | - | 5,883,589 |
| Right to use - buildings | - | 19,797 | - | 19,797 |
| Improvements | 2,516,965 | 179,089 | - | 2,696,054 |
| Equipment | 2,868,019 | 289,325 | (17,583) | 3,139,761 |
| Vehicles | 1,398,511 | 175,383 | (45,708) | 1,528,186 |
| Health department | 630,376 | 38,378 | - | 668,754 |
| Subtotal | 13,149,061 | 850,371 | (63,291) | 13,936,141 |
| Capital Assets Being Depreciated, Net | 5,895,874 | 965,806 | (100,824) | 6,760,856 |
| Capital Assets, Net | \$ 6,312,018 | \$ 1,019,596 | \$ (100,824) | \$ 7,230,790 |
| Business-type Activities | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 327,926 | \$ - | \$ (112,354) | \$ 215,572 |
| Construction in progress | - | 171,000 | - | 171,000 |
| Subtotal | 327,926 | 171,000 | (112,354) | 386,572 |
| Capital Assets Being Depreciated | | | | |
| Land improvements | 2,829,043 | - | (13,136) | 2,815,907 |
| Buildings | 13,705,512 | 702,183 | (329,500) | 14,078,195 |
| Right to use - leased equipment | 109,008 | - | - | 109,008 |
| Equipment | 9,446,477 | 68,640 | (36,284) | 9,478,833 |
| Subtotal | 26,090,040 | 770,823 | (378,920) | 26,481,943 |
| Less Accumulated Depreciation | | | | |
| Land improvements | 1,426,726 | 169,561 | (13,135) | 1,583,152 |
| Buildings | 7,232,074 | 481,000 | (153,794) | 7,559,280 |
| Right to use - leased equipment | - | 30,000 | - | 30,000 |
| Equipment | 6,474,336 | 477,287 | (36,284) | 6,915,339 |
| Subtotal | 15,133,136 | 1,157,848 | (203,213) | 16,087,771 |
| Capital Assets Being Depreciated, Net | 10,956,904 | (387,025) | (175,707) | 10,394,172 |
| Capital Assets, Net | \$ 11,284,830 | \$ (216,025) | \$ (288,061) | \$ 10,780,744 |

Tuscola County

Notes to the Financial Statements

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

Governmental Activities

| | | |
|--------------------|-----------|----------------|
| Judicial | \$ | 25,160 |
| General government | | 325,310 |
| Public safety | | 427,288 |
| Health and welfare | | 72,613 |
| Total | \$ | 850,371 |

Business-type Activities

| | | |
|--------------------------------------|----|-----------|
| Tuscola County Medical Care Facility | \$ | 1,157,848 |
|--------------------------------------|----|-----------|

The building lease amortization is presented as depreciation expense on the statement of revenues, expenses, and changes in net position related to the County's intangible asset of a building, which is included in the above table as intangible right-to-use lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right-to-use asset.

Discretely Presented Component Units

Tuscola County Drain Commission. Capital asset activity for the Tuscola County Drain Commission for the year ended December 31, 2022 was as follows:

| Tuscola County Drain Commission | Beginning Balance | Additions | Reductions | Ending Balance |
|---|------------------------------|------------------|-------------------|---------------------------|
| Capital Assets Being Depreciated | | | | |
| Infrastructure | \$ 21,980,971 | \$ 408,043 | \$ - | \$ 22,389,014 |
| Less Accumulated Depreciation | | | | |
| Infrastructure | (6,999,346) | (439,619) | - | (7,438,965) |
| Capital Assets, Net | \$ 14,981,625 | \$ (31,576) | \$ - | \$ 14,950,049 |

Depreciation expense of \$439,619 was charged to the public works function of the component unit.

Tuscola County

Notes to the Financial Statements

NOTE 7 - LONG-TERM OBLIGATIONS

Primary Government

Long-term debt activity for the year ended December 31, 2022 was as follows:

| <u>Governmental Activities</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| Direct Borrowings or Placements: | | | | | |
| General Obligation Bonds: | | | | | |
| Pension - Tuscola County Series 2016 | \$ 320,000 | \$ - | \$ (320,000) | \$ - | \$ - |
| Bond discount - pension | (1,516) | - | 1,516 | - | - |
| Pension - Health Department Series 2017 | 1,960,000 | - | (120,000) | 1,840,000 | 125,000 |
| Bond discount - pension | (14,548) | - | 766 | (13,782) | - |
| Pension Refunding- Tuscola County 2021 | 5,530,000 | - | (45,000) | 5,485,000 | 395,000 |
| Capital Improvement Series 2011 | 605,000 | - | (50,000) | 555,000 | 50,000 |
| Bond discount - capital improvement | (7,216) | - | 746 | (6,470) | - |
| Mayville Storm Sewer | 817,000 | - | (38,000) | 779,000 | 40,000 |
| Caro Sewer System | 2,827,114 | - | (380,000) | 2,447,114 | 390,000 |
| USDA Loans: | | | | | |
| Denmark Sewer System | 1,507,209 | - | (41,000) | 1,466,209 | 42,000 |
| Wisner Water System | 2,575,000 | - | (85,000) | 2,490,000 | 85,000 |
| Lease Arrangement: | | | | | |
| People's Building | - | 791,899 | (21,447) | 770,452 | 39,595 |
| Total Direct Borrowings or Placements | <u>16,118,043</u> | <u>791,899</u> | <u>(1,097,419)</u> | <u>15,812,523</u> | <u>1,166,595</u> |
| Compensated Absences | 587,530 | 301,738 | (290,558) | 598,710 | 261,111 |
| Total Long-term Obligations | <u>\$ 16,705,573</u> | <u>\$ 1,093,637</u> | <u>\$ (1,387,977)</u> | <u>\$ 16,411,233</u> | <u>\$ 1,427,706</u> |
| | | | | | |
| <u>Business-type Activities</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
| Direct Borrowings or Placements: | | | | | |
| Medical Care - small house | \$ 3,320,000 | \$ - | \$ (660,000) | \$ 2,660,000 | \$ 2,660,000 |
| Purchase agreement - computer servers | 105,730 | - | (29,831) | 75,899 | 25,993 |
| Installment Purchase - generator/shelter | - | 547,500 | - | 547,500 | 100,000 |
| Total Direct Borrowings or Placements | <u>3,425,730</u> | <u>547,500</u> | <u>(689,831)</u> | <u>3,283,399</u> | <u>2,785,993</u> |
| Compensated Absences | 426,925 | 1,256,934 | (1,256,584) | 427,275 | 180,020 |
| Total Long-term Obligations | <u>\$ 3,852,655</u> | <u>\$ 1,804,434</u> | <u>\$ (1,946,415)</u> | <u>\$ 3,710,674</u> | <u>\$ 2,966,013</u> |

The County issues bonds to provide for the acquisition and construction of major capital facilities and to prefund pension obligations. General obligation bonds and loans are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 40-year serial bonds with varying amounts of principal maturing each year. The debt service requirements for the Mayville Sewer, Richville Water, Caro Sewer bonds and Denmark Sewer and Wisner Water loans are funded by various local government contributions. The amount in governmental activities includes an equipment lease.

Tuscola County

Notes to the Financial Statements

General obligation bonds, loans, and equipment leases currently outstanding are as follows:

| | Interest Rates | Amount |
|--------------------------|-----------------------|---------------|
| Governmental activities | 0.450 - 14.80% | \$ 15,832,775 |
| Business-type activities | 7.20 - 8.70% | 3,283,399 |

For the governmental activities, compensated absences are generally liquidated by the general fund.

Annual debt service requirements to maturity for general obligation bonds, lease obligations, and notes are as follows:

| Year Ended December 31, | Governmental Activities | | | Business-type Activities | | |
|------------------------------------|--------------------------------|---------------------|----------------------|---------------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2023 | \$ 1,166,595 | \$ 396,853 | \$ 1,563,448 | \$ 2,785,993 | \$ 126,957 | \$ 2,912,950 |
| 2024 | 1,178,527 | 383,607 | 1,562,134 | 130,993 | 20,138 | 151,131 |
| 2025 | 1,213,340 | 361,048 | 1,574,388 | 132,413 | 15,413 | 147,826 |
| 2026 | 1,258,173 | 335,970 | 1,594,143 | 116,500 | 10,463 | 126,963 |
| 2027 | 1,293,028 | 309,054 | 1,602,082 | 117,500 | 5,288 | 122,788 |
| 2028 - 2032 | 5,032,834 | 1,130,963 | 6,163,797 | - | - | - |
| 2033 - 2037 | 2,671,519 | 506,415 | 3,177,934 | - | - | - |
| 2038 - 2042 | 1,040,550 | 248,529 | 1,289,079 | - | - | - |
| 2043 - 2047 | 613,209 | 96,859 | 710,068 | - | - | - |
| 2048 - 2052 | 365,000 | 26,263 | 391,263 | - | - | - |
| Total | \$ 15,832,775 | \$ 3,795,562 | \$ 19,628,337 | \$ 3,283,399 | \$ 178,259 | \$ 3,461,658 |

Leases Payable

\$791,899 has been recorded as intangible right-to-use leases in capital assets. Due to the implementation of GASB Statement No. 87, *Leases*, each of these obligations met the criteria of a lease; thus, requiring them to be recorded. These assets will be amortized over their respective lease terms or useful lives, whichever is shorter. There are no residual value guarantees in the lease provisions. The buildings lease, recorded in governmental activities, will end in 2041.

Tuscola County

Notes to the Financial Statements

Component Unit

Long-term activity for the year ended December 31, 2022 was as follows:

| <u>Governmental Activities</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| Direct Borrowings or Placements: | | | | | |
| General Obligation Bonds: | | | | | |
| Moore Drain | \$ 595,000 | \$ - | \$ (125,000) | \$ 470,000 | \$ 125,000 |
| Armbruster Intercounty Drain | 47,270 | - | (15,757) | 31,513 | 15,757 |
| Murphy Lake | 536,000 | - | (35,000) | 501,000 | 36,000 |
| Pigeon River Intercounty Drain | 86,499 | - | (14,417) | 72,082 | 14,417 |
| Fulton Street Drain | 480,000 | - | (45,000) | 435,000 | 45,000 |
| Indian Creek Intercounty Drain | 281,520 | - | (26,010) | 255,510 | 26,010 |
| Yax North Drain | 375,000 | - | (30,000) | 345,000 | 30,000 |
| <i>Total General Obligation Bonds</i> | <u>2,401,289</u> | <u>-</u> | <u>(291,184)</u> | <u>2,110,105</u> | <u>292,184</u> |
| Loans Payable: | | | | | |
| Akron Drain | 169,000 | - | (9,000) | 160,000 | 9,000 |
| Nutt Branch of Akron Drain | 20,000 | - | (20,000) | - | - |
| Walton Drain | 119,600 | - | (59,800) | 59,800 | 59,800 |
| <i>Total Loans Payable</i> | <u>308,600</u> | <u>-</u> | <u>(88,800)</u> | <u>219,800</u> | <u>68,800</u> |
| Total Long-term Obligations | <u>\$ 2,709,889</u> | <u>\$ -</u> | <u>\$ (379,984)</u> | <u>\$ 2,329,905</u> | <u>\$ 360,984</u> |

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. These bonds and notes are direct obligations and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. Long-term debt of the Drain Commissioner will be repaid through special assessments.

General obligation bonds and notes currently outstanding are as follows:

| | <u>Interest Rates</u> | <u>Amount</u> |
|-----------------|-----------------------|---------------|
| Component units | 2.93 - 6.50% | \$ 2,329,905 |

Annual debt service requirements to maturity for general obligation bonds and loans payable are as follows:

| <u>Year Ended December 31,</u> | <u>General Obligation Bonds</u> | | | <u>Loans Payable</u> | | | <u>Total</u> | | |
|------------------------------------|---------------------------------|-------------------|---------------------|----------------------|------------------|-------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | \$ 292,184 | \$ 51,392 | \$ 343,576 | \$ 68,800 | \$ 6,552 | \$ 75,352 | \$ 360,984 | \$ 57,944 | \$ 418,928 |
| 2024 | 292,183 | 43,181 | 335,364 | 9,000 | 24,950 | 33,950 | 301,183 | 68,131 | 369,314 |
| 2025 | 271,427 | 35,337 | 306,764 | 9,000 | 4,260 | 13,260 | 280,427 | 39,597 | 320,024 |
| 2026 | 271,427 | 27,862 | 299,289 | 9,000 | 3,990 | 12,990 | 280,427 | 31,852 | 312,279 |
| 2027 | 160,659 | 22,087 | 182,746 | 9,000 | 3,720 | 12,720 | 169,659 | 25,807 | 195,466 |
| 2028 - 2032 | 681,225 | 54,648 | 735,873 | 44,000 | 14,580 | 58,580 | 725,225 | 69,228 | 794,453 |
| 2033 - 2037 | 141,000 | 4,852 | 145,852 | 45,000 | 7,950 | 52,950 | 186,000 | 12,802 | 198,802 |
| 2038 - 2042 | - | - | - | 26,000 | 1,530 | 27,530 | 26,000 | 1,530 | 27,530 |
| Total | <u>\$ 2,110,105</u> | <u>\$ 239,359</u> | <u>\$ 2,349,464</u> | <u>\$ 219,800</u> | <u>\$ 67,532</u> | <u>\$ 287,332</u> | <u>\$ 2,329,905</u> | <u>\$ 306,891</u> | <u>\$ 2,636,796</u> |

Tuscola County

Notes to the Financial Statements

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets for the County for the year ended December 31, 2022 was calculated as follows:

| | Governmental Activities | Business-type Activities | Tuscola County Drain Commission |
|---|------------------------------------|-------------------------------------|--|
| Add: | | | |
| Capital assets not being depreciated | \$ 469,934 | \$ 386,572 | \$ - |
| Capital assets being depreciated, net | 6,760,856 | 10,394,172 | 14,950,049 |
| | 7,230,790 | 10,780,744 | 14,950,049 |
| Less: | | | |
| General obligation bonds | (11,085,862) | (2,660,000) | (2,110,105) |
| USDA loans | (3,956,209) | - | - |
| Loans payable | (770,452) | - | (219,800) |
| Installment purchases | - | (623,399) | - |
| Bond premiums and discounts, net | 20,252 | - | - |
| Add: | | | |
| Non-capital related debt, bond premiums and discounts, net | 14,493,541 | - | - |
| | (1,298,730) | (3,283,399) | (2,329,905) |
| Net Investment in Capital Assets | \$ 5,932,060 | \$ 7,497,345 | \$ 12,620,144 |

NOTE 9 - PENSION PLANS

Plan Description. The County, the Tuscola County Health Department (September 30, 2022), and the Tuscola County Medical Care Facility, collectively known as the “employer” or “County”, participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. Public Act 427 of 1984, as amended, establishes, and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a five-year period) and multipliers ranging from 1.50% to 2.50%. Normal retirement age is 60 with early retirement options including 25 years of service and out and ages 50 to 55 with 15 to 25 years of service, depending on division/bargaining unit. Member contributions range from 3.00% to 6.70%. The MERS plan is closed to all new hires.

Tuscola County

Notes to the Financial Statements

Employees Covered By Benefit Terms. As of the most recent valuation date, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 282 |
| Inactive employees entitled to but not yet receiving benefits | 895 |
| Active employees | 305 |
| Total membership | 1,482 |

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions for the general County are a flat amount, ranging from \$0 to \$12,633, depending on bargaining unit. Employer contributions for the Tuscola County Health Department (September 30, 2022) were \$18,687 for the general division and \$519 for employees hired as of January 1, 2017. Employer contributions for the Tuscola County Medical Care Facility were 3.63% of annual payroll for the year ended December 31, 2022.

Net Pension Liability. The general County's and the Tuscola County Medical Care Facility's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2021. The Tuscola County Health Department'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 annual actuarial valuation as of December 31, 2021.

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

Inflation: 2.50%

Salary increases: 3.00% in the long-term

Investment rate of return: 7.00%, net of investment expense

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

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

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

Tuscola County

Notes to the Financial Statements

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 for the general County and the Tuscola County Health Department are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Target Gross Rate of Return</u> | <u>Long-term Expected Gross Rate of Return</u> | <u>Inflation Assumption</u> | <u>Long-term Expected Real Rate of Return</u> |
|---------------------|--------------------------|------------------------------------|--|-----------------------------|---|
| Global equity | 60.00% | 7.45% | 4.20% | 2.50% | 2.70% |
| Global fixed income | 20.00% | 4.90% | 0.90% | 2.50% | 0.40% |
| Private Investments | 20.00% | 9.50% | 1.90% | 2.50% | 1.40% |
| Totals | 100.00% | | 7.00% | | 4.50% |

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Target Gross Rate of Return</u> | <u>Long-term Expected Gross Rate of Return</u> | <u>Inflation Assumption</u> | <u>Long-term Expected Real Rate of Return</u> |
|---------------------|--------------------------|------------------------------------|--|-----------------------------|---|
| Global equity | 60.00% | 7.45% | 4.20% | 2.50% | 2.70% |
| Global fixed income | 20.00% | 4.90% | 0.90% | 2.50% | 0.40% |
| Private Investments | 20.00% | 9.50% | 1.90% | 2.50% | 1.40% |
| Totals | 100.00% | | 7.00% | | 4.50% |

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

Tuscola County

Notes to the Financial Statements

Changes in Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

| | Total | | |
|---|--------------------------------|------------------------------------|------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances at Beginning of Year | \$ 78,552,957 | \$ 73,368,358 | \$ 5,184,599 |
| Changes for the year: | | | |
| Service cost | 1,299,705 | - | 1,299,705 |
| Interest | 5,652,165 | - | 5,652,165 |
| Difference between expected and actual experience | (312,541) | - | (312,541) |
| Changes in assumptions | 3,234,325 | - | 3,234,325 |
| Employer contributions | - | 1,394,592 | (1,394,592) |
| Employee contributions | - | 824,160 | (824,160) |
| Net investment income | - | (33,274) | 33,274 |
| Benefit payments, including employee refunds | (4,542,145) | (4,542,145) | - |
| Administrative expense | - | (126,676) | 126,676 |
| Other changes | 33,558 | - | 33,558 |
| <i>Net changes</i> | 5,365,067 | (2,483,343) | 7,848,410 |
| Balances at End of Year | \$ 83,918,024 | \$ 70,885,015 | \$ 13,033,009 |

Allocated to:

| | |
|---|---------------|
| Governmental activities (General County) | \$ 9,523,261 |
| Governmental activities (Tuscola County Health Department) | 1,895,879 |
| Business-type activities (Tuscola County Medical Care Facility) | 1,613,869 |
| Total: | \$ 13,033,009 |

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

| | 1% Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
|-----------------------|--------------------------------|----------------------------------|--------------------------------|
| Net pension liability | \$ 23,563,651 | \$ 13,033,009 | \$ 4,319,147 |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2022 (September 30, 2022, for the Tuscola County Health Department), the County recognized pension expense of \$5,062,691.

Tuscola County

Notes to the Financial Statements

As of the year-end, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

| Source | Total | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Net difference between projected and actual earnings on pension plan investments | \$ 3,292,175 | \$ 3,245,302 |
| Difference between expected and actual experience | 447,462 | 339,745 |
| Change in assumptions | 2,571,892 | - |
| Employer contributions subsequent to the measurement date | 728,652 | - |
| Total | \$ 7,040,181 | \$ 3,585,047 |
| Allocated to: | | |
| Governmental activities (General County) | \$ 5,355,366 | \$ 246,005 |
| Governmental activities (Tuscola County Health Department) | 494,738 | 967,331 |
| Business-type activities (Tuscola County Medical Care Facility) | 1,190,077 | 2,371,711 |
| Total | \$ 7,040,181 | \$ 3,585,047 |

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2023.

The amount reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

| Year Ending, | Amount |
|---------------------|---------------------|
| 2023 | \$ 1,543,669 |
| 2024 | (54,477) |
| 2025 | 184,554 |
| 2026 | 1,052,736 |
| Total | \$ 2,726,482 |

NOTE 10 - FUND BALANCES - GOVERNMENTAL FUNDS

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Tuscola County

Notes to the Financial Statements

Following is the composition of governmental fund's fund balance as of December 31, 2022:

| | General Fund | Major Governmental Funds | Other Governmental Funds | Total |
|---|---------------------|---|---|----------------------|
| Nonspendable | | | | |
| Advance to Drain Commission | \$ 510,000 | \$ - | \$ - | \$ 510,000 |
| Prepays | 22,712 | 15,169 | 1,155 | 39,036 |
| Inventory | - | 56,058 | - | 56,058 |
| Total Nonspendable | <u>532,712</u> | <u>71,227</u> | <u>1,155</u> | <u>605,094</u> |
| Restricted | | | | |
| Judicial | - | - | 116,741 | 116,741 |
| General government | - | - | 198,716 | 198,716 |
| Public safety | - | 2,132,035 | 1,883,603 | 4,015,638 |
| Public works | - | - | 1,984,127 | 1,984,127 |
| Health and welfare | - | 1,167,752 | 2,802,853 | 3,970,605 |
| Culture and recreation | - | - | 18,630 | 18,630 |
| Debt service | - | - | 2,785 | 2,785 |
| Capital improvements | - | - | 2,918,439 | 2,918,439 |
| Total Restricted | <u>-</u> | <u>3,299,787</u> | <u>9,925,894</u> | <u>13,225,681</u> |
| Committed | | | | |
| Health and welfare | <u>5,000</u> | <u>564,541</u> | <u>-</u> | <u>569,541</u> |
| Assigned | | | | |
| Health and welfare | - | 857,156 | - | 857,156 |
| Capital improvements | 5,875,976 | - | - | 5,875,976 |
| Reserve for subsequent year's expenditures | <u>1,498,120</u> | <u>-</u> | <u>-</u> | <u>1,498,120</u> |
| Total Assigned | <u>7,374,096</u> | <u>857,156</u> | <u>-</u> | <u>8,231,252</u> |
| Unassigned | <u>1,776,847</u> | <u>-</u> | <u>-</u> | <u>1,776,847</u> |
| Total Fund Balance | <u>\$ 9,688,655</u> | <u>\$ 4,792,711</u> | <u>\$ 9,927,049</u> | <u>\$ 24,408,415</u> |

NOTE 11 - PROPERTY TAXES

The County property tax general operating levy is levied each July 1st and the special assessment levies are levied on December 1st through 2022 on the taxable valuation of property located in the County as of the preceding December 31. On July 1 or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively.

Although the County's 2022 ad valorem tax is levied and collectible by December 1, 2022, it is the County's policy for all governmental fund types (with the exception below) to recognize

Tuscola County

Notes to the Financial Statements

revenues from the current tax levy in the year when the proceeds of the levy are budgeted and made available for financing County operations.

The taxable value of real and personal property for the July 1, 2021 levy totaled \$2,042,915,934. The taxable value of real and personal property for the July 1, 2022 levy totaled \$2,099,330,650.

The tax levy for fiscal year December 31, 2022 operations was based on the following rates:

| | |
|------------------------|--------------|
| General Operating | 3.9141 mills |
| Road Patrol | 1.3300 mills |
| Senior Citizens | 0.3200 mills |
| Mosquito | 0.6316 mills |
| Recycling | 0.1500 mills |
| Veterans | 0.1700 mills |
| Medical Care Community | 0.2500 mills |
| Voted MSU | 0.1000 mills |
| Voted Bridge | 0.4807 mills |
| Voted Roads | 0.9657 mills |

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to service the tax notes. This activity is accounted for in the enterprise fund (combined revolving tax fund).

NOTE 12 - TAX ABATEMENTS

Industrial property tax abatements are granted in the State of Michigan under Public Act 198 of 1974, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended December 31, 2022, the County's property taxes were reduced by \$35,968 under this program.

Tuscola County

Notes to the Financial Statements

NOTE 13 - RISK MANAGEMENT

Employee Health Benefits

The County has established an employee health benefits Self-Insurance Plan which is accounted for in an Internal Service Fund. The Medical Care Facility and the Road Commission have obtained health insurance through third party agents separate from the rest of the County. The County Plan is administered under contractual agreement with Blue Cross and Blue Shield of Michigan (BCBSM) as third-party administrator.

Under the co-insurance agreement provided by Blue Cross and Blue Shield of Michigan, the County is responsible for claims for major medical expenses up to an agreed-upon ceiling but is insured against further loss by BCBSM. In order to provide for the co-insurance, the County pays a “stop-loss” premium.

Certain benefits (e.g., dental and vision) are not covered by the co-insurance policy. The stop-loss coverage is currently \$20,000 per occurrence. The co-insurance agreements are renegotiated annually with Blue Cross and Blue Shield of Michigan.

The Health Insurance Fund is responsible for collecting interfund premiums from the participating funds and departments and for paying claim settlements, administrative fees, and “stop-loss” co-insurance premiums.

Interfund premiums are treated as quasi-external transactions, meaning that interfund premiums are recognized as expenditures in the contributing funds and interfund revenue is recognized in the Health Insurance Fund as earned. Retirees also make contributions to the Health Insurance Fund, as do former employees under COBRA.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include a provision for claims that have been incurred but not reported (IBNR). Claims liabilities are estimated based on actual claims filed subsequent to year-end. The provision for IBNR is based upon historical trends.

Changes in the balance of claim liabilities during the current year and the prior year are as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|--------------------|--------------------|
| Unpaid claims, beginning of year | \$ 219,704 | \$ 219,704 |
| Incurred claims (including IBNR) | 3,452,864 | 3,196,223 |
| Claims paid | <u>(3,452,864)</u> | <u>(3,196,223)</u> |
| Unpaid claims, end of year | <u>\$ 219,704</u> | <u>\$ 219,704</u> |

Tuscola County

Notes to the Financial Statements

NOTE 14 - CONTINGENCIES

Under the terms of various Federal and State grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. However, County management does not believe such disallowances, if any, will be material to the financial position of the County.

NOTE 15 - SUBSEQUENT EVENTS

Management is not aware of any subsequent events that would have a significant effect on the financial condition of the County.

NOTE 16 - RESTATEMENTS

The State of Michigan indigent defense grant year ends September 30 whereas the County has a calendar year-end, and, budgets for indigent defense revenues and expenditures on an annual basis. Management has determined that the indigent defense activity should be reported in accordance with the grant year end for reporting consistency and, accordingly, adjustments to beginning net position and fund balance were required.

The adjustment and the effect on net position / fund balance was as follows:

| | Governmental Activities | General Fund | Nonmajor Governmental Funds |
|--|------------------------------------|---------------------|--|
| Net position / fund balance - December 31, 2021, as previously reported | \$ 12,442,419 | \$ 2,935,455 | \$ 10,276,225 |
| Local match requirement for indigent defense recorded in Q1 2022, but, was more appropriate to record in Q4 2021. | - | (337,886) | 337,886 |
| Remove prior year grant revenues to align County's grant revenue recognition with the State of Michigan's grant fiscal year. | (542,304) | - | (542,304) |
| <i>Net position / fund balance - December 31, 2021, as restated</i> | \$ 11,900,115 | \$ 2,597,569 | \$ 10,071,807 |

NOTE 17 - ADOPTION OF GASB STATEMENT NO. 87, LEASES

The County adopted the provisions of GASB Statement No. 87, *Leases*, in the current year, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Detailed information can be found in Notes 5, 6, and 7 of these Notes to the Financial Statements.

Required Supplementary Information

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| Revenues | | | | |
| Taxes | \$ 8,242,823 | \$ 8,458,882 | \$ 8,847,912 | \$ 389,030 |
| Licenses and permits | 1,500 | 1,500 | 1,735 | 235 |
| Intergovernmental | 2,031,174 | 2,069,994 | 2,109,091 | 39,097 |
| Charges for services | 1,752,738 | 1,806,388 | 1,498,728 | (307,660) |
| Fines and forfeits | 76,900 | 81,900 | 62,636 | (19,264) |
| Interest and rents | 527,692 | 556,792 | 573,134 | 16,342 |
| Other | 490,430 | 407,166 | 312,856 | (94,310) |
| <i>Total Revenues</i> | <u>13,123,257</u> | <u>13,382,622</u> | <u>13,406,092</u> | <u>23,470</u> |
| Other Financing Sources | | | | |
| Transfers in | 1,069,743 | 9,593,465 | 9,593,411 | (54) |
| <i>Total Revenues and Other Financing Sources</i> | <u>14,193,000</u> | <u>22,976,087</u> | <u>22,999,503</u> | <u>23,416</u> |
| Expenditures | | | | |
| Legislative | | | | |
| Board of commissioners | 214,447 | 213,914 | 190,092 | 23,822 |
| <i>Total legislative</i> | <u>214,447</u> | <u>213,914</u> | <u>190,092</u> | <u>23,822</u> |
| Judicial | | | | |
| Unified court | 2,423,015 | 2,467,308 | 2,298,346 | 168,962 |
| Title IV CPLR grant | -- | 4,000 | 3,897 | 103 |
| Jury commission | 5,791 | 8,662 | 8,654 | 8 |
| Adult probation | 13,000 | 17,000 | 14,903 | 2,097 |
| Prosecutor | 752,524 | 770,049 | 771,914 | (1,865) |
| Co-op reimbursement - prosecutor | 229,390 | 228,164 | 228,590 | (426) |
| Courtroom security | -- | 165,985 | 121,596 | 44,389 |
| <i>Total judicial</i> | <u>3,423,720</u> | <u>3,661,168</u> | <u>3,447,900</u> | <u>213,268</u> |
| General government | | | | |
| Special programs | 52,100 | 52,100 | 18,510 | 33,590 |
| Election | 116,000 | 116,000 | 99,301 | 16,699 |
| Accounting services | 48,000 | 48,000 | 47,705 | 295 |
| Legal counsel | 120,000 | 120,000 | 112,537 | 7,463 |
| Clerk | 551,780 | 544,026 | 538,414 | 5,612 |
| Controller | 445,515 | 444,237 | 437,742 | 6,495 |
| Equalization | 260,179 | 254,679 | 254,865 | (186) |
| City of Caro assessment contract | 6,332 | 6,550 | 6,333 | 217 |
| Treasurer | 202,436 | 246,161 | 211,233 | 34,928 |
| Computer operations | 812,326 | 851,776 | 852,009 | (233) |
| Building and grounds | 888,493 | 966,161 | 961,651 | 4,510 |
| DHHS building maintenance | 61,640 | 61,640 | 58,502 | 3,138 |
| <i>Total general government</i> | <u>3,564,801</u> | <u>3,711,330</u> | <u>3,598,802</u> | <u>112,528</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Expenditures (continued from previous page) | | | | |
| Public safety | | | | |
| Courthouse security | 279,644 | 158,600 | 157,703 | 897 |
| Sheriff | 2,487,070 | 2,530,849 | 2,519,878 | 10,971 |
| County weigh master enforcement | 96,380 | 97,305 | 97,622 | (317) |
| Marine safety | 8,139 | 18,170 | 18,169 | 1 |
| Secondary road patrol | 101,261 | 96,107 | 65,635 | 30,472 |
| Thumb Area narcotics group | 13,854 | 13,854 | 5,437 | 8,417 |
| Community corrections service | 57,236 | 59,193 | 15,719 | 43,474 |
| Emergency services | 110,357 | 120,509 | 121,792 | (1,283) |
| <i>Total public safety</i> | <u>3,153,941</u> | <u>3,094,587</u> | <u>3,001,955</u> | <u>92,632</u> |
| Public works | | | | |
| Board of public works | 423 | 1,500 | 1,283 | 217 |
| Drains at large | 362,160 | 362,160 | 362,159 | 1 |
| Drain commission | 250,259 | 257,156 | 258,410 | (1,254) |
| <i>Total public works</i> | <u>612,842</u> | <u>620,816</u> | <u>621,852</u> | <u>(1,036)</u> |
| Health and welfare | | | | |
| Substance abuse | 50,000 | 55,000 | 51,824 | 3,176 |
| Medical examiner | 75,000 | 140,000 | 131,675 | 8,325 |
| DHHS board | 9,710 | 9,940 | 9,934 | 6 |
| Behavioral health | 288,243 | 288,243 | 288,243 | -- |
| <i>Total health and welfare</i> | <u>422,953</u> | <u>493,183</u> | <u>481,676</u> | <u>11,507</u> |
| Community and economic development | | | | |
| Register of deeds | 320,555 | 320,539 | 303,478 | 17,061 |
| Planning commission | 4,450 | 5,135 | 5,134 | 1 |
| Airport zoning board of appeals | 1,000 | 1,000 | 588 | 412 |
| Economic development corp | 120,000 | 620,000 | 620,000 | -- |
| Provision of government services appropriations | -- | 1,002,458 | 1,002,458 | -- |
| <i>Total community and economic development</i> | <u>446,005</u> | <u>1,949,132</u> | <u>1,931,658</u> | <u>17,474</u> |
| Other | 483,507 | 346,280 | 48,665 | 297,615 |
| Debt service | -- | 21,450 | 21,447 | 3 |
| <i>Total Expenditures</i> | <u>12,322,216</u> | <u>14,111,860</u> | <u>13,344,047</u> | <u>767,813</u> |
| Other Financing Uses | | | | |
| Transfers out | 1,870,784 | 2,559,901 | 2,564,370 | (4,469) |
| <i>Total Expenditures and Other Financing Uses</i> | <u>14,193,000</u> | <u>16,671,761</u> | <u>15,908,417</u> | <u>763,344</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | | | | |
| | -- | 6,304,326 | 7,091,086 | 786,760 |
| <i>Net Change in Fund Balance</i> | <u>--</u> | <u>6,304,326</u> | <u>7,091,086</u> | <u>786,760</u> |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 2,597,569 | 2,597,569 | 2,597,569 | -- |
| Fund Balance at End of Period | <u>\$ 2,597,569</u> | <u>\$ 8,901,895</u> | <u>\$ 9,688,655</u> | <u>\$ 786,760</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Road Patrol
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 2,716,310 | \$ 2,716,310 | \$ 2,712,752 | \$ (3,558) |
| Intergovernmental | 33,955 | 35,955 | 11,781 | (24,174) |
| Charges for services | 40,000 | 40,000 | 5,836 | (34,164) |
| Interest and rents | 10,000 | 10,000 | 8,764 | (1,236) |
| Other | 43,500 | 43,500 | 49,573 | 6,073 |
| Total Revenues | <u>2,843,765</u> | <u>2,845,765</u> | <u>2,788,706</u> | <u>(57,059)</u> |
| Other Financing Sources | | | | |
| Total Revenues and Other Financing Sources | <u>2,843,765</u> | <u>2,845,765</u> | <u>2,788,706</u> | <u>(57,059)</u> |
| Expenditures | | | | |
| Safe communities grant | 8,470 | 8,470 | 72 | 8,398 |
| Road patrol | 2,778,955 | 2,816,816 | 2,329,801 | 487,015 |
| Highway safety OHSP grant | 25,305 | 25,305 | -- | 25,305 |
| Alcohol enforcement | 6,292 | 6,292 | 3,302 | 2,990 |
| Total Expenditures | <u>2,819,022</u> | <u>2,856,883</u> | <u>2,333,175</u> | <u>523,708</u> |
| Other Financing Uses | | | | |
| Transfers out | 44,965 | 44,965 | 44,965 | -- |
| Total Expenditures and Other Financing Uses | <u>2,863,987</u> | <u>2,901,848</u> | <u>2,378,140</u> | <u>523,708</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(20,222)</u> | <u>(56,083)</u> | <u>410,566</u> | <u>466,649</u> |
| Net Change in Fund Balance | <u>(20,222)</u> | <u>(56,083)</u> | <u>410,566</u> | <u>466,649</u> |
| <i>Fund Balance at Beginning of Period</i> | 1,721,469 | 1,721,469 | 1,721,469 | -- |
| Fund Balance at End of Period | <u>\$ 1,701,247</u> | <u>\$ 1,665,386</u> | <u>\$ 2,132,035</u> | <u>\$ 466,649</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Tuscola County Health Department (September 30, 2022)
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Licenses and permits | \$ 140,312 | \$ 195,473 | \$ 202,879 | \$ 7,406 |
| Intergovernmental | 3,082,164 | 3,581,530 | 3,368,178 | (213,352) |
| Charges for services | 584,915 | 452,612 | 451,044 | (1,568) |
| Other | 2,543 | 2,573 | 2,065 | (508) |
| Total Revenues | <u>3,809,934</u> | <u>4,232,188</u> | <u>4,024,166</u> | <u>(208,022)</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>834,154</u> | <u>861,686</u> | <u>814,508</u> | <u>(47,178)</u> |
| Total Revenues and Other Financing Sources | <u>4,644,088</u> | <u>5,093,874</u> | <u>4,838,674</u> | <u>(255,200)</u> |
| Expenditures | | | | |
| Health and welfare | <u>4,716,824</u> | <u>5,125,806</u> | <u>4,597,696</u> | <u>528,110</u> |
| Total Expenditures | <u>4,716,824</u> | <u>5,125,806</u> | <u>4,597,696</u> | <u>528,110</u> |
| Other Financing Uses | | | | |
| Transfers out | <u>--</u> | <u>--</u> | <u>188,475</u> | <u>(188,475)</u> |
| Total Expenditures and Other Financing Uses | <u>4,716,824</u> | <u>5,125,806</u> | <u>4,786,171</u> | <u>339,635</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(72,736)</u> | <u>(31,932)</u> | <u>52,503</u> | <u>84,435</u> |
| Net Change in Fund Balance | <u>(72,736)</u> | <u>(31,932)</u> | <u>52,503</u> | <u>84,435</u> |
| <i>Fund Balance at Beginning of Period</i> | 2,608,173 | 2,608,173 | 2,608,173 | -- |
| Fund Balance at End of Period | <u>\$ 2,535,437</u> | <u>\$ 2,576,241</u> | <u>\$ 2,660,676</u> | <u>\$ 84,435</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
American Rescue Plan Act (ARPA)
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 5,000,000 | \$ 10,073,179 | \$ 10,073,179 | \$ -- |
| Interest and rents | 5,000 | 5,463 | 5,463 | -- |
| Total Revenues | <u>5,005,000</u> | <u>10,078,642</u> | <u>10,078,642</u> | <u>--</u> |
| Other Financing Sources | | | | |
| Total Revenues and Other Financing Sources | <u>5,005,000</u> | <u>10,078,642</u> | <u>10,078,642</u> | <u>--</u> |
| Expenditures | | | | |
| American Rescue Plan Act | 223,910 | 1,460,503 | 1,460,501 | 2 |
| Total Expenditures | <u>223,910</u> | <u>1,460,503</u> | <u>1,460,501</u> | <u>2</u> |
| Other Financing Uses | | | | |
| Transfers out | 175,000 | 8,618,139 | 8,618,141 | (2) |
| Total Expenditures and Other Financing Uses | <u>398,910</u> | <u>10,078,642</u> | <u>10,078,642</u> | <u>--</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>4,606,090</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balance | <u>4,606,090</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <i>Fund Balance at Beginning of Period</i> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ 4,606,090</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - County
Last Eight Fiscal Years (Measurement Date) *

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | |
| Service cost | \$ 548,801 | \$ 588,073 | \$ 582,618 | \$ 616,397 | \$ 623,037 | \$ 644,951 | \$ 663,158 | \$ 640,091 |
| Interest | 3,052,206 | 2,918,825 | 2,766,607 | 2,839,889 | 2,760,220 | 2,658,106 | 2,521,804 | 2,359,153 |
| Difference between expected and actual experience | (369,007) | 1,086,714 | (64,797) | (79,664) | (219,902) | 159,878 | 15,636 | - |
| Changes in assumptions ** | 1,645,517 | 1,811,826 | 1,085,711 | - | - | - | 1,658,902 | - |
| Benefit payments, including employee refunds | (2,560,987) | (2,343,633) | (2,270,910) | (2,097,593) | (2,095,285) | (2,014,650) | (1,985,077) | (1,887,760) |
| Other changes | (13,742) | (239,696) | (62,723) | (271,364) | (67,737) | (120,584) | (191,533) | 3,552 |
| Net Change in Pension Liability | <u>2,302,788</u> | <u>3,822,109</u> | <u>2,036,506</u> | <u>1,007,665</u> | <u>1,000,333</u> | <u>1,327,701</u> | <u>2,682,890</u> | <u>1,115,036</u> |
| Total Pension Liability - Beginning | 43,105,486 | 39,283,377 | 37,246,871 | 36,239,206 | 35,238,873 | 33,911,172 | 31,228,282 | 30,113,246 |
| Total Pension Liability - Ending (a) | <u>\$ 45,408,274</u> | <u>\$ 43,105,486</u> | <u>\$ 39,283,377</u> | <u>\$ 37,246,871</u> | <u>\$ 36,239,206</u> | <u>\$ 35,238,873</u> | <u>\$ 33,911,172</u> | <u>\$ 31,228,282</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - employer | \$ 797,064 | \$ 634,700 | \$ 553,422 | \$ 410,464 | \$ 367,047 | \$ 359,904 | \$ 7,412,953 | \$ 810,207 |
| Contributions - member | 278,682 | 290,374 | 307,076 | 362,247 | 316,346 | 340,891 | 339,727 | 340,531 |
| Net investment income (loss) | (4,332,730) | 5,297,606 | 4,379,405 | 4,326,240 | (1,336,847) | 4,201,461 | 3,271,744 | (359,078) |
| Benefit payments, including employee refunds | (2,560,987) | (2,343,633) | (2,270,910) | (2,097,593) | (2,095,285) | (2,014,650) | (1,985,077) | (1,887,760) |
| Administrative expense | (76,355) | (60,773) | (69,986) | (74,522) | (67,064) | (66,597) | (62,743) | (52,822) |
| Net Change in Plan Fiduciary Net Position | <u>(5,894,326)</u> | <u>3,818,274</u> | <u>2,899,007</u> | <u>2,926,836</u> | <u>(2,815,803)</u> | <u>2,821,009</u> | <u>8,976,604</u> | <u>(1,148,922)</u> |
| Plan Fiduciary Net Position - Beginning | 41,779,339 | 37,961,065 | 35,062,058 | 32,135,222 | 34,951,025 | 32,130,016 | 23,153,412 | 24,302,334 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 35,885,013</u> | <u>\$ 41,779,339</u> | <u>\$ 37,961,065</u> | <u>\$ 35,062,058</u> | <u>\$ 32,135,222</u> | <u>\$ 34,951,025</u> | <u>\$ 32,130,016</u> | <u>\$ 23,153,412</u> |
| Net Pension Liability - Ending (a) - (b) | \$ 9,523,261 | \$ 1,326,147 | \$ 1,322,312 | \$ 2,184,813 | \$ 4,103,984 | \$ 287,848 | \$ 1,781,156 | \$ 8,074,870 |
| Plan fiduciary net position as a percentage of total pension liability | 79.0% | 96.9% | 96.6% | 94.1% | 88.7% | 99.2% | 94.7% | 74.1% |
| Covered payroll | \$ 5,186,569 | \$ 5,667,701 | \$ 5,559,777 | \$ 5,870,215 | \$ 5,950,007 | \$ 6,087,878 | \$ 6,477,636 | \$ 6,216,270 |
| Net pension liability as a percentage of covered payroll | 183.6% | 23.4% | 23.8% | 37.2% | 69.0% | 4.7% | 27.5% | 129.9% |

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

Tuscola County
Required Supplementary Information
Schedule of Contributions - County
Last Eight Calendar Years *

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|----------------|------------------|-----------------|----------------|---------------------|----------------|
| Actuarially determined contribution | \$ 797,064 | \$ 634,700 | \$ 553,450 | \$ 367,047 | \$ 359,904 | \$ 359,904 | \$ 512,953 | \$ 810,207 |
| Contributions in relation to the actuarially determined contribution | <u>797,064</u> | <u>634,700</u> | <u>553,450</u> | <u>410,464</u> | <u>367,047</u> | <u>359,904</u> | <u>7,412,953</u> | <u>810,207</u> |
| Contribution excess (deficiency) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 43,417</u> | <u>\$ 7,143</u> | <u>\$ -</u> | <u>\$ 6,900,000</u> | <u>\$ -</u> |
| | | | | | | | | |
| Covered payroll | \$ 5,186,569 | \$ 5,667,701 | \$ 5,799,381 | \$ 5,790,536 | \$ 5,957,105 | \$ 6,048,830 | \$ 6,371,708 | \$ 6,586,905 |
| Contributions as a percentage of covered payroll | 15.4% | 11.2% | 9.5% | 7.1% | 6.2% | 5.9% | 116.3% | 12.3% |

Notes

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 17 years |
| Asset valuation method | 5 year smoothed |
| Inflation | 2.50% |
| Salary increases | 3.00% |
| Investment rate of return | 7.00% |
| Retirement Age | Varies depending on plan adoption |
| Mortality | Pub-2010 and fully generational MP-2019 |

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Health Department (September 30, 2022)
Last Eight Years Ended December 31 (Measurement Date) *

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Total Pension Liability | | | | | | | | |
| Service cost | \$ 98,470 | \$ 128,752 | \$ 117,648 | \$ 143,873 | \$ 150,565 | \$ 152,467 | \$ 158,379 | \$ 153,469 |
| Interest | 979,776 | 940,104 | 931,679 | 891,937 | 855,148 | 805,787 | 763,788 | 725,814 |
| Difference between expected and actual experience | (80,262) | 109,094 | (18,004) | 154,214 | 89,266 | 212,394 | (113,593) | - |
| Changes in assumptions ** | 517,730 | 760,576 | 421,876 | - | - | - | 470,284 | - |
| Benefit payments, including employee refunds | (794,605) | (763,444) | (706,458) | (653,814) | (609,711) | (495,658) | (426,925) | (415,952) |
| Other changes | 47,300 | - | (2) | - | - | - | (316) | - |
| Net Change in Pension Liability | <u>768,409</u> | <u>1,175,082</u> | <u>746,739</u> | <u>536,210</u> | <u>485,268</u> | <u>674,990</u> | <u>851,617</u> | <u>463,331</u> |
| <i>Total Pension Liability - Beginning</i> | <u>13,862,218</u> | <u>12,687,136</u> | <u>11,940,397</u> | <u>11,404,187</u> | <u>10,918,919</u> | <u>10,243,929</u> | <u>9,392,312</u> | <u>8,928,981</u> |
| Total Pension Liability - Ending (a) | <u>\$ 14,630,627</u> | <u>\$ 13,862,218</u> | <u>\$ 12,687,136</u> | <u>\$ 11,940,397</u> | <u>\$ 11,404,187</u> | <u>\$ 10,918,919</u> | <u>\$ 10,243,929</u> | <u>\$ 9,392,312</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - employer | \$ 230,472 | \$ 180,912 | \$ 133,356 | \$ 93,792 | \$ 2,539,650 | \$ 238,920 | \$ 239,690 | \$ 218,688 |
| Contributions - member | 49,020 | 51,558 | 55,484 | 60,806 | 62,602 | 64,567 | 60,012 | 57,344 |
| Net investment income (loss) | 1,620,713 | 1,338,295 | 1,347,573 | (418,598) | 1,253,297 | 813,161 | (111,384) | 449,277 |
| Benefit payments, including employee refunds | (794,605) | (763,444) | (706,458) | (653,814) | (609,711) | (495,658) | (426,925) | (415,952) |
| Administrative expense | (18,593) | (21,545) | (23,207) | (21,068) | (19,576) | (16,049) | (16,247) | (16,504) |
| Net Change in Plan Fiduciary Net Position | <u>1,087,007</u> | <u>785,776</u> | <u>806,748</u> | <u>(938,882)</u> | <u>3,226,262</u> | <u>604,941</u> | <u>(254,854)</u> | <u>292,853</u> |
| <i>Plan Fiduciary Net Position - Beginning</i> | <u>11,647,741</u> | <u>10,861,965</u> | <u>10,055,217</u> | <u>10,994,099</u> | <u>7,767,837</u> | <u>7,162,896</u> | <u>7,417,750</u> | <u>7,124,897</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 12,734,748</u> | <u>\$ 11,647,741</u> | <u>\$ 10,861,965</u> | <u>\$ 10,055,217</u> | <u>\$ 10,994,099</u> | <u>\$ 7,767,837</u> | <u>\$ 7,162,896</u> | <u>\$ 7,417,750</u> |
| Net Pension Liability - Ending (a) - (b) | \$ 1,895,879 | \$ 2,214,477 | \$ 1,825,171 | \$ 1,885,180 | \$ 410,088 | \$ 3,151,082 | \$ 3,081,033 | \$ 1,974,562 |
| Plan fiduciary net position as a percentage of total pension liability | 87.0% | 84.0% | 85.6% | 84.2% | 96.4% | 71.1% | 69.9% | 79.0% |
| Covered payroll | \$ 769,325 | \$ 995,072 | \$ 913,812 | \$ 1,124,289 | \$ 1,159,786 | \$ 1,199,952 | \$ 1,228,842 | \$ 1,186,002 |
| Net pension liability as a percentage of covered payroll | 246.4% | 222.5% | 199.7% | 167.7% | 35.4% | 262.6% | 250.7% | 166.5% |

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

Tuscola County
Required Supplementary Information
Schedule of Contributions - Tuscola County Health Department (September 30, 2022)
Last Eight Fiscal Years Ended September 30 (Measurement Date) *

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|--------------|---------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 230,472 | \$ 180,912 | \$ 133,356 | \$ 93,792 | \$ 137,667 | \$ 216,504 | \$ 195,960 | \$ 188,823 |
| Contributions in relation to the actuarially determined contribution | 230,472 | 180,912 | 133,356 | 93,792 | 2,539,650 | 238,918 | 239,691 | 218,687 |
| Contribution excess (deficiency) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,401,983</u> | <u>\$ 22,414</u> | <u>\$ 43,731</u> | <u>\$ 29,864</u> |
| Covered payroll | \$ 769,325 | \$ 955,072 | \$ 913,812 | \$ 1,124,289 | \$ 1,159,786 | \$ 1,199,952 | \$ 1,228,842 | \$ 1,186,002 |
| Contributions as a percentage of covered payroll | 30.0% | 18.9% | 14.6% | 8.3% | 219.0% | 19.9% | 19.5% | 18.4% |

Notes

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 17 years |
| Asset valuation method | 5 year smoothed |
| Inflation | 2.50% |
| Salary increases | 3.00% |
| Investment rate of return | 7.00% |
| Retirement Age | Varies depending on plan adoption |
| Mortality | Pub-2010 and fully generational MP-2019 |

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Medical Care Facility
Last Eight Fiscal Years (Measurement Date) *

| | <u>2021**</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | |
| Service cost | \$ 652,434 | \$ 673,548 | \$ 768,207 | \$ 814,884 | \$ 775,341 | \$ 764,075 | \$ 753,907 | \$ 657,495 |
| Interest | 1,620,183 | 1,496,453 | 1,425,909 | 1,469,768 | 1,372,873 | 1,284,659 | 1,161,030 | 1,105,285 |
| Difference between expected and actual experience | 136,728 | 576,518 | (129,797) | (397,308) | (90,385) | (78,860) | 134,876 | - |
| Changes in assumptions *** | 1,071,078 | 1,233,352 | 394,831 | - | - | - | 612,268 | - |
| Benefit payments, including employee refunds | (1,186,553) | (1,186,553) | (1,079,177) | (1,023,605) | (932,478) | (877,745) | (800,308) | (808,461) |
| Other changes | - | (417,880) | (350,743) | (422,746) | 111,626 | 32,281 | (282,777) | 108,877 |
| Net Change in Pension Liability | <u>2,293,870</u> | <u>2,375,438</u> | <u>1,029,230</u> | <u>440,993</u> | <u>1,236,977</u> | <u>1,124,410</u> | <u>1,578,996</u> | <u>1,063,196</u> |
| <i>Total Pension Liability - Beginning</i> | <u>21,585,253</u> | <u>19,946,679</u> | <u>18,917,449</u> | <u>18,476,456</u> | <u>17,239,479</u> | <u>16,115,069</u> | <u>14,536,073</u> | <u>13,472,877</u> |
| Total Pension Liability - Ending (a) | <u>\$ 23,879,123</u> | <u>\$ 22,322,117</u> | <u>\$ 19,946,679</u> | <u>\$ 18,917,449</u> | <u>\$ 18,476,456</u> | <u>\$ 17,239,479</u> | <u>\$ 16,115,069</u> | <u>\$ 14,536,073</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - employer | \$ 367,056 | \$ 367,056 | \$ 337,471 | \$ 299,217 | \$ 322,829 | \$ 407,013 | \$ 486,598 | \$ 451,869 |
| Contributions - member | 496,458 | 496,458 | 551,191 | 594,059 | 590,815 | 562,406 | 517,917 | 500,078 |
| Net investment income (loss) | 2,678,743 | 2,765,403 | 2,270,714 | 2,134,431 | (648,954) | 1,920,623 | 1,473,756 | (196,455) |
| Benefit payments, including employee refunds | (1,186,553) | (1,186,553) | (1,079,177) | (1,023,605) | (932,478) | (877,745) | (800,308) | (808,461) |
| Administrative expense | (31,728) | (31,728) | (35,563) | (36,803) | (31,896) | (30,350) | (29,039) | (28,430) |
| Net Change in Plan Fiduciary Net Position | <u>2,323,976</u> | <u>2,410,636</u> | <u>2,044,636</u> | <u>1,967,299</u> | <u>(699,684)</u> | <u>1,981,947</u> | <u>1,648,924</u> | <u>(81,399)</u> |
| <i>Plan Fiduciary Net Position - Beginning</i> | <u>19,941,278</u> | <u>19,697,939</u> | <u>17,653,303</u> | <u>15,686,004</u> | <u>16,385,688</u> | <u>14,403,741</u> | <u>12,754,817</u> | <u>12,836,216</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 22,265,254</u> | <u>\$ 22,108,575</u> | <u>\$ 19,697,939</u> | <u>\$ 17,653,303</u> | <u>\$ 15,686,004</u> | <u>\$ 16,385,688</u> | <u>\$ 14,403,741</u> | <u>\$ 12,754,817</u> |
| Net Pension Liability - Ending (a) - (b) | \$ 1,613,869 | \$ 213,542 | \$ 248,740 | \$ 1,264,146 | \$ 2,790,452 | \$ 853,791 | \$ 1,711,328 | \$ 1,781,256 |
| Plan fiduciary net position as a percentage of total pension liability | 93.2% | 99.0% | 98.8% | 93.3% | 84.9% | 95.0% | 89.4% | 87.7% |
| Covered payroll | \$ 9,494,515 | \$ 10,482,876 | \$ 11,713,225 | \$ 12,282,126 | \$ 11,939,441 | \$ 11,057,929 | \$ 10,875,905 | \$ 9,620,946 |
| Net pension liability as a percentage of covered payroll | 17.0% | 2.0% | 2.1% | 10.3% | 23.4% | 7.7% | 15.7% | 18.5% |

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

** Facility changed from measuring net pension liability as of fiscal year-end using roll forward to measuring based on most recent actuarial valuation.

*** The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

Tuscola County
Required Supplementary Information
Schedule of Contributions - Tuscola County Medical Care Facility
Last Eight Calendar Years *

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 492,780 | \$ 367,056 | \$ 337,471 | \$ 299,217 | \$ 322,829 | \$ 315,912 | \$ 486,598 |
| Contributions in relation to the actuarially determined contribution | 492,780 | 367,056 | 337,471 | 299,217 | 322,829 | 416,912 | 486,598 |
| Contribution excess (deficiency) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 101,000</u> | <u>\$ -</u> |
| Covered payroll | \$ 9,386,233 | \$ 10,122,977 | \$ 11,290,658 | \$ 12,173,242 | \$ 12,057,173 | \$ 12,981,188 | \$ 10,917,700 |
| Contributions as a percentage of covered payroll | 5.3% | 3.6% | 3.0% | 2.5% | 2.7% | 3.2% | 4.5% |

Notes

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 14 years |
| Asset valuation method | 5 year smoothed |
| Inflation | 2.50% |
| Salary increases | 3.00% |
| Investment rate of return | 7.35% |
| Retirement Age | Varies depending on plan adoption |
| Mortality | 50% Male - 50% Female based on Pub-2010 Group Annuity Mortality Table |

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

CDBG Housing Grant (250) The revenue source for this fund is a State Housing Grant. The Human Development Commission is contracted by Tuscola County to administer the grant, which provides improvements to homes in the County.

Principal Residence Exemption (251) This fund is used to account for the collection of taxes and interest due from principal residential exemption (homestead) denials.

State Survey Grant (252) State grant funds are received every year and a small appropriation from the General Fund to cover administrative cost makes up the revenue sources for this fund. The revenues are used to replace section corners within the County to improve the process of surveying. Expenditures must meet grant requirements to qualify for reimbursement.

Victim of Crime Act Grant (255) This grant is established to provide services to victims for various reasons. The revenue source is a state grant reimbursement for qualified expenditures.

Register of Deeds Automation (256) This fund is used to account for funds set aside under provisions of Public Act 698 of 2002 (MCL 600.2568). The fund was created for upgrading technology in the Register of Deeds' Office.

GIS (geographic information system) (258) Tuscola County implemented this valuable technology in 2014. These funds will primarily be used to expedite the digital parcel map creation.

Indigent Defense Fund (260) This fund was created to account for the operations of the indigent defense office.

Homeland Security (261) Tuscola County is part of the 3rd District Regional Homeland Security. A core mission of the Department of Homeland Security (DHS) is to enhance the ability of State, local, and tribal governments to prepare, prevent, respond to, and recover from terrorist attacks and other disasters. The Homeland Security Grant Program (HSGP) is a primary funding mechanism for building and sustaining national preparedness capabilities.

CPL (Concealed Pistol Licensing) (263) Effective June 2, 2012, PA3 of 2012 requires the establishment of a Concealed Pistol Licensing fund for the deposit of fees collected for the county clerk under this Act.

SPECIAL REVENUE FUNDS (continued):

Local Corrections Officer Training (265) The revenue source for this fund is established from Public Act 134 of 2003 as amended in new section MCL 801.4b. This new source of revenue will allow training programs for local correctional officers.

Forfeiture Sheriff/Prosecutor (266) The monies are forfeited from the confiscation of property, cars, and monies that were determined to be used in a criminal act involving drugs. The forfeited monies will be used to fight the war against drugs in Tuscola County.

Law Library (269) The revenue source for this fund is the established penal fine amount of \$6,500. Appropriations from the General Fund also create a revenue source. The Law Books or online access to Westlaw will be located in one central location.

Voted MSU (279) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the local MSU extension programs such as 4-H programs.

Michigan Justice Training (285) This fund was established to provide training to sworn officers only. The revenue is generated by fees collected by the courts and by the State of Michigan. Agencies are mandated to provide training from the General Fund each year.

Child Care DHHS (288) The revenue sources for this fund are State reimbursements, Department of Human Services client payments, and an appropriation from the County's General Fund. The dollars are spent to pay foster care cost for neglected or abused children. The reimbursements to Foster Care Parents are for payments of medical expenses, clothing, and other extraordinary items.

Probate Child Care (292) The Child Care Fund provides services to families of youth involved in the Courts. The revenue sources are State reimbursements, charges for services, and also a County General Fund appropriation.

Soldiers Relief (293) The fund was established to provide services to indigent veterans who may not qualify for Veterans Trust Fund monies. The revenue source for this fund is an appropriation from the Voted Veterans Fund

Voted Veterans (295) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the Veterans of Tuscola County.

Voted Bridge (296) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for repair and maintenance of bridges within the County.

Voted Senior Citizens (297) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the senior citizens of Tuscola County. Examples of some services are flu shots and home delivered and congregated meals.

SPECIAL REVENUE FUNDS (continued):

Voted Medical Care Facility (298) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for the County's medical care facility to ensure that services are maintained at a consistent level.

County Parks and Recreation (208) This fund is used to account for the activities to maintain and improve the operations of Vanderbilt Park. The revenue sources of this fund are fees collected for the use of facility and the appropriation from the General Fund.

Arbela Township Police Contract (213) The revenue source for this fund is generated from the reimbursement from Arbela Township for services provided by the Tuscola County Sheriff Department for a specific number of hours and for the support in enforcing township ordinances.

Voted Primary Road (214) This fund accounts for revenues received from the County adopted special voted millage for primary county roads and streets within Tuscola County. All revenues are disbursed only to the Tuscola County Road Commission, villages, and cities, and be used exclusively for the construction, repair and maintenance of primary county roads and major streets within Tuscola County.

Friend of the Court, Act 294 (215) This fund was established to provide a separate accounting for the expenditures related to the operations of the Friend of the Court. The revenue sources for this fund are generated by federal and state grants. The County has established a base appropriation to this fund to comply with criteria established to receive maximum reimbursements from the federal and state levels. Fees and Charges established through the court systems also make up revenue used to operate the Friend of the Court at an efficient level.

Family Counseling (216) Marriage license fees collected by the County are proportioned into this fund and represent the only revenue source. Expenditures are ordered by the Judge of the Circuit Court, to provide counseling to families at his discretion.

Dispatch/911 (218) This fund is established to provide emergency 9-1-1 dispatch services to all law enforcement, fire, and emergency medical services. The revenue sources are generated from the surcharges on landlines and wireless telephone customers.

Vassar Township Police Contract (225) The revenue for this fund is provided by reimbursement of Vassar Township for services provided by the Tuscola County Sheriff Department in the support of enforcing township ordinances.

Recycling (230) This fund was established by a grant provided by the State. The revenue source was then established to be an appropriation from the General Fund. Current revenues also include income from the sale of material.

Millington Township Police Contract (232) The revenue for this fund is provided by reimbursement of Millington Township for services provided by the Tuscola County Sheriff Department in the support of enforcing township ordinances.

SPECIAL REVENUE FUNDS (continued):

Mental Health Court (233) The revenue for this fund is financed by a grant from the State Court Administrative Office (SCAO). Mental health court is modeled after the drug court and was developed in response to the overrepresentation of people with mental illnesses in the criminal justice system.

Victim Services (236) The revenue source for this fund is generated by a State Grant reimbursement. The fund provides services to individuals who are victims of crimes.

Animal Shelter (239) The revenue source for this fund is licenses and State Grants. The fund provides animal shelter services within the County.

Mosquito Control Fund (240) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for Mosquito control within the County.

Regional DWI Court Grant (224) The Regional DWI Court fund finances the Thumb Regional Sobriety Court (TRSC), which is financed by a grant from the State Court Administrative Office (SCAO). The Thumb Regional Sobriety Court is part of a SCAO initiative to extend sobriety treatment programs to rural areas of the state by forming regional programs on a multi-county basis. TRSC provides services to defendants in Tuscola, Huron and Sanilac counties who are convicted of a qualifying drunk driving offense and who are admitted to the program.

County Veteran Service Grant (246) Tuscola County Veterans Affairs applies for these funds through The Michigan Veterans Affairs Agency (MVAA). These grant dollars are intended to enhance and improve county veteran service operations in an effort to connect veterans to their federal benefits and provide consistent access to services throughout the state.

Coronavirus Emergency Supplemental Funding Grant (273) The Michigan State Police (MSP, Grants and Community Services Division, from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. Funding to be utilized to prevent, prepare for, and respond to the coronavirus.

Building Inspection (249) The building inspection fund is to account for the revenues charged to residents to provide building inspection services for the public safety of structures being built or improved within the county.

Juvenile Mental Health Court Program (231) The Juvenile Mental Health Court Program is a fund supported by reimbursement grants that aims to provide specialized services for juveniles with mental health issues in the criminal justice system. Through tailored programs and comprehensive support, the fund seeks to divert eligible youth from traditional court processes and improve outcomes.

DEBT SERVICE FUNDS:

Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Pension Obligation Bond (352)
Health Department Pension (353)
Purdy Building Debt (374)
Mayville Storm Sewer Debt (379)
Denmark Township Sewer Debt (385)

CAPITAL PROJECT FUNDS:

Capital project funds are used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

Building Authority

State Police Building (470)

Other

Capital Improvements (483)
Jail Capital Improvements (488)
Equipment/Technology Fund (244)

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|-------------------------------|--|-------------------------------|--------------------------------------|---|-------------------|
| | CDBG Housing Grant | Principal Residence Exemption | State Survey Grant | Victim of Crime Act Grant | Register of Deeds Automation | GIS |
| ASSETS | | | | | | |
| Cash and investments | \$ 24,213 | \$ 24,269 | \$ -- | \$ 1,818 | \$ 76,195 | \$ 202,411 |
| Taxes receivable | -- | -- | -- | -- | -- | -- |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | -- | -- | 40,349 | 6,594 | -- | -- |
| Accounts receivable | -- | -- | -- | 8,479 | -- | -- |
| Prepays | -- | -- | -- | -- | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 24,213 | \$ 24,269 | \$ 40,349 | \$ 16,891 | \$ 76,195 | \$ 202,411 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,462 | \$ -- |
| Accrued liabilities | -- | -- | -- | 1,147 | -- | 1,145 |
| Due to other funds | -- | -- | 40,349 | 12,000 | -- | -- |
| Total Liabilities | -- | -- | 40,349 | 13,147 | 1,462 | 1,145 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | -- | -- | -- | -- | -- | -- |
| Total Liabilities and Deferred Inflows of Resources | -- | -- | 40,349 | 13,147 | 1,462 | 1,145 |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- |
| Restricted | 24,213 | 24,269 | -- | 3,744 | 74,733 | 201,266 |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | 24,213 | 24,269 | -- | 3,744 | 74,733 | 201,266 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 24,213 | \$ 24,269 | \$ 40,349 | \$ 16,891 | \$ 76,195 | \$ 202,411 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|-------------------------|--------------------------|-------------------|--|--|--------------------|
| | Indigent Defense | Homeland Security | CPL | Local Correction Officer Training | Forfeiture Sheriff / Prosecutor | Law Library |
| ASSETS | | | | | | |
| Cash and investments | \$ 54,704 | \$ -- | \$ 178,661 | \$ 13,229 | \$ 111,514 | \$ 42,941 |
| Taxes receivable | -- | -- | -- | -- | -- | -- |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | 76,445 | 26,068 | -- | -- | -- | -- |
| Accounts receivable | -- | 27 | -- | -- | -- | -- |
| Prepays | -- | -- | -- | 85 | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 131,149 | \$ 26,095 | \$ 178,661 | \$ 13,314 | \$ 111,514 | \$ 42,941 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 127,322 | \$ 4,800 | \$ 463 | \$ -- | \$ -- | \$ -- |
| Accrued liabilities | 3,827 | -- | -- | -- | -- | -- |
| Due to other funds | -- | 21,295 | -- | -- | -- | -- |
| Total Liabilities | 131,149 | 26,095 | 463 | -- | -- | -- |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | -- | -- | -- | -- | -- | -- |
| Total Liabilities and Deferred Inflows of Resources | 131,149 | 26,095 | 463 | -- | -- | -- |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | 85 | -- | -- |
| Restricted | -- | -- | 178,198 | 13,229 | 111,514 | 42,941 |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | -- | -- | 178,198 | 13,314 | 111,514 | 42,941 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 131,149 | \$ 26,095 | \$ 178,661 | \$ 13,314 | \$ 111,514 | \$ 42,941 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|------------------------|--------------------------------------|------------------------|-------------------------------|------------------------|-----------------------|
| | Voted MSU | Michigan Justice Training | Child Care DHHS | Probate Child Care | Soldiers Relief | Voted Veterans |
| ASSETS | | | | | | |
| Cash and investments | \$ 89,156 | \$ 5,660 | \$ 270,856 | \$ 262,212 | \$ 42,812 | \$ 156,743 |
| Taxes receivable | 205,374 | -- | -- | -- | -- | 357,383 |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | -- | -- | 14,421 | 75,535 | -- | -- |
| Accounts receivable | -- | -- | 38 | -- | -- | -- |
| Prepays | -- | -- | -- | 200 | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 294,530 | \$ 5,660 | \$ 285,315 | \$ 337,947 | \$ 42,812 | \$ 514,126 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 62 | \$ -- | \$ -- | \$ 19,023 | \$ -- | \$ 81,242 |
| Accrued liabilities | -- | -- | -- | 6,025 | -- | -- |
| Due to other funds | -- | -- | -- | -- | -- | -- |
| Total Liabilities | 62 | -- | -- | 25,048 | -- | 81,242 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | 205,374 | -- | -- | -- | -- | 357,383 |
| Total Liabilities and Deferred Inflows of Resources | 205,436 | -- | -- | 25,048 | -- | 438,625 |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | 200 | -- | -- |
| Restricted | 89,094 | 5,660 | 285,315 | 312,699 | 42,812 | 75,501 |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | 89,094 | 5,660 | 285,315 | 312,899 | 42,812 | 75,501 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 294,530 | \$ 5,660 | \$ 285,315 | \$ 337,947 | \$ 42,812 | \$ 514,126 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|------------------------|----------------------------------|--|--|----------------------------------|-------------------------------|
| | Voted Bridge | Voted Senior Citizens | Voted Medical Care Facility | County Parks and Recreation | Arbela Twp Police Svc | Voted Primary Road |
| ASSETS | | | | | | |
| Cash and investments | \$ 1,461,083 | \$ 170,251 | \$ 873,966 | \$ 19,187 | \$ 3,374 | \$ 335,574 |
| Taxes receivable | 1,010,811 | 645,459 | 525,658 | -- | -- | 2,030,955 |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | -- | -- | -- | -- | 40 | -- |
| Accounts receivable | 600 | -- | -- | -- | 8,151 | -- |
| Prepays | -- | -- | -- | -- | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 2,472,494 | \$ 815,710 | \$ 1,399,624 | \$ 19,187 | \$ 11,565 | \$ 2,366,529 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ -- | \$ 3,724 | \$ 13,089 | \$ 557 | \$ 40 | \$ -- |
| Accrued liabilities | -- | -- | -- | -- | 1,525 | -- |
| Due to other funds | -- | -- | -- | -- | 10,000 | -- |
| Total Liabilities | -- | 3,724 | 13,089 | 557 | 11,565 | -- |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | 1,010,811 | 645,459 | 525,658 | -- | -- | 2,030,955 |
| Total Liabilities and Deferred Inflows of Resources | 1,010,811 | 649,183 | 538,747 | 557 | 11,565 | 2,030,955 |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- |
| Restricted | 1,461,683 | 166,527 | 860,877 | 18,630 | -- | 335,574 |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | 1,461,683 | 166,527 | 860,877 | 18,630 | -- | 335,574 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 2,472,494 | \$ 815,710 | \$ 1,399,624 | \$ 19,187 | \$ 11,565 | \$ 2,366,529 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|--------------------------------|------------------------------|-----------------------|----------------------------------|-------------------|----------------------------------|
| | Friend of the Court | Family Counseling | Dispatch / 911 | Vassar Twp Police Svc | Recycling | Millington Twp Police |
| ASSETS | | | | | | |
| Cash and investments | \$ 27,139 | \$ 70,887 | \$ 938,976 | \$ 13,907 | \$ 193,843 | \$ 17,541 |
| Taxes receivable | -- | -- | -- | -- | 315,328 | -- |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | 176,501 | -- | -- | 7,526 | 24 | 20,064 |
| Accounts receivable | 132 | -- | 319,579 | -- | -- | -- |
| Prepays | -- | -- | -- | -- | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 203,772 | \$ 70,887 | \$ 1,258,555 | \$ 21,433 | \$ 509,195 | \$ 37,605 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 131 | \$ 220 | \$ 93,914 | \$ 305 | \$ 1,827 | \$ 40 |
| Accrued liabilities | 11,527 | -- | 33,449 | 1,127 | 5,170 | 3,125 |
| Due to other funds | 190,000 | -- | -- | 20,000 | -- | 34,440 |
| Total Liabilities | 201,658 | 220 | 127,363 | 21,432 | 6,997 | 37,605 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | -- | -- | -- | -- | 315,328 | -- |
| Total Liabilities and Deferred Inflows of Resources | 201,658 | 220 | 127,363 | 21,432 | 322,325 | 37,605 |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- |
| Restricted | 2,114 | 70,667 | 1,131,192 | 1 | 186,870 | -- |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | 2,114 | 70,667 | 1,131,192 | 1 | 186,870 | -- |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 203,772 | \$ 70,887 | \$ 1,258,555 | \$ 21,433 | \$ 509,195 | \$ 37,605 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | | | |
|--|--------------------------------|------------------------|-----------------------|-------------------------|-------------------------------------|---|
| | Mental Health Court | Victim Services | Animal Shelter | Mosquito Control | Regional DWI Court Grant | County Veteran Service Grant |
| ASSETS | | | | | | |
| Cash and investments | \$ 21,986 | \$ 3,739 | \$ 7,163 | \$ 1,253,010 | \$ 68,910 | \$ 50,087 |
| Taxes receivable | -- | -- | -- | 1,328,254 | -- | -- |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | 10,583 | 49,504 | -- | -- | 36,778 | -- |
| Accounts receivable | -- | -- | -- | -- | -- | -- |
| Prepays | -- | -- | -- | -- | 870 | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| Total Assets | \$ 32,569 | \$ 53,243 | \$ 7,163 | \$ 2,581,264 | \$ 106,558 | \$ 50,087 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 498 | \$ -- | \$ 2,216 | \$ 42,017 | \$ 1,995 | \$ 7,278 |
| Accrued liabilities | 339 | 1,114 | 4,928 | 118,224 | 1,776 | -- |
| Due to other funds | 31,000 | 49,200 | -- | -- | -- | -- |
| Total Liabilities | 31,837 | 50,314 | 7,144 | 160,241 | 3,771 | 7,278 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | -- | -- | -- | 1,328,254 | -- | -- |
| Total Liabilities and Deferred Inflows of Resources | 31,837 | 50,314 | 7,144 | 1,488,495 | 3,771 | 7,278 |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | -- | 870 | -- |
| Restricted | 732 | 2,929 | 19 | 1,092,769 | 101,917 | 42,809 |
| Unassigned | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | 732 | 2,929 | 19 | 1,092,769 | 102,787 | 42,809 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 32,569 | \$ 53,243 | \$ 7,163 | \$ 2,581,264 | \$ 106,558 | \$ 50,087 |

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

| | Special Revenue | | | Debt Service | | |
|--|--|------------------------|--|----------------------------|---------------------------------|----------------|
| | Coronavirus Emergency Supplemental | Building Inspection | Juvenile Mental Health Court Program | Pension Obligation Bond | Health Department Pension | Purdy Building |
| ASSETS | | | | | | |
| Cash and investments | \$ -- | \$ 60,458 | \$ 46 | \$ 2,494 | \$ 291 | \$ -- |
| Taxes receivable | -- | -- | -- | -- | -- | -- |
| Lease receivable | -- | -- | -- | -- | -- | -- |
| Due from other governments | 35,512 | -- | 3,887 | -- | -- | -- |
| Accounts receivable | -- | 10,016 | -- | -- | -- | -- |
| Prepays | -- | -- | -- | -- | -- | -- |
| Contracts receivable | -- | -- | -- | -- | -- | -- |
| <i>Total Assets</i> | <u>\$ 35,512</u> | <u>\$ 70,474</u> | <u>\$ 3,933</u> | <u>\$ 2,494</u> | <u>\$ 291</u> | <u>\$ --</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 450 | \$ 30,657 | \$ -- | \$ -- | \$ -- | \$ -- |
| Accrued liabilities | -- | -- | 136 | -- | -- | -- |
| Due to other funds | 30,994 | -- | 3,510 | -- | -- | -- |
| <i>Total Liabilities</i> | <u>31,444</u> | <u>30,657</u> | <u>3,646</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Aggregated deferred inflows | -- | -- | -- | -- | -- | -- |
| <i>Total Liabilities and Deferred Inflows of Resources</i> | <u>31,444</u> | <u>30,657</u> | <u>3,646</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| FUND BALANCE | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- |
| Restricted | 4,068 | 39,817 | 287 | 2,494 | 291 | -- |
| Unassigned | -- | -- | -- | -- | -- | -- |
| <i>Total Fund Balance</i> | <u>4,068</u> | <u>39,817</u> | <u>287</u> | <u>2,494</u> | <u>291</u> | <u>--</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i> | <u>\$ 35,512</u> | <u>\$ 70,474</u> | <u>\$ 3,933</u> | <u>\$ 2,494</u> | <u>\$ 291</u> | <u>\$ --</u> |

Continued...

**Nonmajor Governmental Funds
December 31, 2022**

| | Debt Service | | Capital Projects | | | | Total Nonmajor Governmental Funds |
|--|------------------------------|---------------------------|--------------------------|-------------------------|------------------------------|---------------------------|---|
| | Mayville Storm Sewer Debt | Denmark Twp Sewer Debt | State Police Building | Capital Improvements | Jail Capital Improvements | Equipment / Technology | |
| ASSETS | | | | | | | |
| Cash and investments | \$ -- | \$ -- | \$ 198,615 | \$ 1,559,619 | \$ 964,352 | \$ 210,261 | \$ 10,084,153 |
| Taxes receivable | -- | -- | -- | -- | -- | -- | 6,419,222 |
| Lease receivable | -- | -- | 102,941 | -- | -- | -- | 102,941 |
| Due from other governments | -- | -- | -- | -- | -- | -- | 579,831 |
| Accounts receivable | -- | -- | -- | 889 | 271 | -- | 348,182 |
| Prepays | -- | -- | -- | -- | -- | -- | 1,155 |
| Contracts receivable | 779,000 | 1,466,209 | -- | -- | -- | -- | 2,245,209 |
| Total Assets | \$ 779,000 | \$ 1,466,209 | \$ 301,556 | \$ 1,560,508 | \$ 964,623 | \$ 210,261 | \$ 19,780,693 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 16,832 | \$ 450,164 |
| Accrued liabilities | -- | -- | -- | -- | -- | -- | 194,584 |
| Due to other funds | -- | -- | -- | -- | -- | -- | 442,788 |
| Total Liabilities | -- | -- | -- | -- | -- | 16,832 | 1,087,536 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Aggregated deferred inflows | 779,000 | 1,466,209 | 101,677 | -- | -- | -- | 8,766,108 |
| Total Liabilities and Deferred Inflows of Resources | 779,000 | 1,466,209 | 101,677 | -- | -- | 16,832 | 9,853,644 |
| FUND BALANCE | | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- | 1,155 |
| Restricted | -- | -- | 199,879 | 1,560,508 | 964,623 | 193,429 | 9,925,894 |
| Unassigned | -- | -- | -- | -- | -- | -- | -- |
| Total Fund Balance | -- | -- | 199,879 | 1,560,508 | 964,623 | 193,429 | 9,927,049 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 779,000 | \$ 1,466,209 | \$ 301,556 | \$ 1,560,508 | \$ 964,623 | \$ 210,261 | \$ 19,780,693 |

Concluded.

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

| | Special Revenue | | | | | GIS |
|--|-----------------------|-------------------------------------|-----------------------|------------------------------|---------------------------------|-------------------|
| | CDBG Housing Grant | Principal Residence Exemption | State Survey Grant | Victim of Crime Act Grant | Register of Deeds Automation | |
| Revenues | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Licenses and permits | -- | -- | -- | -- | -- | -- |
| Intergovernmental | 9,750 | 52,220 | 67,047 | 82,071 | -- | -- |
| Charges for services | -- | -- | -- | -- | 51,155 | 55,287 |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | -- | 92 | -- | -- | 349 | 675 |
| Other | -- | -- | -- | -- | -- | -- |
| Total Revenues | <u>9,750</u> | <u>52,312</u> | <u>67,047</u> | <u>82,071</u> | <u>51,504</u> | <u>55,962</u> |
| Expenditures | | | | | | |
| Judicial | -- | -- | -- | -- | -- | -- |
| General government | -- | 42,156 | 67,047 | -- | -- | 93,460 |
| Public safety | -- | -- | -- | 81,024 | -- | -- |
| Public works | -- | -- | -- | -- | -- | -- |
| Health and welfare | 44,097 | -- | -- | -- | -- | -- |
| Community and economic development | -- | -- | -- | -- | 76,635 | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | <u>44,097</u> | <u>42,156</u> | <u>67,047</u> | <u>81,024</u> | <u>76,635</u> | <u>93,460</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(34,347)</u> | <u>10,156</u> | <u>--</u> | <u>1,047</u> | <u>(25,131)</u> | <u>(37,498)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | -- | -- | -- | -- | -- | 60,000 |
| Transfers out | -- | (12,890) | -- | -- | -- | -- |
| Net Other Financing Sources (Uses) | <u>--</u> | <u>(12,890)</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>60,000</u> |
| Net Change in Fund Balance | <u>(34,347)</u> | <u>(2,734)</u> | <u>--</u> | <u>1,047</u> | <u>(25,131)</u> | <u>22,502</u> |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 58,560 | 27,003 | -- | 2,697 | 99,864 | 178,764 |
| Fund Balance at End of Period | <u>\$ 24,213</u> | <u>\$ 24,269</u> | <u>\$ --</u> | <u>\$ 3,744</u> | <u>\$ 74,733</u> | <u>\$ 201,266</u> |

Continued...

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

| | Special Revenue | | | | | |
|--|-------------------------|--------------------------|-------------------|--|--|--------------------|
| | Indigent Defense | Homeland Security | CPL | Local Correction Officer Training | Forfeiture Sheriff / Prosecutor | Law Library |
| Revenues | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Licenses and permits | -- | -- | 35,028 | -- | -- | -- |
| Intergovernmental | 1,247,026 | 26,762 | -- | -- | -- | -- |
| Charges for services | -- | -- | -- | 8,065 | -- | -- |
| Fines and forfeits | -- | -- | -- | -- | 4,060 | 6,500 |
| Interest and rents | 257 | -- | -- | -- | -- | -- |
| Other | -- | -- | -- | -- | -- | -- |
| Total Revenues | 1,247,283 | 26,762 | 35,028 | 8,065 | 4,060 | 6,500 |
| Expenditures | | | | | | |
| Judicial | 1,503,228 | -- | -- | -- | 173,960 | 157 |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | -- | 27,131 | 18,446 | 8,784 | -- | -- |
| Public works | -- | -- | -- | -- | -- | -- |
| Health and welfare | -- | -- | -- | -- | -- | -- |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | 1,503,228 | 27,131 | 18,446 | 8,784 | 173,960 | 157 |
| Excess of Revenues Over (Under) Expenditures | (255,945) | (369) | 16,582 | (719) | (169,900) | 6,343 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 255,945 | -- | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | -- | -- | -- |
| Net Other Financing Sources (Uses) | 255,945 | -- | -- | -- | -- | -- |
| Net Change in Fund Balance | -- | (369) | 16,582 | (719) | (169,900) | 6,343 |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | -- | 369 | 161,616 | 14,033 | 281,414 | 36,598 |
| Fund Balance at End of Period | \$ -- | \$ -- | \$ 178,198 | \$ 13,314 | \$ 111,514 | \$ 42,941 |

Continued...

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

| | Special Revenue | | | | | |
|--|------------------------|----------------------------------|------------------------|---------------------------|------------------------|-----------------------|
| | Voted MSU | Michigan Justice Training | Child Care DHHS | Probate Child Care | Soldiers Relief | Voted Veterans |
| Revenues | | | | | | |
| Property taxes | \$ 203,854 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 346,645 |
| Licenses and permits | -- | -- | -- | -- | -- | -- |
| Intergovernmental | -- | 2,592 | 11,804 | 410,450 | -- | -- |
| Charges for services | -- | -- | 397 | -- | -- | -- |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | 354 | -- | -- | -- | -- | 683 |
| Other | -- | -- | -- | 4,125 | -- | -- |
| Total Revenues | 204,208 | 2,592 | 12,201 | 414,575 | -- | 347,328 |
| Expenditures | | | | | | |
| Judicial | -- | -- | -- | -- | -- | -- |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | 157,487 | 3,674 | -- | -- | -- | -- |
| Public works | -- | -- | -- | -- | -- | -- |
| Health and welfare | -- | -- | 237,445 | 588,687 | 13,915 | 280,850 |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | 157,487 | 3,674 | 237,445 | 588,687 | 13,915 | 280,850 |
| Excess of Revenues Over (Under) Expenditures | 46,721 | (1,082) | (225,244) | (174,112) | (13,915) | 66,478 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | -- | -- | 150,000 | 300,000 | -- | -- |
| Transfers out | (610) | -- | -- | -- | -- | (76,596) |
| Net Other Financing Sources (Uses) | (610) | -- | 150,000 | 300,000 | -- | (76,596) |
| Net Change in Fund Balance | 46,111 | (1,082) | (75,244) | 125,888 | (13,915) | (10,118) |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 42,983 | 6,742 | 360,559 | 187,011 | 56,727 | 85,619 |
| Fund Balance at End of Period | \$ 89,094 | \$ 5,660 | \$ 285,315 | \$ 312,899 | \$ 42,812 | \$ 75,501 |

Continued...

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

| | Special Revenue | | | | | |
|--|------------------------|------------------------------|------------------------------------|------------------------------------|------------------------------|---------------------------|
| | Voted Bridge | Voted Senior Citizens | Voted Medical Care Facility | County Parks and Recreation | Arbela Twp Police Svc | Voted Primary Road |
| Revenues | | | | | | |
| Property taxes | \$ 980,800 | \$ 652,796 | \$ 509,956 | \$ -- | \$ -- | \$ 1,970,765 |
| Licenses and permits | -- | -- | -- | -- | -- | -- |
| Intergovernmental | -- | -- | -- | -- | -- | -- |
| Charges for services | -- | -- | -- | 27,292 | 86,113 | -- |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | (16,530) | 922 | 3,149 | -- | -- | 6,501 |
| Other | -- | -- | -- | -- | -- | -- |
| Total Revenues | 964,270 | 653,718 | 513,105 | 27,292 | 86,113 | 1,977,266 |
| Expenditures | | | | | | |
| Judicial | -- | -- | -- | -- | -- | -- |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | -- | -- | -- | -- | 86,113 | -- |
| Public works | 933,609 | -- | -- | -- | -- | 2,071,946 |
| Health and welfare | -- | 636,767 | 955,267 | -- | -- | -- |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | 48,316 | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | 933,609 | 636,767 | 955,267 | 48,316 | 86,113 | 2,071,946 |
| Excess of Revenues Over (Under) Expenditures | 30,661 | 16,951 | (442,162) | (21,024) | -- | (94,680) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | -- | -- | -- | 25,500 | -- | -- |
| Transfers out | -- | (4,707) | (1,463) | -- | -- | -- |
| Net Other Financing Sources (Uses) | -- | (4,707) | (1,463) | 25,500 | -- | -- |
| Net Change in Fund Balance | 30,661 | 12,244 | (443,625) | 4,476 | -- | (94,680) |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 1,431,022 | 154,283 | 1,304,502 | 14,154 | -- | 430,254 |
| Fund Balance at End of Period | \$ 1,461,683 | \$ 166,527 | \$ 860,877 | \$ 18,630 | \$ -- | \$ 335,574 |

Continued...

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

| | Special Revenue | | | | | |
|--|--------------------------------|------------------------------|-----------------------|----------------------------------|-------------------|----------------------------------|
| | Friend of the Court | Family Counseling | Dispatch / 911 | Vassar Twp Police Svc | Recycling | Millington Twp Police |
| Revenues | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ -- | \$ 305,922 | \$ -- |
| Licenses and permits | -- | 4,965 | -- | -- | -- | -- |
| Intergovernmental | 650,886 | -- | 214,848 | -- | 7,050 | -- |
| Charges for services | 48,153 | -- | 1,079,183 | 85,177 | 109,378 | 187,947 |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | 3 | -- | 10,250 | -- | 2,753 | -- |
| Other | 18 | 514 | 1,600 | -- | 959 | -- |
| Total Revenues | 699,060 | 5,479 | 1,305,881 | 85,177 | 426,062 | 187,947 |
| Expenditures | | | | | | |
| Judicial | 837,472 | 5,484 | -- | -- | -- | -- |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | -- | -- | 1,386,067 | 85,176 | -- | 187,947 |
| Public works | -- | -- | -- | -- | 365,713 | -- |
| Health and welfare | -- | -- | -- | -- | -- | -- |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | 837,472 | 5,484 | 1,386,067 | 85,176 | 365,713 | 187,947 |
| Excess of Revenues Over (Under) Expenditures | (138,412) | (5) | (80,186) | 1 | 60,349 | -- |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 269,711 | -- | 266,669 | -- | -- | -- |
| Transfers out | (155,750) | -- | (31,497) | -- | (15,268) | -- |
| Net Other Financing Sources (Uses) | 113,961 | -- | 235,172 | -- | (15,268) | -- |
| Net Change in Fund Balance | (24,451) | (5) | 154,986 | 1 | 45,081 | -- |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 26,565 | 70,672 | 976,206 | -- | 141,789 | -- |
| Fund Balance at End of Period | \$ 2,114 | \$ 70,667 | \$ 1,131,192 | \$ 1 | \$ 186,870 | \$ -- |

Continued...

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

| | Special Revenue | | | | | |
|--|--------------------------------|------------------------|-----------------------|-------------------------|-------------------------------------|---|
| | Mental Health Court | Victim Services | Animal Shelter | Mosquito Control | Regional DWI Court Grant | County Veteran Service Grant |
| Revenues | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ 1,288,774 | \$ -- | \$ -- |
| Licenses and permits | -- | -- | 133,860 | -- | -- | -- |
| Intergovernmental | 45,920 | 94,413 | -- | -- | 158,378 | 90,834 |
| Charges for services | -- | -- | 12,505 | -- | 22,914 | -- |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | -- | -- | -- | 4,005 | -- | -- |
| Other | -- | -- | 28,633 | -- | -- | -- |
| Total Revenues | 45,920 | 94,413 | 174,998 | 1,292,779 | 181,292 | 90,834 |
| Expenditures | | | | | | |
| Judicial | 45,201 | -- | -- | -- | 166,640 | -- |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | -- | 91,698 | 320,446 | -- | -- | -- |
| Public works | -- | -- | -- | -- | -- | -- |
| Health and welfare | -- | -- | -- | 931,446 | -- | 93,458 |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | -- | -- | -- |
| Debt service - interest | -- | -- | -- | -- | -- | -- |
| Total Expenditures | 45,201 | 91,698 | 320,446 | 931,446 | 166,640 | 93,458 |
| Excess of Revenues Over (Under) Expenditures | 719 | 2,715 | (145,448) | 361,333 | 14,652 | (2,624) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | -- | -- | 145,400 | -- | -- | -- |
| Transfers out | -- | -- | -- | (25,262) | -- | -- |
| Net Other Financing Sources (Uses) | -- | -- | 145,400 | (25,262) | -- | -- |
| Net Change in Fund Balance | 719 | 2,715 | (48) | 336,071 | 14,652 | (2,624) |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 13 | 214 | 67 | 756,698 | 88,135 | 45,433 |
| Fund Balance at End of Period | \$ 732 | \$ 2,929 | \$ 19 | \$ 1,092,769 | \$ 102,787 | \$ 42,809 |

Continued...

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

| | Special Revenue | | | Debt Service | | |
|--|--|------------------------|--|----------------------------|---------------------------------|-----------------|
| | Coronavirus Emergency Supplemental | Building Inspection | Juvenile Mental Health Court Program | Pension Obligation Bond | Health Department Pension | Purdy Building |
| Revenues | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Licenses and permits | -- | 583,970 | -- | -- | -- | -- |
| Intergovernmental | 79,653 | -- | 3,017 | -- | -- | -- |
| Charges for services | -- | -- | -- | -- | -- | -- |
| Fines and forfeits | -- | -- | -- | -- | -- | -- |
| Interest and rents | -- | 356 | -- | 78 | 234 | 3 |
| Other | -- | -- | -- | 477,162 | -- | -- |
| Total Revenues | <u>79,653</u> | <u>584,326</u> | <u>3,017</u> | <u>477,240</u> | <u>234</u> | <u>3</u> |
| Expenditures | | | | | | |
| Judicial | 79,653 | -- | 2,730 | -- | -- | -- |
| General government | -- | -- | -- | -- | -- | -- |
| Public safety | 1 | 553,497 | -- | -- | -- | -- |
| Public works | -- | -- | -- | -- | -- | -- |
| Health and welfare | -- | -- | -- | -- | -- | -- |
| Community and economic development | -- | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | -- | 365,000 | 120,000 | 50,000 |
| Debt service - interest | -- | -- | -- | 114,487 | 68,475 | 26,593 |
| Total Expenditures | <u>79,654</u> | <u>553,497</u> | <u>2,730</u> | <u>479,487</u> | <u>188,475</u> | <u>76,593</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1)</u> | <u>30,829</u> | <u>287</u> | <u>(2,247)</u> | <u>(188,241)</u> | <u>(76,590)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | -- | -- | -- | -- | 188,475 | 76,590 |
| Transfers out | -- | -- | -- | -- | -- | -- |
| Net Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>188,475</u> | <u>76,590</u> |
| Net Change in Fund Balance | <u>(1)</u> | <u>30,829</u> | <u>287</u> | <u>(2,247)</u> | <u>234</u> | <u>--</u> |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | 4,069 | 8,988 | -- | 4,741 | 57 | -- |
| Fund Balance at End of Period | <u>\$ 4,068</u> | <u>\$ 39,817</u> | <u>\$ 287</u> | <u>\$ 2,494</u> | <u>\$ 291</u> | <u>\$ --</u> |

Continued...

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

| | Debt Service | | Capital Projects | | | | Total Nonmajor Governmental Funds |
|--|------------------------------|---------------------------|--------------------------|-------------------------|------------------------------|---------------------------|---|
| | Mayville Storm Sewer Debt | Denmark Twp Sewer Debt | State Police Building | Capital Improvements | Jail Capital Improvements | Equipment / Technology | |
| Revenues | | | | | | | |
| Property taxes | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 6,259,512 |
| Licenses and permits | -- | -- | -- | -- | -- | -- | 757,823 |
| Intergovernmental | 78,850 | 103,172 | -- | -- | -- | -- | 3,436,743 |
| Charges for services | -- | -- | -- | -- | -- | -- | 1,773,566 |
| Fines and forfeits | -- | -- | -- | -- | -- | -- | 10,560 |
| Interest and rents | -- | -- | 54,736 | (15,856) | (14,428) | -- | 38,586 |
| Other | -- | -- | -- | -- | -- | -- | 513,011 |
| Total Revenues | <u>78,850</u> | <u>103,172</u> | <u>54,736</u> | <u>(15,856)</u> | <u>(14,428)</u> | <u>--</u> | <u>12,789,801</u> |
| Expenditures | | | | | | | |
| Judicial | -- | -- | -- | 37,930 | -- | 10,058 | 2,862,513 |
| General government | -- | -- | -- | 51,161 | -- | 71,136 | 324,960 |
| Public safety | -- | -- | 21,247 | 26,242 | 10,430 | 39,569 | 3,104,979 |
| Public works | -- | -- | -- | 1,970 | -- | -- | 3,373,238 |
| Health and welfare | -- | -- | -- | 123,325 | -- | -- | 3,905,257 |
| Community and economic development | -- | -- | -- | -- | -- | -- | 76,635 |
| Culture and recreation | -- | -- | -- | -- | -- | -- | 48,316 |
| Capital outlay | -- | -- | -- | 144,185 | -- | 631,947 | 776,132 |
| Debt service - principal | 38,000 | 41,000 | -- | -- | -- | -- | 614,000 |
| Debt service - interest | 40,850 | 62,172 | -- | -- | -- | -- | 312,577 |
| Total Expenditures | <u>78,850</u> | <u>103,172</u> | <u>21,247</u> | <u>384,813</u> | <u>10,430</u> | <u>752,710</u> | <u>15,398,607</u> |
| Excess of Revenues Over (Under) Expenditures | <u>--</u> | <u>--</u> | <u>33,489</u> | <u>(400,669)</u> | <u>(24,858)</u> | <u>(752,710)</u> | <u>(2,608,806)</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers in | -- | -- | -- | -- | -- | 614,806 | 2,353,096 |
| Transfers out | -- | -- | -- | -- | -- | -- | (324,043) |
| Net Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>614,806</u> | <u>2,029,053</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>33,489</u> | <u>(400,669)</u> | <u>(24,858)</u> | <u>(137,904)</u> | <u>(579,753)</u> |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | <u>--</u> | <u>--</u> | <u>166,390</u> | <u>1,961,177</u> | <u>989,481</u> | <u>331,333</u> | <u>10,506,802</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 199,879</u> | <u>\$ 1,560,508</u> | <u>\$ 964,623</u> | <u>\$ 193,429</u> | <u>\$ 9,927,049</u> |

Concluded.

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
CDBG Housing Grant
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 40,000 | \$ 40,000 | \$ 9,750 | \$ (30,250) |
| Total Revenues | <u>40,000</u> | <u>40,000</u> | <u>9,750</u> | <u>(30,250)</u> |
| Expenditures | | | | |
| Health and welfare | 60,000 | 60,000 | 44,097 | 15,903 |
| Total Expenditures | <u>60,000</u> | <u>60,000</u> | <u>44,097</u> | <u>15,903</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(20,000)</u> | <u>(20,000)</u> | <u>(34,347)</u> | <u>(14,347)</u> |
| Net Change in Fund Balance | (20,000) | (20,000) | (34,347) | (14,347) |
| <i>Fund Balance at Beginning of Period</i> | 58,560 | 58,560 | 58,560 | -- |
| Fund Balance at End of Period | \$ 38,560 | \$ 38,560 | \$ 24,213 | \$ (14,347) |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Principal Residence Exemption
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 83,000 | \$ 83,000 | \$ 52,220 | \$ (30,780) |
| Interest and rents | 500 | 500 | 92 | (408) |
| Total Revenues | <u>83,500</u> | <u>83,500</u> | <u>52,312</u> | <u>(31,188)</u> |
| Expenditures | | | | |
| General government | 50,000 | 50,000 | 42,156 | 7,844 |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>42,156</u> | <u>7,844</u> |
| Other Financing Uses | | | | |
| Transfers out | 12,890 | 12,890 | 12,890 | -- |
| Total Expenditures and Other Financing Uses | <u>62,890</u> | <u>62,890</u> | <u>55,046</u> | <u>7,844</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>20,610</u> | <u>20,610</u> | <u>(2,734)</u> | <u>(23,344)</u> |
| Net Change in Fund Balance | 20,610 | 20,610 | (2,734) | (23,344) |
| <i>Fund Balance at Beginning of Period</i> | 27,003 | 27,003 | 27,003 | -- |
| Fund Balance at End of Period | \$ 47,613 | \$ 47,613 | \$ 24,269 | \$ (23,344) |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
State Survey Grant
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance Positive (Negative) |
|---|-------------------------|---------------|---------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 57,440 | \$ 67,047 | \$ 67,047 | \$ -- |
| Total Revenues | <u>57,440</u> | <u>67,047</u> | <u>67,047</u> | <u>--</u> |
| Expenditures | | | | |
| General government | 57,440 | 67,047 | 67,047 | -- |
| Total Expenditures | <u>57,440</u> | <u>67,047</u> | <u>67,047</u> | <u>--</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at Beginning of Period | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Victim of Crime Act Grant
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-----------------|-----------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 91,870 | \$ 91,870 | \$ 82,071 | \$ (9,799) |
| Total Revenues | <u>91,870</u> | <u>91,870</u> | <u>82,071</u> | <u>(9,799)</u> |
| Expenditures | | | | |
| Public safety | 91,870 | 91,870 | 81,024 | 10,846 |
| Total Expenditures | <u>91,870</u> | <u>91,870</u> | <u>81,024</u> | <u>10,846</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>1,047</u> | <u>1,047</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>1,047</u> | <u>1,047</u> |
| Fund Balance at Beginning of Period | <u>2,697</u> | <u>2,697</u> | <u>2,697</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ 2,697</u> | <u>\$ 2,697</u> | <u>\$ 3,744</u> | <u>\$ 1,047</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Register of Deeds Automation
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Charges for services | \$ 52,000 | \$ 52,000 | \$ 51,155 | \$ (845) |
| Interest and rents | 450 | 450 | 349 | (101) |
| Total Revenues | <u>52,450</u> | <u>52,450</u> | <u>51,504</u> | <u>(946)</u> |
| Expenditures | | | | |
| Register of deeds | 51,350 | 91,350 | 76,635 | 14,715 |
| Total Expenditures | <u>51,350</u> | <u>91,350</u> | <u>76,635</u> | <u>14,715</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>1,100</u> | <u>(38,900)</u> | <u>(25,131)</u> | <u>13,769</u> |
| Net Change in Fund Balance | 1,100 | (38,900) | (25,131) | 13,769 |
| <i>Fund Balance at Beginning of Period</i> | 99,864 | 99,864 | 99,864 | -- |
| Fund Balance at End of Period | <u>\$ 100,964</u> | <u>\$ 60,964</u> | <u>\$ 74,733</u> | <u>\$ 13,769</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
GIS
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Charges for services | \$ 47,100 | \$ 55,420 | \$ 55,287 | \$ (133) |
| Interest and rents | -- | 550 | 675 | 125 |
| Total Revenues | <u>47,100</u> | <u>55,970</u> | <u>55,962</u> | <u>(8)</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>60,000</u> | <u>60,000</u> | <u>60,000</u> | <u>--</u> |
| Total Revenues and Other Financing Sources | <u>107,100</u> | <u>115,970</u> | <u>115,962</u> | <u>(8)</u> |
| Expenditures | | | | |
| General government | <u>95,913</u> | <u>94,159</u> | <u>93,460</u> | <u>699</u> |
| Total Expenditures | <u>95,913</u> | <u>94,159</u> | <u>93,460</u> | <u>699</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>11,187</u> | <u>21,811</u> | <u>22,502</u> | <u>691</u> |
| Net Change in Fund Balance | <u>11,187</u> | <u>21,811</u> | <u>22,502</u> | <u>691</u> |
| Fund Balance at Beginning of Period | 178,764 | 178,764 | 178,764 | -- |
| Fund Balance at End of Period | <u>\$ 189,951</u> | <u>\$ 200,575</u> | <u>\$ 201,266</u> | <u>\$ 691</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Indigent Defense
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 1,249,564 | \$ 1,249,564 | \$ 1,247,026 | \$ (2,538) |
| Interest and rents | -- | -- | 257 | 257 |
| Total Revenues | <u>1,249,564</u> | <u>1,249,564</u> | <u>1,247,283</u> | <u>(2,281)</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>251,472</u> | <u>251,472</u> | <u>255,945</u> | <u>4,473</u> |
| Total Revenues and Other Financing Sources | <u>1,501,036</u> | <u>1,501,036</u> | <u>1,503,228</u> | <u>2,192</u> |
| Expenditures | | | | |
| Judicial | <u>1,501,036</u> | <u>1,499,282</u> | <u>1,503,228</u> | <u>(3,946)</u> |
| Total Expenditures | <u>1,501,036</u> | <u>1,499,282</u> | <u>1,503,228</u> | <u>(3,946)</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>1,754</u> | <u>--</u> | <u>(1,754)</u> |
| Net Change in Fund Balance | <u>--</u> | <u>1,754</u> | <u>--</u> | <u>(1,754)</u> |
| <i>Fund Balance at Beginning of Period - Restated, Note 16</i> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ 1,754</u> | <u>\$ --</u> | <u>\$ (1,754)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Homeland Security
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------|---------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | (Negative) |
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 60,000 | \$ 60,000 | \$ 26,762 | \$ (33,238) |
| Total Revenues | <u>60,000</u> | <u>60,000</u> | <u>26,762</u> | <u>(33,238)</u> |
| Expenditures | | | | |
| Public safety | 60,000 | 60,000 | 27,131 | 32,869 |
| Total Expenditures | <u>60,000</u> | <u>60,000</u> | <u>27,131</u> | <u>32,869</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | -- | -- | (369) | (369) |
| Net Change in Fund Balance | -- | -- | (369) | (369) |
| Fund Balance at Beginning of Period | 369 | 369 | 369 | -- |
| Fund Balance at End of Period | <u>\$ 369</u> | <u>\$ 369</u> | <u>\$ --</u> | <u>\$ (369)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
CPL
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance |
|--|-------------------------|-------------------|-------------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Positive</u> <u>(Negative)</u> |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Licenses and permits | \$ 48,200 | \$ 48,200 | \$ 35,028 | \$ (13,172) |
| Total Revenues | <u>48,200</u> | <u>48,200</u> | <u>35,028</u> | <u>(13,172)</u> |
| Expenditures | | | | |
| Public safety | 24,160 | 24,160 | 18,446 | 5,714 |
| Total Expenditures | <u>24,160</u> | <u>24,160</u> | <u>18,446</u> | <u>5,714</u> |
| Excess (Deficiency) of Revenues and | | | | |
| Other Sources Over Expenditures | | | | |
| and Other Uses | 24,040 | 24,040 | 16,582 | (7,458) |
| Net Change in Fund Balance | 24,040 | 24,040 | 16,582 | (7,458) |
| Fund Balance at Beginning of Period | 161,616 | 161,616 | 161,616 | -- |
| Fund Balance at End of Period | \$ 185,656 | \$ 185,656 | \$ 178,198 | \$ (7,458) |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Correction Officer Training
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Charges for services | \$ 11,000 | \$ 11,000 | \$ 8,065 | \$ (2,935) |
| Other | 200 | 200 | -- | (200) |
| Total Revenues | <u>11,200</u> | <u>11,200</u> | <u>8,065</u> | <u>(3,135)</u> |
| Expenditures | | | | |
| Public safety | 13,700 | 13,700 | 8,784 | 4,916 |
| Total Expenditures | <u>13,700</u> | <u>13,700</u> | <u>8,784</u> | <u>4,916</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(2,500)</u> | <u>(2,500)</u> | <u>(719)</u> | <u>1,781</u> |
| Net Change in Fund Balance | <u>(2,500)</u> | <u>(2,500)</u> | <u>(719)</u> | <u>1,781</u> |
| Fund Balance at Beginning of Period | 14,033 | 14,033 | 14,033 | -- |
| Fund Balance at End of Period | <u>\$ 11,533</u> | <u>\$ 11,533</u> | <u>\$ 13,314</u> | <u>\$ 1,781</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Forfeiture Sheriff / Prosecutor
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Fines and forfeits | \$ 5,000 | \$ 5,000 | \$ 4,060 | \$ (940) |
| Total Revenues | <u>5,000</u> | <u>5,000</u> | <u>4,060</u> | <u>(940)</u> |
| Expenditures | | | | |
| Judicial | 5,000 | 175,000 | 173,960 | 1,040 |
| Total Expenditures | <u>5,000</u> | <u>175,000</u> | <u>173,960</u> | <u>1,040</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>(170,000)</u> | <u>(169,900)</u> | <u>100</u> |
| Net Change in Fund Balance | <u>--</u> | <u>(170,000)</u> | <u>(169,900)</u> | <u>100</u> |
| Fund Balance at Beginning of Period | 281,414 | 281,414 | 281,414 | -- |
| Fund Balance at End of Period | <u>\$ 281,414</u> | <u>\$ 111,414</u> | <u>\$ 111,514</u> | <u>\$ 100</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Law Library
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------------|-------------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Fines and forfeits | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ -- |
| Total Revenues | <u>6,500</u> | <u>6,500</u> | <u>6,500</u> | <u>--</u> |
| Expenditures | | | | |
| Judicial | 6,500 | 6,500 | 157 | 6,343 |
| Total Expenditures | <u>6,500</u> | <u>6,500</u> | <u>157</u> | <u>6,343</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>6,343</u> | <u>6,343</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>6,343</u> | <u>6,343</u> |
| Fund Balance at Beginning of Period | 36,598 | 36,598 | 36,598 | -- |
| Fund Balance at End of Period | <u>\$ 36,598</u> | <u>\$ 36,598</u> | <u>\$ 42,941</u> | <u>\$ 6,343</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted MSU
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Taxes | \$ 204,235 | \$ 204,235 | \$ 203,854 | \$ (381) |
| Interest and rents | 200 | 200 | 354 | 154 |
| Total Revenues | <u>204,435</u> | <u>204,435</u> | <u>204,208</u> | <u>(227)</u> |
| Expenditures | | | | |
| Public safety | 181,017 | 184,090 | 157,487 | 26,603 |
| Total Expenditures | <u>181,017</u> | <u>184,090</u> | <u>157,487</u> | <u>26,603</u> |
| Other Financing Uses | | | | |
| Transfers out | 610 | 610 | 610 | -- |
| Total Expenditures and Other Financing Uses | <u>181,627</u> | <u>184,700</u> | <u>158,097</u> | <u>26,603</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>22,808</u> | <u>19,735</u> | <u>46,111</u> | <u>26,376</u> |
| Net Change in Fund Balance | <u>22,808</u> | <u>19,735</u> | <u>46,111</u> | <u>26,376</u> |
| <i>Fund Balance at Beginning of Period</i> | 42,983 | 42,983 | 42,983 | -- |
| Fund Balance at End of Period | <u>\$ 65,791</u> | <u>\$ 62,718</u> | <u>\$ 89,094</u> | <u>\$ 26,376</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Michigan Justice Training
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance Positive (Negative) |
|---|-------------------------|-----------------|-----------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 4,000 | \$ 2,600 | \$ 2,592 | \$ (8) |
| Total Revenues | <u>4,000</u> | <u>2,600</u> | <u>2,592</u> | <u>(8)</u> |
| Expenditures | | | | |
| Public safety | 4,000 | 4,000 | 3,674 | 326 |
| Total Expenditures | <u>4,000</u> | <u>4,000</u> | <u>3,674</u> | <u>326</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>(1,400)</u> | <u>(1,082)</u> | <u>318</u> |
| Net Change in Fund Balance | <u>--</u> | <u>(1,400)</u> | <u>(1,082)</u> | <u>318</u> |
| Fund Balance at Beginning of Period | 6,742 | 6,742 | 6,742 | -- |
| Fund Balance at End of Period | <u>\$ 6,742</u> | <u>\$ 5,342</u> | <u>\$ 5,660</u> | <u>\$ 318</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Child Care DHHS
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 33,950 | \$ 33,950 | \$ 11,804 | \$ (22,146) |
| Charges for services | 5,000 | 5,000 | 397 | (4,603) |
| Total Revenues | <u>38,950</u> | <u>38,950</u> | <u>12,201</u> | <u>(26,749)</u> |
| Other Financing Sources | | | | |
| Transfers in | 150,000 | 150,000 | 150,000 | -- |
| Total Revenues and Other Financing Sources | <u>188,950</u> | <u>188,950</u> | <u>162,201</u> | <u>(26,749)</u> |
| Expenditures | | | | |
| Health and welfare | 332,900 | 332,900 | 237,445 | 95,455 |
| Total Expenditures | <u>332,900</u> | <u>332,900</u> | <u>237,445</u> | <u>95,455</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(143,950)</u> | <u>(143,950)</u> | <u>(75,244)</u> | <u>68,706</u> |
| Net Change in Fund Balance | <u>(143,950)</u> | <u>(143,950)</u> | <u>(75,244)</u> | <u>68,706</u> |
| Fund Balance at Beginning of Period | 360,559 | 360,559 | 360,559 | -- |
| Fund Balance at End of Period | <u>\$ 216,609</u> | <u>\$ 216,609</u> | <u>\$ 285,315</u> | <u>\$ 68,706</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Probate Child Care
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 493,800 | \$ 493,800 | \$ 410,450 | \$ (83,350) |
| Other | 5,050 | 5,050 | 4,125 | (925) |
| Total Revenues | <u>498,850</u> | <u>498,850</u> | <u>414,575</u> | <u>(84,275)</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>--</u> |
| Total Revenues and Other Financing Sources | <u>798,850</u> | <u>798,850</u> | <u>714,575</u> | <u>(84,275)</u> |
| Expenditures | | | | |
| Health and welfare | <u>770,760</u> | <u>765,497</u> | <u>588,687</u> | <u>176,810</u> |
| Total Expenditures | <u>770,760</u> | <u>765,497</u> | <u>588,687</u> | <u>176,810</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>28,090</u> | <u>33,353</u> | <u>125,888</u> | <u>92,535</u> |
| Net Change in Fund Balance | 28,090 | 33,353 | 125,888 | 92,535 |
| <i>Fund Balance at Beginning of Period</i> | 187,011 | 187,011 | 187,011 | -- |
| Fund Balance at End of Period | \$ 215,101 | \$ 220,364 | \$ 312,899 | \$ 92,535 |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Soldiers Relief
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| <i>Total Revenues</i> | -- | -- | -- | -- |
| Other Financing Sources | | | | |
| Transfers in | \$ 5,000 | \$ -- | \$ -- | \$ -- |
| <i>Total Revenues and Other Financing Sources</i> | <u>5,000</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Expenditures | | | | |
| Health and welfare | 25,000 | 25,000 | 13,915 | 11,085 |
| <i>Total Expenditures</i> | <u>25,000</u> | <u>25,000</u> | <u>13,915</u> | <u>11,085</u> |
| <i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i> | <u>(20,000)</u> | <u>(25,000)</u> | <u>(13,915)</u> | <u>11,085</u> |
| <i>Net Change in Fund Balance</i> | <u>(20,000)</u> | <u>(25,000)</u> | <u>(13,915)</u> | <u>11,085</u> |
| <i>Fund Balance at Beginning of Period</i> | 56,727 | 56,727 | 56,727 | -- |
| <i>Fund Balance at End of Period</i> | <u>\$ 36,727</u> | <u>\$ 31,727</u> | <u>\$ 42,812</u> | <u>\$ 11,085</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Veterans
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 347,198 | \$ 347,198 | \$ 346,645 | \$ (553) |
| Interest and rents | 900 | 900 | 683 | (217) |
| Total Revenues | <u>348,098</u> | <u>348,098</u> | <u>347,328</u> | <u>(770)</u> |
| Expenditures | | | | |
| Health and welfare | 282,451 | 297,294 | 280,850 | 16,444 |
| Total Expenditures | <u>282,451</u> | <u>297,294</u> | <u>280,850</u> | <u>16,444</u> |
| Other Financing Uses | | | | |
| Transfers out | 62,857 | 66,620 | 76,596 | (9,976) |
| Total Expenditures and Other Financing Uses | <u>345,308</u> | <u>363,914</u> | <u>357,446</u> | <u>6,468</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>2,790</u> | <u>(15,816)</u> | <u>(10,118)</u> | <u>5,698</u> |
| Net Change in Fund Balance | <u>2,790</u> | <u>(15,816)</u> | <u>(10,118)</u> | <u>5,698</u> |
| <i>Fund Balance at Beginning of Period</i> | 85,619 | 85,619 | 85,619 | -- |
| Fund Balance at End of Period | <u>\$ 88,409</u> | <u>\$ 69,803</u> | <u>\$ 75,501</u> | <u>\$ 5,698</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Bridge
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Taxes | \$ 981,753 | \$ 981,753 | \$ 980,800 | \$ (953) |
| Interest and rents | 4,000 | 4,000 | (16,530) | (20,530) |
| Total Revenues | <u>985,753</u> | <u>985,753</u> | <u>964,270</u> | <u>(21,483)</u> |
| Expenditures | | | | |
| Public works | 872,528 | 978,628 | 933,609 | 45,019 |
| Total Expenditures | <u>872,528</u> | <u>978,628</u> | <u>933,609</u> | <u>45,019</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>113,225</u> | <u>7,125</u> | <u>30,661</u> | <u>23,536</u> |
| Net Change in Fund Balance | <u>113,225</u> | <u>7,125</u> | <u>30,661</u> | <u>23,536</u> |
| <i>Fund Balance at Beginning of Period</i> | 1,431,022 | 1,431,022 | 1,431,022 | -- |
| Fund Balance at End of Period | <u>\$ 1,544,247</u> | <u>\$ 1,438,147</u> | <u>\$ 1,461,683</u> | <u>\$ 23,536</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Senior Citizens
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 653,548 | \$ 653,548 | \$ 652,796 | \$ (752) |
| Interest and rents | 1,000 | 1,000 | 922 | (78) |
| Total Revenues | <u>654,548</u> | <u>654,548</u> | <u>653,718</u> | <u>(830)</u> |
| Expenditures | | | | |
| Human development commission | 595,935 | 613,530 | 609,292 | 4,238 |
| Health department | 33,875 | 33,875 | 14,898 | 18,977 |
| Senior citizens other | 34,723 | 34,723 | 12,577 | 22,146 |
| Total Expenditures | <u>664,533</u> | <u>682,128</u> | <u>636,767</u> | <u>45,361</u> |
| Other Financing Uses | | | | |
| Transfers out | 4,707 | 4,707 | 4,707 | -- |
| Total Expenditures and Other Financing Uses | <u>669,240</u> | <u>686,835</u> | <u>641,474</u> | <u>45,361</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(14,692)</u> | <u>(32,287)</u> | <u>12,244</u> | <u>44,531</u> |
| Net Change in Fund Balance | <u>(14,692)</u> | <u>(32,287)</u> | <u>12,244</u> | <u>44,531</u> |
| <i>Fund Balance at Beginning of Period</i> | 154,283 | 154,283 | 154,283 | -- |
| Fund Balance at End of Period | <u>\$ 139,591</u> | <u>\$ 121,996</u> | <u>\$ 166,527</u> | <u>\$ 44,531</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Medical Care Facility
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 510,585 | \$ 510,585 | \$ 509,956 | \$ (629) |
| Interest and rents | 8,000 | 8,000 | 3,149 | (4,851) |
| Total Revenues | <u>518,585</u> | <u>518,585</u> | <u>513,105</u> | <u>(5,480)</u> |
| Expenditures | | | | |
| Health and welfare | 977,312 | 977,312 | 955,267 | 22,045 |
| Total Expenditures | <u>977,312</u> | <u>977,312</u> | <u>955,267</u> | <u>22,045</u> |
| Other Financing Uses | | | | |
| Transfers out | 1,463 | 1,463 | 1,463 | -- |
| Total Expenditures and Other Financing Uses | <u>978,775</u> | <u>978,775</u> | <u>956,730</u> | <u>22,045</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(460,190)</u> | <u>(460,190)</u> | <u>(443,625)</u> | <u>16,565</u> |
| Net Change in Fund Balance | <u>(460,190)</u> | <u>(460,190)</u> | <u>(443,625)</u> | <u>16,565</u> |
| <i>Fund Balance at Beginning of Period</i> | 1,304,502 | 1,304,502 | 1,304,502 | -- |
| Fund Balance at End of Period | <u>\$ 844,312</u> | <u>\$ 844,312</u> | <u>\$ 860,877</u> | <u>\$ 16,565</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
County Parks and Recreation
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Charges for services | \$ 27,600 | \$ 27,600 | \$ 27,292 | \$ (308) |
| <i>Total Revenues</i> | <u>27,600</u> | <u>27,600</u> | <u>27,292</u> | <u>(308)</u> |
| Other Financing Sources | | | | |
| Transfers in | -- | 25,500 | 25,500 | -- |
| <i>Total Revenues and Other Financing Sources</i> | <u>27,600</u> | <u>53,100</u> | <u>52,792</u> | <u>(308)</u> |
| Expenditures | | | | |
| Culture and recreation | 26,100 | 51,600 | 48,316 | 3,284 |
| <i>Total Expenditures</i> | <u>26,100</u> | <u>51,600</u> | <u>48,316</u> | <u>3,284</u> |
| <i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i> | <u>1,500</u> | <u>1,500</u> | <u>4,476</u> | <u>2,976</u> |
| <i>Net Change in Fund Balance</i> | 1,500 | 1,500 | 4,476 | 2,976 |
| <i>Fund Balance at Beginning of Period</i> | 14,154 | 14,154 | 14,154 | -- |
| <i>Fund Balance at End of Period</i> | <u>\$ 15,654</u> | <u>\$ 15,654</u> | <u>\$ 18,630</u> | <u>\$ 2,976</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Arbela Twp Police Svc
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance Positive (Negative) |
|---|-------------------------|---------------|---------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| Revenues | | | | |
| Charges for services | \$ 97,780 | \$ 95,237 | \$ 86,113 | \$ (9,124) |
| Total Revenues | <u>97,780</u> | <u>95,237</u> | <u>86,113</u> | <u>(9,124)</u> |
| Expenditures | | | | |
| Public safety | 97,780 | 95,237 | 86,113 | 9,124 |
| Total Expenditures | <u>97,780</u> | <u>95,237</u> | <u>86,113</u> | <u>9,124</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at Beginning of Period | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Primary Road
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 1,972,287 | \$ 1,972,287 | \$ 1,970,765 | \$ (1,522) |
| Interest and rents | 6,000 | 6,000 | 6,501 | 501 |
| Total Revenues | <u>1,978,287</u> | <u>1,978,287</u> | <u>1,977,266</u> | <u>(1,021)</u> |
| Expenditures | | | | |
| Public works | 294,000 | 2,109,730 | 2,071,946 | 37,784 |
| Total Expenditures | <u>294,000</u> | <u>2,109,730</u> | <u>2,071,946</u> | <u>37,784</u> |
| <i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i> | <u>1,684,287</u> | <u>(131,443)</u> | <u>(94,680)</u> | <u>36,763</u> |
| Net Change in Fund Balance | 1,684,287 | (131,443) | (94,680) | 36,763 |
| <i>Fund Balance at Beginning of Period</i> | 430,254 | 430,254 | 430,254 | -- |
| Fund Balance at End of Period | \$ 2,114,541 | \$ 298,811 | \$ 335,574 | \$ 36,763 |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Friend of the Court
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|-----------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 704,500 | \$ 727,430 | \$ 650,886 | \$ (76,544) |
| Charges for services | 61,000 | 61,000 | 48,153 | (12,847) |
| Interest and rents | 50 | 50 | 3 | (47) |
| Other | -- | -- | 18 | 18 |
| Total Revenues | <u>765,550</u> | <u>788,480</u> | <u>699,060</u> | <u>(89,420)</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>239,857</u> | <u>269,711</u> | <u>269,711</u> | <u>--</u> |
| Total Revenues and Other Financing Sources | <u>1,005,407</u> | <u>1,058,191</u> | <u>968,771</u> | <u>(89,420)</u> |
| Expenditures | | | | |
| Judicial | <u>899,166</u> | <u>898,851</u> | <u>837,472</u> | <u>61,379</u> |
| Total Expenditures | <u>899,166</u> | <u>898,851</u> | <u>837,472</u> | <u>61,379</u> |
| Other Financing Uses | | | | |
| Transfers out | <u>155,750</u> | <u>155,750</u> | <u>155,750</u> | <u>--</u> |
| Total Expenditures and Other Financing Uses | <u>1,054,916</u> | <u>1,054,601</u> | <u>993,222</u> | <u>61,379</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(49,509)</u> | <u>3,590</u> | <u>(24,451)</u> | <u>(28,041)</u> |
| Net Change in Fund Balance | <u>(49,509)</u> | <u>3,590</u> | <u>(24,451)</u> | <u>(28,041)</u> |
| <i>Fund Balance at Beginning of Period</i> | 26,565 | 26,565 | 26,565 | -- |
| Fund Balance at End of Period | <u>\$ (22,944)</u> | <u>\$ 30,155</u> | <u>\$ 2,114</u> | <u>\$ (28,041)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Family Counseling
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Licenses and permits | \$ 5,000 | \$ 5,000 | \$ 4,965 | \$ (35) |
| Other | 4,000 | 4,000 | 514 | (3,486) |
| Total Revenues | <u>9,000</u> | <u>9,000</u> | <u>5,479</u> | <u>(3,521)</u> |
| Expenditures | | | | |
| Judicial | 2,000 | 7,000 | 5,484 | 1,516 |
| Total Expenditures | <u>2,000</u> | <u>7,000</u> | <u>5,484</u> | <u>1,516</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>7,000</u> | <u>2,000</u> | <u>(5)</u> | <u>(2,005)</u> |
| Net Change in Fund Balance | 7,000 | 2,000 | (5) | (2,005) |
| <i>Fund Balance at Beginning of Period</i> | 70,672 | 70,672 | 70,672 | -- |
| Fund Balance at End of Period | <u>\$ 77,672</u> | <u>\$ 72,672</u> | <u>\$ 70,667</u> | <u>\$ (2,005)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Dispatch/911
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 208,250 | \$ 208,250 | \$ 214,848 | \$ 6,598 |
| Charges for services | 1,040,000 | 1,040,000 | 1,079,183 | 39,183 |
| Interest and rents | 9,100 | 9,100 | 10,250 | 1,150 |
| Other | 2,500 | 2,500 | 1,600 | (900) |
| Total Revenues | <u>1,259,850</u> | <u>1,259,850</u> | <u>1,305,881</u> | <u>46,031</u> |
| Other Financing Sources | | | | |
| Transfers in | -- | 266,669 | 266,669 | -- |
| Total Revenues and Other Financing Sources | <u>1,259,850</u> | <u>1,526,519</u> | <u>1,572,550</u> | <u>46,031</u> |
| Expenditures | | | | |
| Public safety | 1,341,794 | 1,610,405 | 1,386,067 | 224,338 |
| Total Expenditures | <u>1,341,794</u> | <u>1,610,405</u> | <u>1,386,067</u> | <u>224,338</u> |
| Other Financing Uses | | | | |
| Transfers out | 31,497 | 31,497 | 31,497 | -- |
| Total Expenditures and Other Financing Uses | <u>1,373,291</u> | <u>1,641,902</u> | <u>1,417,564</u> | <u>224,338</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(113,441)</u> | <u>(115,383)</u> | <u>154,986</u> | <u>270,369</u> |
| Net Change in Fund Balance | <u>(113,441)</u> | <u>(115,383)</u> | <u>154,986</u> | <u>270,369</u> |
| <i>Fund Balance at Beginning of Period</i> | 976,206 | 976,206 | 976,206 | -- |
| Fund Balance at End of Period | <u>\$ 862,765</u> | <u>\$ 860,823</u> | <u>\$ 1,131,192</u> | <u>\$ 270,369</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Vassar Twp Police Svc
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------|---------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Charges for services | \$ 97,376 | \$ 94,667 | \$ 85,177 | \$ (9,490) |
| Total Revenues | <u>97,376</u> | <u>94,667</u> | <u>85,177</u> | <u>(9,490)</u> |
| Expenditures | | | | |
| Public safety | 97,376 | 94,667 | 85,176 | 9,491 |
| Total Expenditures | <u>97,376</u> | <u>94,667</u> | <u>85,176</u> | <u>9,491</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>1</u> | <u>1</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>1</u> | <u>1</u> |
| Fund Balance at Beginning of Period | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 1</u> | <u>\$ 1</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Recycling
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|--------------------------|--------------------------|--------------------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 305,362 | \$ 305,784 | \$ 305,922 | \$ 138 |
| Intergovernmental | -- | 20,051 | 7,050 | (13,001) |
| Charges for services | 52,000 | 97,721 | 109,378 | 11,657 |
| Interest and rents | 2,300 | 2,042 | 2,753 | 711 |
| Other | 110 | 939 | 959 | 20 |
| Total Revenues | <u>359,772</u> | <u>426,537</u> | <u>426,062</u> | <u>(475)</u> |
| Other Financing Sources | | | | |
| Transfers in | -- | 32,000 | -- | (32,000) |
| Total Revenues and Other Financing Sources | <u>359,772</u> | <u>458,537</u> | <u>426,062</u> | <u>(32,475)</u> |
| Expenditures | | | | |
| Public works | 304,755 | 365,903 | 365,713 | 190 |
| Total Expenditures | <u>304,755</u> | <u>365,903</u> | <u>365,713</u> | <u>190</u> |
| Other Financing Uses | | | | |
| Transfers out | 15,268 | 15,268 | 15,268 | -- |
| Total Expenditures and Other Financing Uses | <u>320,023</u> | <u>381,171</u> | <u>380,981</u> | <u>190</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>39,749</u> | <u>77,366</u> | <u>45,081</u> | <u>(32,285)</u> |
| Net Change in Fund Balance | <u>39,749</u> | <u>77,366</u> | <u>45,081</u> | <u>(32,285)</u> |
| <i>Fund Balance at Beginning of Period</i> | 141,789 | 141,789 | 141,789 | -- |
| Fund Balance at End of Period | <u>\$ 181,538</u> | <u>\$ 219,155</u> | <u>\$ 186,870</u> | <u>\$ (32,285)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Millington Twp Police
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|----------------|----------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Charges for services | \$ 195,451 | \$ 189,610 | \$ 187,947 | \$ (1,663) |
| Total Revenues | <u>195,451</u> | <u>189,610</u> | <u>187,947</u> | <u>(1,663)</u> |
| Expenditures | | | | |
| Public safety | 195,451 | 189,610 | 187,947 | 1,663 |
| Total Expenditures | <u>195,451</u> | <u>189,610</u> | <u>187,947</u> | <u>1,663</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at Beginning of Period | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Mental Health Court
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------|---------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 56,180 | \$ 53,806 | \$ 45,920 | \$ (7,886) |
| Total Revenues | <u>56,180</u> | <u>53,806</u> | <u>45,920</u> | <u>(7,886)</u> |
| Expenditures | | | | |
| Judicial | 53,433 | 53,807 | 45,201 | 8,606 |
| Total Expenditures | <u>53,433</u> | <u>53,807</u> | <u>45,201</u> | <u>8,606</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>2,747</u> | <u>(1)</u> | <u>719</u> | <u>720</u> |
| Net Change in Fund Balance | <u>2,747</u> | <u>(1)</u> | <u>719</u> | <u>720</u> |
| Fund Balance at Beginning of Period | 13 | 13 | 13 | -- |
| Fund Balance at End of Period | <u>\$ 2,760</u> | <u>\$ 12</u> | <u>\$ 732</u> | <u>\$ 720</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Victim Services
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------|-----------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 94,426 | \$ 94,426 | \$ 94,413 | \$ (13) |
| Total Revenues | <u>94,426</u> | <u>94,426</u> | <u>94,413</u> | <u>(13)</u> |
| Expenditures | | | | |
| Public safety | 93,266 | 94,426 | 91,698 | 2,728 |
| Total Expenditures | <u>93,266</u> | <u>94,426</u> | <u>91,698</u> | <u>2,728</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>1,160</u> | <u>--</u> | <u>2,715</u> | <u>2,715</u> |
| Net Change in Fund Balance | 1,160 | -- | 2,715 | 2,715 |
| <i>Fund Balance at Beginning of Period</i> | 214 | 214 | 214 | -- |
| Fund Balance at End of Period | \$ 1,374 | \$ 214 | \$ 2,929 | \$ 2,715 |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Animal Shelter
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|----------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Licenses and permits | \$ 155,000 | \$ 155,000 | \$ 133,860 | \$ (21,140) |
| Charges for services | 17,150 | 17,150 | 12,505 | (4,645) |
| Other | 14,200 | 29,210 | 28,633 | (577) |
| Total Revenues | <u>186,350</u> | <u>201,360</u> | <u>174,998</u> | <u>(26,362)</u> |
| Other Financing Sources | | | | |
| Transfers in | 140,000 | 145,400 | 145,400 | -- |
| Total Revenues and Other Financing Sources | <u>326,350</u> | <u>346,760</u> | <u>320,398</u> | <u>(26,362)</u> |
| Expenditures | | | | |
| Public safety | 326,618 | 321,355 | 320,446 | 909 |
| Total Expenditures | <u>326,618</u> | <u>321,355</u> | <u>320,446</u> | <u>909</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(268)</u> | <u>25,405</u> | <u>(48)</u> | <u>(25,453)</u> |
| Net Change in Fund Balance | <u>(268)</u> | <u>25,405</u> | <u>(48)</u> | <u>(25,453)</u> |
| <i>Fund Balance at Beginning of Period</i> | 67 | 67 | 67 | -- |
| Fund Balance at End of Period | <u>\$ (201)</u> | <u>\$ 25,472</u> | <u>\$ 19</u> | <u>\$ (25,453)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Mosquito Control
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------------|---------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Taxes | \$ 1,289,942 | \$ 1,289,942 | \$ 1,288,774 | \$ (1,168) |
| Interest and rents | 3,000 | 3,000 | 4,005 | 1,005 |
| Total Revenues | <u>1,292,942</u> | <u>1,292,942</u> | <u>1,292,779</u> | <u>(163)</u> |
| Expenditures | | | | |
| Health and welfare | 955,676 | 948,659 | 931,446 | 17,213 |
| Total Expenditures | <u>955,676</u> | <u>948,659</u> | <u>931,446</u> | <u>17,213</u> |
| Other Financing Uses | | | | |
| Transfers out | 25,262 | 25,262 | 25,262 | -- |
| Total Expenditures and Other Financing Uses | <u>980,938</u> | <u>973,921</u> | <u>956,708</u> | <u>17,213</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>312,004</u> | <u>319,021</u> | <u>336,071</u> | <u>17,050</u> |
| Net Change in Fund Balance | 312,004 | 319,021 | 336,071 | 17,050 |
| <i>Fund Balance at Beginning of Period</i> | 756,698 | 756,698 | 756,698 | -- |
| Fund Balance at End of Period | \$ 1,068,702 | \$ 1,075,719 | \$ 1,092,769 | \$ 17,050 |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Regional DWI Court Grant
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 231,700 | \$ 231,700 | \$ 158,378 | \$ (73,322) |
| Charges for services | 20,000 | 25,000 | 22,914 | (2,086) |
| Total Revenues | <u>251,700</u> | <u>256,700</u> | <u>181,292</u> | <u>(75,408)</u> |
| Expenditures | | | | |
| DWI court grant | 250,629 | 248,875 | 158,379 | 90,496 |
| Non grant division | 12,000 | 12,000 | 8,261 | 3,739 |
| Total Expenditures | <u>262,629</u> | <u>260,875</u> | <u>166,640</u> | <u>94,235</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>(10,929)</u> | <u>(4,175)</u> | <u>14,652</u> | <u>18,827</u> |
| Net Change in Fund Balance | <u>(10,929)</u> | <u>(4,175)</u> | <u>14,652</u> | <u>18,827</u> |
| Fund Balance at Beginning of Period | 88,135 | 88,135 | 88,135 | -- |
| Fund Balance at End of Period | <u>\$ 77,206</u> | <u>\$ 83,960</u> | <u>\$ 102,787</u> | <u>\$ 18,827</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
County Veteran Service Grant
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | | Variance |
|---|-------------------------|------------------|------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Positive (Negative) |
| | | | | <u>Final to Actual</u> |
| Revenues | | | | |
| Intergovernmental | \$ 80,610 | \$ 90,835 | \$ 90,834 | \$ (1) |
| Total Revenues | <u>80,610</u> | <u>90,835</u> | <u>90,834</u> | <u>(1)</u> |
| Expenditures | | | | |
| Health and welfare | 80,610 | 126,043 | 93,458 | 32,585 |
| Total Expenditures | <u>80,610</u> | <u>126,043</u> | <u>93,458</u> | <u>32,585</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>(35,208)</u> | <u>(2,624)</u> | <u>32,584</u> |
| Net Change in Fund Balance | <u>--</u> | <u>(35,208)</u> | <u>(2,624)</u> | <u>32,584</u> |
| Fund Balance at Beginning of Period | 45,433 | 45,433 | 45,433 | -- |
| Fund Balance at End of Period | <u>\$ 45,433</u> | <u>\$ 10,225</u> | <u>\$ 42,809</u> | <u>\$ 32,584</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Coronavirus Emergency Supplemental Funding
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|-----------------|-----------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ -- | \$ 79,654 | \$ 79,653 | \$ (1) |
| Total Revenues | <u>--</u> | <u>79,654</u> | <u>79,653</u> | <u>(1)</u> |
| Expenditures | | | | |
| Public safety | -- | -- | 1 | (1) |
| Unified court | -- | 79,654 | 79,653 | 1 |
| Total Expenditures | <u>--</u> | <u>79,654</u> | <u>79,654</u> | <u>--</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>(1)</u> | <u>(1)</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>(1)</u> | <u>(1)</u> |
| Fund Balance at Beginning of Period | 4,069 | 4,069 | 4,069 | -- |
| Fund Balance at End of Period | <u>\$ 4,069</u> | <u>\$ 4,069</u> | <u>\$ 4,068</u> | <u>\$ (1)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Building Inspection
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|--------------------------|-------------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | Final to Actual |
| Revenues | | | | |
| Charges for services | \$ 350,000 | \$ 699,600 | \$ 583,970 | \$ (115,630) |
| Interest and rents | -- | 400 | 356 | (44) |
| Total Revenues | <u>350,000</u> | <u>700,000</u> | <u>584,326</u> | <u>(115,674)</u> |
| Expenditures | | | | |
| Public safety | 350,000 | 580,000 | 553,497 | 26,503 |
| Total Expenditures | <u>350,000</u> | <u>580,000</u> | <u>553,497</u> | <u>26,503</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | -- | 120,000 | 30,829 | (89,171) |
| Net Change in Fund Balance | -- | 120,000 | 30,829 | (89,171) |
| Fund Balance at Beginning of Period | 8,988 | 8,988 | 8,988 | -- |
| Fund Balance at End of Period | <u>\$ 8,988</u> | <u>\$ 128,988</u> | <u>\$ 39,817</u> | <u>\$ (89,171)</u> |

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Juvenile Mental Health Court Program
For the Year Ended December 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance |
|---|-------------------------|---------------|---------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive |
| | | | | (Negative) |
| | | | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ -- | \$ 30,000 | \$ 3,017 | \$ (26,983) |
| Total Revenues | <u>--</u> | <u>30,000</u> | <u>3,017</u> | <u>(26,983)</u> |
| Expenditures | | | | |
| Judicial | -- | 30,000 | 2,730 | 27,270 |
| Total Expenditures | <u>--</u> | <u>30,000</u> | <u>2,730</u> | <u>27,270</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | <u>--</u> | <u>--</u> | <u>287</u> | <u>287</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>287</u> | <u>287</u> |
| Fund Balance at Beginning of Period | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 287</u> | <u>\$ 287</u> |

INTERNAL SERVICE FUNDS

Motor Pool Fund (676) This fund was established to set aside funds to purchase a vehicle in the future for Juvenile transport.

Workers' Compensation Insurance (677) The various funds of the County make a transfer to this fund that sets aside monies to apply against premiums and claims for employees who qualify for this benefit. The County General Fund also makes an appropriation to this fund.

Health Insurance (678) This fund sets aside monies to pay the insurance premiums. Various funds transfer the appropriate level of obligation to this fund when payments are made.

Tuscola County
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

| | Internal Service Workers' | | | Total Internal Service Funds |
|----------------------------|--------------------------------------|-----------------------------------|-------------------------|---|
| | Motor Pool | Compensation Insurance | Health Insurance | |
| ASSETS | | | | |
| <i>Current Assets</i> | | | | |
| Cash and investments | \$ 28,002 | \$ -- | \$ 747,590 | \$ 775,592 |
| Prepays | -- | 43,701 | -- | 43,701 |
| Total Assets | 28,002 | 43,701 | 747,590 | 819,293 |
| LIABILITIES | | | | |
| <i>Current Liabilities</i> | | | | |
| Accounts payable | 49 | 16,527 | -- | 16,576 |
| Accrued liabilities | -- | -- | 219,704 | 219,704 |
| Total Liabilities | 49 | 16,527 | 219,704 | 236,280 |
| NET POSITION | | | | |
| <i>Unrestricted</i> | 27,953 | 27,174 | 527,886 | 583,013 |
| Total Net Position | \$ 27,953 | \$ 27,174 | \$ 527,886 | \$ 583,013 |

Tuscola County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2022

| | Internal Service Workers' | | | Total Internal Service Funds |
|---|--------------------------------------|-----------------------------------|-------------------------|---|
| | Motor Pool | Compensation Insurance | Health Insurance | |
| Operating Revenues | | | | |
| Charges for services | \$ 7,032 | \$ 143,796 | \$ 3,327,228 | \$ 3,478,056 |
| <i>Total Operating Revenues</i> | 7,032 | 143,796 | 3,327,228 | 3,478,056 |
| Operating Expenses | | | | |
| Operation and maintenance | 1,707 | 64 | 3,641,507 | 3,643,278 |
| Administration | -- | 137,717 | -- | 137,717 |
| <i>Total Operating Expenses</i> | 1,707 | 137,781 | 3,641,507 | 3,780,995 |
| <i>Operating Income (Loss)</i> | 5,325 | 6,015 | (314,279) | (302,939) |
| <i>Change In Net Position</i> | 5,325 | 6,015 | (314,279) | (302,939) |
| <i>Net Position at Beginning of Period</i> | 22,628 | 21,159 | 842,165 | 885,952 |
| <i>Net Position at End of Period</i> | \$ 27,953 | \$ 27,174 | \$ 527,886 | \$ 583,013 |

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

| | Internal Service | | | Total Internal Service Funds |
|--|----------------------------|--|-----------------------------|---|
| | Motor Pool Fund | Workers' Compensation Insurance | Health Insurance | |
| Cash Flows from Operating Activities | | | | |
| Cash received from interfund services provided | \$ 7,032 | \$ 143,796 | \$ 3,327,228 | \$ 3,478,056 |
| Cash payments to suppliers for goods and services | (1,766) | (130,714) | (3,641,507) | (3,773,987) |
| Net Cash Provided (Used) by Operating Activities | <u>5,266</u> | <u>13,082</u> | <u>(314,279)</u> | <u>(295,931)</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Decrease in interfund balances | - | (13,082) | - | (13,082) |
| Net Cash Provided by Noncapital Financing Activities | <u>-</u> | <u>(13,082)</u> | <u>-</u> | <u>(13,082)</u> |
| Net Increase (Decrease) in Cash and Investments | 5,266 | - | (314,279) | (309,013) |
| <i>Cash and Investments - Beginning of the Year</i> | 22,736 | - | 1,061,869 | 1,084,605 |
| Cash and Investments - End of the Year | <u>\$ 28,002</u> | <u>\$ -</u> | <u>\$ 747,590</u> | <u>\$ 775,592</u> |
| Cash Flows from Operating Activities | | | | |
| Operating income | \$ 5,325 | \$ 6,015 | \$ (314,279) | \$ (302,939) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Changes in Assets and Liabilities: | | | | |
| Prepays | - | (9,397) | - | (9,397) |
| Accounts payable | (59) | 16,464 | - | 16,405 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 5,266</u> | <u>\$ 13,082</u> | <u>\$ (314,279)</u> | <u>\$ (295,931)</u> |

CUSTODIAL FUNDS

General Custodial (701) This fund sets aside monies to be distributed to other units of government. State monies collected are deposited and withdrawn from this fund.

Library Penal Fines (721) The deposit of penal fines collected by the courts are held in this fund and disbursed on a quarterly basis to Libraries in the County. The Law Library of the County also received an annual amount from these collections.

Inmates' Trust (714) This fund tracks deposits provided for the benefit and use of the County's inmates.

Tuscola County
Combining Statement of Fiduciary Net Position
Fiduciary Funds
12/31/2022

| | <u>General Custodial</u> | <u>Library Penal Fines</u> | <u>Inmates' Trust</u> | <u>Total Custodial Funds</u> |
|---------------------------------|------------------------------|--------------------------------|-----------------------|----------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,490,181 | \$ 21,072 | \$ 10,298 | \$ 1,521,551 |
| <i>Total Assets</i> | <u>1,490,181</u> | <u>21,072</u> | <u>10,298</u> | <u>1,521,551</u> |
| LIABILITIES | | | | |
| Due to other governmental units | 92,079 | -- | -- | 92,079 |
| Undistributed collections | 1,398,102 | 21,072 | 10,298 | 1,429,472 |
| <i>Total Liabilities</i> | <u>1,490,181</u> | <u>21,072</u> | <u>10,298</u> | <u>1,521,551</u> |
| NET POSITION | | | | |
| Held in Trust | \$ -- | \$ -- | \$ -- | \$ -- |

Tuscola County
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

| | <u>General Custodial</u> | <u>Library Penal Fines</u> | <u>Inmates' Trust</u> | <u>Total Custodial Funds</u> |
|---|------------------------------|--------------------------------|-----------------------|----------------------------------|
| Additions | | | | |
| Taxes collected for other governments | \$ 23,502,006 | \$ -- | \$ -- | \$ 23,502,006 |
| Library penal fine collections | -- | 255,593 | -- | 255,593 |
| Court collections | 572,265 | -- | -- | 572,265 |
| County clerk/register of deeds collections | 2,457,399 | -- | -- | 2,457,399 |
| Inmate trust collections | -- | -- | 9,257 | 9,257 |
| Total Additions | <u>26,531,670</u> | <u>255,593</u> | <u>9,257</u> | <u>26,796,520</u> |
| Deductions | | | | |
| Payments of property taxes to other governments | 23,502,006 | -- | -- | 23,502,006 |
| Library penal fine distributions | -- | 255,593 | -- | 255,593 |
| Court distributions | 572,265 | -- | -- | 572,265 |
| County clerk/register of deeds distributions | 2,457,399 | -- | -- | 2,457,399 |
| Inmate trust distributions | -- | -- | 9,257 | 9,257 |
| Total Deductions | <u>26,531,670</u> | <u>255,593</u> | <u>9,257</u> | <u>26,796,520</u> |
| Change in Net Position | -- | -- | -- | -- |
| <i>Net Position at Beginning of Period</i> | -- | -- | -- | -- |
| Net Position at End of Period | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Tuscola County Drain Commission
Statement of Net Position
December 31, 2022

| | Governmental Activities |
|---------------------------------------|------------------------------------|
| ASSETS | |
| <i>Current Assets</i> | |
| Cash and investments | \$ 5,900,587 |
| Special assessments receivable | 415,027 |
| Total Current Assets | 6,315,614 |
| <i>Noncurrent Assets</i> | |
| Capital assets being depreciated, net | 14,950,049 |
| Special assessments receivable | 2,463,964 |
| Total Assets | 23,729,627 |
| LIABILITIES | |
| <i>Current Liabilities</i> | |
| Accounts payable | 187,659 |
| Accrued interest payable | 5,279 |
| Current portion of long-term debt | 360,984 |
| Total Current Liabilities | 553,922 |
| <i>Noncurrent Liabilities</i> | |
| Long-term debt | 1,968,921 |
| Advance from primary government | 510,000 |
| Total Liabilities | 3,032,843 |
| NET POSITION | |
| Net investment in capital assets | 12,620,144 |
| <i>Restricted for:</i> | |
| Restricted - debt service | 2,959,492 |
| Restricted - drain projects | 5,117,148 |
| <i>Unrestricted</i> | -- |
| Total Net Position | \$ 20,696,784 |

**Tuscola County Drain Commission
Statement of Activities
For the Year Ended December 31, 2022**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|----------------------------------|---------------------|---------------------------------|---|---|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Drain maintenance | \$ 1,832,908 | \$ 1,874,636 | \$ -- | \$ -- | \$ 41,728 |
| Interest on long-term debt | 71,348 | -- | -- | -- | (71,348) |
| Total | \$ 1,904,256 | \$ 1,874,636 | \$ -- | \$ -- | (29,620) |
| | | | | | |
| General Purpose Revenues: | | | | | |
| | | | | | 48,174 |
| | | | | | <u>48,174</u> |
| | | | | | 18,554 |
| | | | | | 20,678,230 |
| | | | | | <u>\$ 20,696,784</u> |

Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2022

| | <u>Special Revenue</u> | <u>Debt Service</u> | | | |
|--|------------------------|-------------------------------------|----------------------------------|--------------------------------|-----------------------------------|
| | <u>Revolving Drain</u> | <u>Bach & Branches Debt</u> | <u>Moore Debt Retirement</u> | <u>Armbruster I/C Debt</u> | <u>Akron Main Street Debt</u> |
| ASSETS | | | | | |
| Cash and investments | \$ 159,819 | \$ 197,334 | \$ 189,654 | \$ 18,211 | \$ 24,493 |
| Due from other funds | 697,977 | -- | -- | -- | -- |
| Special assessments receivable | -- | -- | 602,163 | 27,328 | 173,372 |
| Total Assets | \$ 857,796 | \$ 197,334 | \$ 791,817 | \$ 45,539 | \$ 197,865 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 147,796 | \$ -- | \$ -- | \$ -- | \$ -- |
| Advance from primary government | 510,000 | -- | -- | -- | -- |
| Due to other funds | 200,000 | -- | -- | -- | -- |
| Total Liabilities | 857,796 | -- | -- | -- | -- |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - special assessments | -- | -- | 602,163 | 27,328 | 173,372 |
| Total Liabilities and Deferred Inflows of Resources | 857,796 | -- | 602,163 | 27,328 | 173,372 |
| FUND BALANCE | | | | | |
| Restricted | -- | 197,334 | 189,654 | 18,211 | 24,493 |
| Unassigned | -- | -- | -- | -- | -- |
| Total Fund Balance | -- | 197,334 | 189,654 | 18,211 | 24,493 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 857,796 | \$ 197,334 | \$ 791,817 | \$ 45,539 | \$ 197,865 |

Continued...

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2022**

| | Debt Service | | | | |
|--|----------------------------------|-------------------------------------|-------------------------|--------------------------------------|--|
| | Pigeon River I/C Debt | Fulton Street Drain Debt | Indian Creek I/C | Yax North Debt Retirement | Murphy Lake Debt Retirement |
| ASSETS | | | | | |
| Cash and investments | \$ 9,787 | \$ 75,878 | \$ 36,883 | \$ 57,902 | \$ 13,963 |
| Due from other funds | -- | -- | -- | -- | -- |
| Special assessments receivable | 71,106 | 417,193 | 237,281 | 323,195 | 489,028 |
| Total Assets | \$ 80,893 | \$ 493,071 | \$ 274,164 | \$ 381,097 | \$ 502,991 |
| LIABILITIES | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Advance from primary government | -- | -- | -- | -- | -- |
| Due to other funds | -- | -- | -- | -- | -- |
| Total Liabilities | -- | -- | -- | -- | -- |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - special assessments | 71,106 | 417,193 | 237,281 | 323,195 | 489,028 |
| Total Liabilities and Deferred Inflows of Resources | 71,106 | 417,193 | 237,281 | 323,195 | 489,028 |
| FUND BALANCE | | | | | |
| Restricted | 9,787 | 75,878 | 36,883 | 57,902 | 13,963 |
| Unassigned | -- | -- | -- | -- | -- |
| Total Fund Balance | 9,787 | 75,878 | 36,883 | 57,902 | 13,963 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 80,893 | \$ 493,071 | \$ 274,164 | \$ 381,097 | \$ 502,991 |

Continued...

Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2022

| | Capital Projects | | | | |
|--|-------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--------------------------------------|
| | Special Drain | Murphy Lake Construction | Northwest Construction | Alder Creek Construction | Bach & Branches Const |
| ASSETS | | | | | |
| Cash and investments | \$ 4,274,517 | \$ 82,394 | \$ -- | \$ -- | \$ 261,664 |
| Due from other funds | -- | -- | 450,540 | 150,000 | -- |
| Special assessments receivable | 538,325 | -- | -- | -- | -- |
| Total Assets | \$ 4,812,842 | \$ 82,394 | \$ 450,540 | \$ 150,000 | \$ 261,664 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 39,863 | \$ -- | \$ -- | \$ -- | \$ -- |
| Advance from primary government | -- | -- | -- | -- | -- |
| Due to other funds | 1,098,517 | -- | -- | -- | -- |
| Total Liabilities | 1,138,380 | -- | -- | -- | -- |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - special assessments | 538,325 | -- | -- | -- | -- |
| Total Liabilities and Deferred Inflows of Resources | 1,676,705 | -- | -- | -- | -- |
| FUND BALANCE | | | | | |
| Restricted | 3,136,137 | 82,394 | 450,540 | 150,000 | 261,664 |
| Unassigned | -- | -- | -- | -- | -- |
| Total Fund Balance | 3,136,137 | 82,394 | 450,540 | 150,000 | 261,664 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 4,812,842 | \$ 82,394 | \$ 450,540 | \$ 150,000 | \$ 261,664 |

Continued...

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2022**

| | Capital Projects | | | | Total Governmental Funds |
|--|-------------------------------|------------------------------|--------------------------------------|-----------------------------------|---|
| | Moore Construction | Akron Main Street | Fulton Street Drain Const | Yax North Construction | |
| ASSETS | | | | | |
| Cash and investments | \$ 271,650 | \$ 1 | \$ 118,997 | \$ 107,440 | \$ 5,900,587 |
| Due from other funds | -- | -- | -- | -- | 1,298,517 |
| Special assessments receivable | -- | -- | -- | -- | 2,878,991 |
| Total Assets | \$ 271,650 | \$ 1 | \$ 118,997 | \$ 107,440 | \$ 10,078,095 |
| LIABILITIES | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ 187,659 |
| Advance from primary government | -- | -- | -- | -- | 510,000 |
| Due to other funds | -- | -- | -- | -- | 1,298,517 |
| Total Liabilities | -- | -- | -- | -- | 1,996,176 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - special assessments | -- | -- | -- | -- | 2,878,991 |
| Total Liabilities and Deferred Inflows of Resources | -- | -- | -- | -- | 4,875,167 |
| FUND BALANCE | | | | | |
| Restricted | 271,650 | 1 | 118,997 | 107,440 | 5,202,928 |
| Unassigned | -- | -- | -- | -- | -- |
| Total Fund Balance | 271,650 | 1 | 118,997 | 107,440 | 5,202,928 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 271,650 | \$ 1 | \$ 118,997 | \$ 107,440 | \$ 10,078,095 |

Tuscola County Drain Commission
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

| | | |
|---|-----------|--------------------------|
| Total Fund Balance - Governmental Funds | \$ | 5,202,928 |
| In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due. | | (5,279) |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 14,950,049 |
| Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds. | | 2,878,991 |
| Certain liabilities are not due and payable in the current period and are not reported in the funds. | | (2,329,905) |
| Total Net Position - Governmental Activities | \$ | <u>20,696,784</u> |

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

| | Special Revenue | Debt Service | | | |
|---|-----------------|-------------------------|--------------------------|------------------------|---------------------------|
| | Revolving Drain | Bach & Branches Debt | Moore Debt Retirement | Armbruster I/C Debt | Akron Main Street Debt |
| Revenues | | | | | |
| Special assessments and other | \$ -- | \$ -- | \$ 182,155 | \$ 15,777 | \$ 16,691 |
| Interest income | -- | 640 | 656 | 53 | 71 |
| Total Revenues | -- | 640 | 182,811 | 15,830 | 16,762 |
| Expenditures | | | | | |
| Drain maintenance | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- |
| Debt service - principal | -- | -- | 125,000 | 15,757 | 9,000 |
| Debt service - interest and charges | -- | -- | 17,306 | 1,954 | 4,935 |
| Total Expenditures | -- | -- | 142,306 | 17,711 | 13,935 |
| Excess of Revenues Over (Under) Expenditures | -- | 640 | 40,505 | (1,881) | 2,827 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | -- | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | -- | -- |
| Net Other Financing Sources (Uses) | -- | -- | -- | -- | -- |
| Net Change in Fund Balance | -- | 640 | 40,505 | (1,881) | 2,827 |
| <i>Fund Balance at Beginning of Period</i> | -- | 196,694 | 149,149 | 20,092 | 21,666 |
| Fund Balance at End of Period | \$ -- | \$ 197,334 | \$ 189,654 | \$ 18,211 | \$ 24,493 |

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

| | Debt Service | | | | |
|---|----------------------------------|-------------------------------------|-------------------------|--------------------------------------|--|
| | Pigeon River I/C Debt | Fulton Street Drain Debt | Indian Creek I/C | Yax North Debt Retirement | Murphy Lake Debt Retirement |
| Revenues | | | | | |
| Special assessments and other | \$ 16,781 | \$ 66,550 | \$ 34,373 | \$ 57,939 | \$ 49,289 |
| Interest income | 35 | 222 | 123 | 165 | -- |
| Total Revenues | 16,816 | 66,772 | 34,496 | 58,104 | 49,289 |
| Expenditures | | | | | |
| Drain maintenance | -- | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- | -- |
| Debt service - principal | 14,417 | 45,000 | 26,010 | 30,000 | 35,000 |
| Debt service - interest and charges | 1,967 | 11,141 | 8,052 | 10,065 | 7,255 |
| Total Expenditures | 16,384 | 56,141 | 34,062 | 40,065 | 42,255 |
| Excess of Revenues Over (Under) Expenditures | 432 | 10,631 | 434 | 18,039 | 7,034 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | -- | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | -- | -- |
| Net Other Financing Sources (Uses) | -- | -- | -- | -- | -- |
| Net Change in Fund Balance | 432 | 10,631 | 434 | 18,039 | 7,034 |
| <i>Fund Balance at Beginning of Period</i> | 9,355 | 65,247 | 36,449 | 39,863 | 6,929 |
| Fund Balance at End of Period | \$ 9,787 | \$ 75,878 | \$ 36,883 | \$ 57,902 | \$ 13,963 |

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

| | Capital Projects | | | | |
|---|-------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|
| | Special Drain | Murphy Lake Construction | Northwest Construction | Alder Creek Construction | Bach & Branches Const |
| Revenues | | | | | |
| Special assessments and other | \$ 1,361,080 | \$ -- | \$ -- | \$ -- | \$ -- |
| Interest income | 32,600 | 400 | 3,289 | -- | 4,407 |
| Total Revenues | 1,393,680 | 400 | 3,289 | -- | 4,407 |
| Expenditures | | | | | |
| Drain maintenance | 1,383,627 | -- | -- | -- | 1,439 |
| Capital outlay | -- | 408,043 | -- | -- | -- |
| Debt service - principal | 79,800 | -- | -- | -- | -- |
| Debt service - interest and charges | 9,565 | -- | -- | -- | -- |
| Total Expenditures | 1,472,992 | 408,043 | -- | -- | 1,439 |
| Excess of Revenues Over (Under) Expenditures | (79,312) | (407,643) | 3,289 | -- | 2,968 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 118,012 | -- | -- | -- | -- |
| Transfers out | -- | -- | (96,569) | -- | -- |
| Net Other Financing Sources (Uses) | 118,012 | -- | (96,569) | -- | -- |
| Net Change in Fund Balance | 38,700 | (407,643) | (93,280) | -- | 2,968 |
| <i>Fund Balance at Beginning of Period</i> | 3,097,437 | 490,037 | 543,820 | 150,000 | 258,696 |
| Fund Balance at End of Period | \$ 3,136,137 | \$ 82,394 | \$ 450,540 | \$ 150,000 | \$ 261,664 |

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

| | Capital Projects | | | | Total Governmental Funds |
|---|-------------------------------|------------------------------|--------------------------------------|-----------------------------------|---|
| | Moore Construction | Akron Main Street | Fulton Street Drain Const | Yax North Construction | |
| Revenues | | | | | |
| Special assessments and other | \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,800,635 |
| Interest income | 4,768 | -- | 390 | 355 | 48,174 |
| Total Revenues | 4,768 | -- | 390 | 355 | 1,848,809 |
| Expenditures | | | | | |
| Drain maintenance | 4,122 | -- | 1,320 | 2,781 | 1,393,289 |
| Capital outlay | -- | -- | -- | -- | 408,043 |
| Debt service - principal | -- | -- | -- | -- | 379,984 |
| Debt service - interest and charges | -- | -- | -- | -- | 72,240 |
| Total Expenditures | 4,122 | -- | 1,320 | 2,781 | 2,253,556 |
| Excess of Revenues Over (Under) Expenditures | 646 | -- | (930) | (2,426) | (404,747) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | -- | -- | -- | -- | 118,012 |
| Transfers out | (21,443) | -- | -- | -- | (118,012) |
| Net Other Financing Sources (Uses) | (21,443) | -- | -- | -- | -- |
| Net Change in Fund Balance | (20,797) | -- | (930) | (2,426) | (404,747) |
| <i>Fund Balance at Beginning of Period</i> | 292,447 | 1 | 119,927 | 109,866 | 5,607,675 |
| Fund Balance at End of Period | \$ 271,650 | \$ 1 | \$ 118,997 | \$ 107,440 | \$ 5,202,928 |

Concluded.

Tuscola County Drain Commission
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

| | | |
|---|-----------|----------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | (404,747) |
| Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position | | 892 |
| Long-term debt payments are reported as financing uses in the governmental funds and thus contribute to the change in fund balance. However, long-term debt payments reduce long-term liabilities on the Statement of Net Position. This represents the amount of long-term debt principal payments made during the year. | | 379,984 |
| Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources | | 74,001 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | (31,576) |
| Changes in Net Position - Governmental Activities | \$ | <u>18,554</u> |

Statistical Section

STATISTICAL SECTION

This part of Tuscola County's 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 government's overall financial health.

Contents

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Financial Trends - *These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

| | |
|--|-----|
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| Schedule 2 - Changes in Net Position | 173 |
| Schedule 3 - Fund Balances - Governmental Funds | 176 |
| Schedule 4 - Changes in Fund Balances - Governmental Funds | 177 |

Revenue Capacity - *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

| | |
|--|-----|
| Schedule 5 - Assessed and Estimated Actual Value of Taxable Property | 179 |
| Schedule 6 - Direct and Overlapping Property Tax Rates | 180 |
| Schedule 7 - Principal Property Tax Payers | 181 |
| Schedule 8 - Property Tax Levies and Collections | 182 |

Debt Capacity - *These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

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|--|-----|
| Schedule 9 - Ratios of Outstanding Debt by Type | 183 |
| Schedule 10 - Ratios of Net General Bonded Debt Outstanding | 184 |
| Schedule 11 - Computation of Net Direct and Overlapping Debt | 185 |
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Demographic and Economic Information - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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|--|-----|
| Schedule 13 - Demographic and Economic Statistics | 187 |
| Schedule 14 - Principal Employers | 188 |
| Schedule 15 - Full-Time Equivalent County Government Employees by Function | 189 |

Operating Information - *These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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|--|-----|
| Schedule 16 - Operating Indicators by Function/Program | 190 |
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TUSCOLA COUNTY, MICHIGAN
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

| | Fiscal Year | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental activities | | | | | | | | | | | |
| Net investment in capital assets | \$ 4,934,954 | \$ 4,992,236 | \$ 5,265,708 | \$ 5,639,829 | \$ 5,380,615 | \$ 5,943,571 | \$ 6,071,911 | \$ 5,863,221 | \$ 5,925,950 | \$ 5,714,234 | \$ 5,932,060 |
| Restricted | 1,397,671 | 1,336,781 | 1,195,900 | 1,864,506 | 2,672,329 | 2,882,160 | 10,745,988 | 11,510,953 | 20,739,755 | 21,407,541 | 21,024,386 |
| Unrestricted | 6,853,468 | 6,312,514 | 6,644,960 | (944,404) | (3,118,970) | (2,704,558) | (11,301,211) | (7,247,593) | (14,840,253) | (14,679,356) | (10,591,214) |
| Total governmental activities net position | <u>\$ 13,186,093</u> | <u>\$ 12,641,531</u> | <u>\$ 13,106,568</u> | <u>\$ 6,559,931</u> | <u>\$ 4,933,974</u> | <u>\$ 6,121,173</u> | <u>\$ 5,516,688</u> | <u>\$ 10,126,581</u> | <u>\$ 11,825,452</u> | <u>\$ 12,442,419</u> | <u>\$ 16,365,232</u> |
| Business-type activities | | | | | | | | | | | |
| Net investment in capital assets | \$ 7,030,684 | \$ 7,728,386 | \$ 9,337,696 | \$ 10,787,341 | \$ 11,154,645 | \$ 10,601,748 | \$ 9,941,531 | \$ 9,255,635 | \$ 8,839,114 | \$ 7,859,100 | \$ 7,497,345 |
| Restricted | 1,880,647 | 2,161,654 | 2,579,165 | 1,430,672 | 290,258 | - | - | - | - | - | - |
| Unrestricted | 14,309,485 | 14,056,322 | 12,932,697 | 10,871,364 | 10,239,172 | 10,291,902 | 10,116,680 | 10,460,164 | 12,891,324 | 17,573,475 | 17,206,144 |
| Total business-type activities net position | <u>\$ 23,220,816</u> | <u>\$ 23,946,362</u> | <u>\$ 24,849,558</u> | <u>\$ 23,089,377</u> | <u>\$ 21,684,075</u> | <u>\$ 20,893,650</u> | <u>\$ 20,058,211</u> | <u>\$ 19,715,799</u> | <u>\$ 21,730,438</u> | <u>\$ 25,432,575</u> | <u>\$ 24,703,489</u> |
| Primary government | | | | | | | | | | | |
| Net investment in capital assets | \$ 11,965,638 | \$ 12,720,622 | \$ 14,603,404 | \$ 16,427,170 | \$ 16,535,260 | \$ 16,545,319 | \$ 16,013,442 | \$ 15,118,856 | \$ 14,765,064 | \$ 13,573,334 | \$ 13,429,405 |
| Restricted | 3,278,318 | 3,498,435 | 3,775,065 | 3,295,178 | 2,962,587 | 2,882,160 | 10,745,988 | 11,510,953 | 20,739,755 | 21,407,541 | 21,024,386 |
| Unrestricted | 21,162,953 | 20,368,836 | 19,577,657 | 9,926,960 | 7,120,202 | 7,587,344 | (1,184,531) | 3,212,571 | (1,948,929) | 2,894,119 | 6,614,930 |
| Total primary government net position | <u>\$ 36,406,909</u> | <u>\$ 36,587,893</u> | <u>\$ 37,956,126</u> | <u>\$ 29,649,308</u> | <u>\$ 26,618,049</u> | <u>\$ 27,014,823</u> | <u>\$ 25,574,899</u> | <u>\$ 29,842,380</u> | <u>\$ 33,555,890</u> | <u>\$ 37,874,994</u> | <u>\$ 41,068,721</u> |

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

| | Fiscal Year | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Legislative | \$ 101,764 | \$ 105,073 | \$ 103,402 | \$ 115,714 | \$ 148,172 | \$ 121,672 | \$ 189,753 | \$ 214,986 | \$ 150,995 | \$ 194,031 | \$ 263,335 |
| Judicial | 2,879,517 | 3,196,846 | 3,262,153 | 3,298,138 | 4,156,591 | 3,336,249 | 4,239,644 | 3,244,038 | 3,335,836 | 6,179,674 | 7,454,471 |
| General government | 6,199,985 | 6,321,346 | 6,345,529 | 6,701,612 | 7,160,516 | 7,235,661 | 6,020,818 | 6,689,864 | 6,407,468 | 4,321,644 | 5,045,301 |
| Public safety | 5,804,282 | 6,029,646 | 5,652,616 | 6,579,971 | 7,415,067 | 5,972,439 | 8,527,437 | 7,818,978 | 8,596,195 | 8,264,280 | 10,452,266 |
| Public works | 795,586 | 924,147 | 815,625 | 678,023 | 777,630 | 746,700 | 3,957,531 | 3,689,461 | 3,125,358 | 3,941,222 | 4,185,558 |
| Health and welfare | 5,150,298 | 5,091,444 | 5,216,376 | 5,234,005 | 5,598,219 | 5,990,088 | 8,087,982 | 7,976,028 | 7,533,134 | 8,236,356 | 9,610,182 |
| Culture and recreation | 6,899 | 6,137 | 9,023 | 8,634 | 11,542 | 66,959 | 24,640 | 22,631 | 94,790 | 23,208 | 22,977 |
| Community and economic developme | - | - | - | - | - | - | - | - | - | 438,485 | 2,128,387 |
| Interest on debt | 60,669 | 52,768 | 44,999 | 36,862 | 278,897 | 373,262 | 604,798 | 582,070 | 548,035 | 790,189 | 414,930 |
| Total governmental activities expenses | 20,999,000 | 21,727,407 | 21,449,723 | 22,652,959 | 25,546,634 | 23,843,030 | 31,652,603 | 30,238,056 | 29,791,811 | 32,389,089 | 39,577,407 |
| Business-type activities: | | | | | | | | | | | |
| Medical care facility | 18,068,414 | 18,849,925 | 19,652,039 | 21,153,567 | 22,315,039 | 23,181,919 | 24,446,586 | 24,223,269 | 22,316,941 | 22,315,379 | 25,484,584 |
| Delinquent property tax | 21 | 48 | 832 | 1,494 | 843 | 143 | 86 | 59,939 | 1,270 | 150,000 | - |
| Water/sewage systems | 258,873 | 242,510 | 526,639 | 304,173 | 293,015 | 281,304 | - | - | - | - | - |
| Tax foreclosure | 336,683 | 446,017 | 405,857 | 332,487 | 335,392 | 249,585 | 245,596 | 525,976 | 243,681 | 376,262 | 405,357 |
| Total business-type activities expenses | 18,663,991 | 19,538,500 | 20,585,367 | 21,791,721 | 22,944,289 | 23,712,951 | 24,692,268 | 24,809,184 | 22,561,892 | 22,841,641 | 25,889,941 |
| Total primary government expenses | \$ 39,662,991 | \$ 41,265,907 | \$ 42,035,090 | \$ 44,444,680 | \$ 48,490,923 | \$ 47,555,981 | \$ 56,344,871 | \$ 55,047,240 | \$ 52,353,703 | \$ 55,230,730 | \$ 65,467,348 |
| Program Revenues | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Charges for services | | | | | | | | | | | |
| Judicial | \$ 1,274,481 | \$ 1,224,201 | \$ 1,216,028 | \$ 1,224,277 | \$ 1,074,291 | \$ 1,099,980 | \$ 1,035,461 | \$ 997,501 | \$ 2,117,867 | \$ 1,408,599 | \$ 809,373 |
| General government | 749,121 | 744,192 | 740,750 | 874,213 | 1,095,603 | 1,256,253 | 1,783,175 | 1,809,252 | 3,710,228 | 1,610,989 | 1,581,762 |
| Public safety | 1,764,703 | 1,842,902 | 2,046,308 | 2,121,943 | 2,320,821 | 2,173,012 | 2,491,334 | 2,686,714 | 3,567,773 | 2,747,732 | 2,654,456 |
| Public works | 376,012 | 472,183 | 369,043 | 252,391 | 369,007 | 338,575 | 62,963 | 68,330 | 66,149 | 163,269 | 158,854 |
| Health and welfare | 822,751 | 683,951 | 586,366 | 620,213 | 672,883 | 691,252 | 764,428 | 778,230 | 4,016,544 | 993,139 | 765,613 |
| Culture and recreation | 2,800 | 3,902 | 3,987 | 5,454 | 5,637 | 29,710 | 16,182 | 24,354 | 21,133 | 29,573 | 27,292 |
| Community and economic developme | - | - | - | - | - | - | - | - | - | 125,091 | 106,234 |
| Operating grants and contributions | | | | | | | | | | | |
| Legislative | - | - | - | - | - | - | - | - | - | - | 239,063 |
| Judicial | 1,250,005 | 1,237,672 | 1,252,854 | 1,206,663 | 1,201,303 | 1,216,914 | 1,419,642 | 1,345,589 | 1,341,286 | 1,587,334 | 4,918,541 |
| General government | 246,226 | 190,582 | 234,953 | 151,018 | 146,039 | 519,653 | 653,207 | 1,131,227 | 1,493,686 | 1,620,792 | 4,488,354 |
| Public Safety | 655,231 | 860,223 | 638,185 | 718,542 | 523,665 | 581,396 | 708,921 | 698,340 | 1,137,566 | 578,478 | 3,520,205 |
| Public Works | - | - | - | - | - | - | - | 12,529 | 1,012 | 91,400 | 351,413 |
| Health and welfare | 2,706,160 | 1,969,721 | 2,406,930 | 3,070,662 | 2,642,757 | 3,133,148 | 3,101,141 | 3,643,239 | 3,353,315 | 3,839,822 | 4,248,674 |
| Culture and recreation | - | - | - | - | - | - | 1,250 | 876 | - | - | - |
| Community and economic developme | - | - | - | - | - | - | - | - | - | - | 417,328 |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities program revenues | 9,847,490 | 9,229,529 | 9,495,404 | 10,245,376 | 10,052,006 | 11,039,893 | 12,037,704 | 13,196,181 | 20,826,559 | 14,796,218 | 24,287,162 |

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

(continued)

| | Fiscal Year | | | | | | | | | | |
|---|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Business-type activities: | | | | | | | | | | | |
| Charges for services | | | | | | | | | | | |
| Medical Care Community | 18,782,303 | 17,120,685 | 17,976,404 | 19,314,786 | 19,807,248 | 21,399,403 | 22,838,849 | 23,434,528 | 22,126,307 | 20,058,159 | 19,260,508 |
| Delinquent Tax | 718,620 | 754,501 | 582,800 | 673,670 | 636,870 | 663,661 | 765,067 | 747,800 | 723,753 | 609,559 | 593,874 |
| Water/Sewer Systems | - | - | - | - | - | - | - | - | - | - | - |
| Tax Foreclosure | 175,909 | 179,424 | 175,250 | 193,571 | 194,918 | 189,286 | 555,174 | 647,641 | 731,236 | 388,718 | 773,482 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | 1,208,521 | 4,952,530 | 4,672,257 |
| Capital grants and contributions | 258,856 | 242,510 | 400,446 | 304,173 | 293,015 | 281,304 | - | - | - | - | - |
| Total business-type activities program revenues | <u>19,935,688</u> | <u>18,297,120</u> | <u>19,134,900</u> | <u>20,486,200</u> | <u>20,932,051</u> | <u>22,533,654</u> | <u>24,159,090</u> | <u>24,829,969</u> | <u>24,789,817</u> | <u>26,008,966</u> | <u>25,300,121</u> |
| Total primary government program revenues | <u>\$ 29,783,178</u> | <u>\$ 27,526,649</u> | <u>\$ 28,630,304</u> | <u>\$ 30,731,576</u> | <u>\$ 30,984,057</u> | <u>\$ 33,573,547</u> | <u>\$ 36,196,794</u> | <u>\$ 38,026,150</u> | <u>\$ 45,616,376</u> | <u>\$ 58,398,055</u> | <u>\$ 49,587,283</u> |
| Net (Expenses)/Revenue | | | | | | | | | | | |
| Governmental activities | \$(11,151,510) | \$(12,497,878) | \$(11,954,319) | \$(12,407,583) | \$(15,494,628) | \$(12,803,137) | \$(19,614,899) | \$(17,041,875) | \$ (8,965,252) | \$(17,592,871) | \$(15,290,245) |
| Business-type activities | 1,271,697 | (1,241,380) | (1,450,467) | (1,305,521) | (2,012,238) | (1,179,297) | (533,178) | 20,785 | 2,227,925 | 3,167,325 | (589,820) |
| Total primary government net expense | <u>\$ (9,879,813)</u> | <u>\$ (13,739,258)</u> | <u>\$ (13,404,786)</u> | <u>\$ (13,713,104)</u> | <u>\$ (17,506,866)</u> | <u>\$ (13,982,434)</u> | <u>\$ (20,148,077)</u> | <u>\$ (17,021,090)</u> | <u>\$ (6,737,327)</u> | <u>\$ (14,425,546)</u> | <u>\$ (15,880,065)</u> |

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

(continued)

| | Fiscal Year | | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Property taxes | \$ 8,138,839 | \$ 8,580,677 | \$ 9,218,752 | \$ 10,053,314 | \$ 10,186,530 | \$ 10,335,424 | \$ 14,500,060 | \$ 15,047,324 | \$ 16,026,873 | \$ 16,753,687 | \$ 17,720,775 |
| Grants and contributions not restricted to specific programs | 1,033,823 | 1,045,628 | 1,165,279 | 1,219,055 | 1,199,905 | 1,215,686 | 1,293,320 | 2,303,904 | 878,877 | 1,158,441 | 1,220,546 |
| Unrestricted investment earnings | 499,575 | 471,176 | 481,646 | 479,580 | 511,528 | 518,143 | 163,578 | 51,149 | 173,819 | 141,089 | 139,133 |
| Loss on sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Other | 858,469 | 1,052,109 | 796,222 | 691,488 | 978,112 | 853,036 | - | 225,936 | - | - | - |
| Transfers - Internal activities | 842,214 | 825,463 | 734,858 | 771,258 | 913,352 | 1,068,047 | 856,663 | 2,282,487 | 778,489 | 497,179 | 674,908 |
| Total governmental activities | <u>11,372,920</u> | <u>11,975,053</u> | <u>12,396,757</u> | <u>13,214,695</u> | <u>13,789,427</u> | <u>13,990,336</u> | <u>16,813,621</u> | <u>19,910,800</u> | <u>17,858,058</u> | <u>18,550,396</u> | <u>19,755,362</u> |
| Business-type activities: | | | | | | | | | | | |
| Property taxes | 1,743,674 | 1,735,187 | 1,894,897 | 402,518 | 438,417 | 427,358 | 435,791 | 448,069 | 463,443 | 496,665 | 509,103 |
| Unrestricted investment earnings | 66,403 | 35,869 | 51,914 | 55,512 | 64,945 | 72,648 | 118,611 | 151,596 | 101,760 | 56,925 | 26,539 |
| Other | 665,500 | 973,408 | 1,115,105 | 706,953 | 854,935 | 721,561 | - | 770,839 | - | - | - |
| Transfers - Internal activities | (798,862) | (777,538) | (708,253) | (715,776) | (751,361) | (832,695) | (856,663) | (962,862) | (778,489) | (497,179) | (674,908) |
| Total business-type activities | <u>1,676,715</u> | <u>1,966,926</u> | <u>2,353,663</u> | <u>449,207</u> | <u>606,936</u> | <u>388,872</u> | <u>(302,261)</u> | <u>407,642</u> | <u>(213,286)</u> | <u>56,411</u> | <u>(139,266)</u> |
| Total primary government | <u>\$ 13,049,635</u> | <u>\$ 13,941,979</u> | <u>\$ 14,750,420</u> | <u>\$ 13,663,902</u> | <u>\$ 14,396,363</u> | <u>\$ 14,379,208</u> | <u>\$ 16,511,360</u> | <u>\$ 20,318,442</u> | <u>\$ 17,644,772</u> | <u>\$ 18,606,807</u> | <u>\$ 19,616,096</u> |
| Change in Net Position | | | | | | | | | | | |
| Governmental activities | \$ 221,410 | \$ (522,825) | \$ 442,438 | \$ 807,112 | \$ (1,705,201) | \$ 1,187,199 | \$ (2,801,278) | \$ 2,868,925 | \$ 8,892,806 | \$ 957,525 | \$ 4,465,117 |
| Business-type activities | <u>2,948,412</u> | <u>725,546</u> | <u>903,196</u> | <u>(856,314)</u> | <u>(1,405,302)</u> | <u>(790,425)</u> | <u>(835,439)</u> | <u>428,427</u> | <u>2,014,639</u> | <u>3,223,736</u> | <u>(729,086)</u> |
| Total primary government | <u>\$ 3,169,822</u> | <u>\$ 202,721</u> | <u>\$ 1,345,634</u> | <u>\$ (49,202)</u> | <u>\$ (3,110,503)</u> | <u>\$ 396,774</u> | <u>\$ (3,636,717)</u> | <u>\$ 3,297,352</u> | <u>\$ 10,907,445</u> | <u>\$ 4,181,261</u> | <u>\$ 3,736,031</u> |

TUSCOLA COUNTY, MICHIGAN
Fund Balances, Governmental Funds,
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - | - | - | - | - | - | - | - |
| Nonspendable | 310,000 | 418,867 | 417,310 | 417,494 | 643,918 | 619,653 | 599,708 | 644,436 | 567,028 | 554,152 | 532,712 |
| Restricted | - | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Assigned | 1,212,000 | 1,272,000 | 1,462,000 | 1,463,900 | 2,031,720 | 1,645,626 | 1,886,936 | 1,410,000 | 1,462,743 | 1,419,300 | 7,374,096 |
| Unassigned | <u>1,024,692</u> | <u>955,077</u> | <u>883,279</u> | <u>1,035,936</u> | <u>418,032</u> | <u>337,763</u> | <u>524,324</u> | <u>1,142,881</u> | <u>920,680</u> | <u>957,003</u> | <u>1,776,847</u> |
| Total General Fund | \$ 2,546,692 | \$ 2,645,944 | \$ 2,762,589 | \$ 2,917,330 | \$ 3,093,670 | \$ 2,808,042 | \$ 3,015,968 | \$ 3,202,317 | \$ 2,955,451 | \$ 2,935,455 | \$ 9,688,655 |
| Health Department | | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - | - | - | - | - | - | - | - |
| Nonspendable | 99,596 | 86,687 | 65,630 | 42,385 | 31,931 | 38,521 | 46,884 | 65,959 | 57,640 | 52,575 | 71,227 |
| Restricted | 394,145 | 39,475 | 149,830 | 952,882 | 966,194 | 1,270,266 | 1,253,882 | 1,592,058 | 1,394,593 | 1,248,529 | 1,167,752 |
| Committed | 347,752 | 353,337 | 412,486 | 416,335 | 417,563 | 382,539 | 365,490 | 351,814 | 425,024 | 494,917 | 564,541 |
| Assigned | - | - | - | - | 1,943 | - | 78,343 | 307,108 | 144,603 | 812,152 | 857,156 |
| Unassigned | - | 26,779 | - | - | - | - | - | - | 300,482 | - | - |
| Total Health Department | \$ 841,493 | \$ 506,278 | \$ 627,946 | \$ 1,411,602 | \$ 1,417,631 | \$ 1,691,326 | \$ 1,744,599 | \$ 2,316,939 | \$ 2,322,342 | \$ 2,608,173 | \$ 2,660,676 |
| Road Patrol | | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | 218,087 | 358,260 | 617,466 | 879,963 | 1,179,887 | 1,333,949 | 1,721,469 | 2,132,035 |
| Committed | - | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | 41,741 | 84,358 | 24,198 | - | - | - | - | - |
| Total Road Patrol | \$ - | \$ - | \$ - | \$ 259,828 | \$ 442,618 | \$ 641,664 | \$ 879,963 | \$ 1,179,887 | \$ 1,333,949 | \$ 1,721,469 | \$ 2,132,035 |
| Voted Mosquito | | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | 16,413 | 9,447 | 132,662 | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | 160,098 | 146,176 | 56,280 | - | - | - | - | - |
| Total Voted Mosquito | \$ - | \$ - | \$ - | \$ 176,511 | \$ 155,623 | \$ 188,942 | \$ - | \$ - | \$ - | \$ - | \$ - |
| All Other Governmental Funds | | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved reported in: | | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Permanent funds | - | - | - | - | - | - | - | - | - | - | - |
| Nonspendable | 6,800 | 99 | - | - | - | 15,700 | 700 | - | - | - | 1,155 |
| Restricted | 3,738,092 | 3,638,251 | 3,955,027 | 4,222,450 | 4,818,281 | 5,075,952 | 8,564,559 | 8,739,008 | 9,519,895 | 10,276,225 | 9,925,894 |
| Committed | - | - | 5,000 | 5,000 | - | 5,000 | - | - | - | - | - |
| Assigned | - | 250,000 | - | - | 482,567 | 964,940 | (77,037) | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | (53,112) | - | - | - |
| Total all other governmental funds | \$ 3,744,892 | \$ 3,888,350 | \$ 3,960,027 | \$ 4,227,450 | \$ 5,305,848 | \$ 6,056,592 | \$ 8,488,222 | \$ 8,685,896 | \$ 9,519,895 | \$ 10,276,225 | \$ 9,927,049 |

(1) Tuscola County implemented GASB Statement No 54 for year ended December 31, 2011.

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

| Revenues | Fiscal Year | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Taxes | \$ 8,146,390 | \$ 8,598,619 | \$ 9,200,434 | \$ 10,055,468 | \$ 10,173,607 | \$ 10,314,499 | \$ 14,758,866 | \$ 15,189,939 | \$ 16,026,873 | \$ 16,555,985 | \$ 17,820,176 |
| Licenses and permits | 693,121 | 840,436 | 694,797 | 612,944 | 666,040 | 635,561 | 729,193 | 912,190 | 758,657 | 902,186 | 962,437 |
| Intergovernmental | | | | | | | | | | | |
| Federal | 3,213,216 | 2,645,846 | 2,857,756 | 3,483,185 | 2,839,403 | 3,691,763 | 7,988,041 | 8,851,979 | 8,720,251 | 9,453,345 | 19,576,469 |
| State | 2,660,920 | 2,641,255 | 2,977,660 | 3,060,793 | 3,034,908 | 3,123,882 | - | - | - | - | - |
| Local | 437,648 | 435,065 | 439,896 | 541,459 | 904,915 | 900,474 | - | - | - | - | - |
| Charges for services | 3,824,985 | 3,669,283 | 3,454,787 | 3,681,642 | 3,592,132 | 3,747,441 | 3,983,574 | 3,886,492 | 3,516,151 | 4,432,215 | 3,729,174 |
| Fines and forfeits | 51,423 | 43,272 | 235,787 | 84,408 | 214,513 | 156,458 | 93,345 | 83,874 | 77,510 | 415,999 | 73,196 |
| Interest and rents | 499,575 | 471,176 | 481,646 | 479,580 | 511,528 | 518,143 | 514,474 | 560,740 | 627,955 | 628,092 | 625,947 |
| Reimbursements and refunds | 883,282 | 1,101,760 | 806,479 | 742,895 | 823,772 | 711,355 | 21,839 | 25,917 | 267,575 | - | - |
| Other | 107,407 | 87,655 | 132,135 | 80,814 | 85,711 | 71,681 | 808,352 | 821,563 | 584,291 | 839,568 | 1,223,618 |
| Total revenues | 20,517,967 | 20,534,367 | 21,281,377 | 22,823,188 | 22,846,529 | 23,871,257 | 28,897,684 | 30,332,694 | 30,579,263 | 33,227,390 | 44,011,017 |
| Expenditures | | | | | | | | | | | |
| Legislative | 102,468 | 104,414 | 103,947 | 111,400 | 103,335 | 123,062 | 135,881 | 212,691 | 150,995 | 194,770 | 224,754 |
| Judicial | 2,979,588 | 3,190,866 | 3,284,426 | 3,229,200 | 3,228,250 | 3,355,152 | 3,326,762 | 3,085,036 | 3,316,811 | 6,237,281 | 6,798,006 |
| General government | 4,987,566 | 4,990,297 | 5,270,785 | 5,544,831 | 5,593,914 | 6,031,459 | 4,854,033 | 6,060,217 | 6,054,539 | 3,584,549 | 4,316,115 |
| Public safety | 5,773,317 | 5,874,232 | 5,884,107 | 6,426,422 | 6,225,193 | 6,152,105 | 6,847,567 | 7,169,255 | 8,823,001 | 8,105,931 | 8,869,778 |
| Public works | 795,703 | 921,486 | 814,993 | 680,315 | 774,919 | 747,689 | 3,810,200 | 3,729,254 | 3,125,358 | 3,784,965 | 4,045,010 |
| Health and welfare | 5,060,626 | 4,983,297 | 5,063,682 | 4,913,577 | 5,081,040 | 7,889,761 | 7,495,126 | 7,426,628 | 6,882,767 | 7,713,412 | 8,986,243 |
| Community and economic development | - | - | - | - | - | - | - | - | - | 440,157 | 2,068,801 |
| Culture and recreation | 6,899 | 6,137 | 9,023 | 8,634 | 11,542 | 66,959 | 24,440 | 27,964 | 94,790 | 23,297 | 48,316 |
| Other | 180,079 | 251,022 | 206,688 | 201,254 | 154,502 | 144,121 | 199,364 | 225,936 | 175,038 | 118,817 | 52,847 |
| Capital outlay | 1,030,783 | 905,437 | 439,982 | 1,068,837 | 583,532 | 1,532,745 | 786,286 | 252,834 | 205,702 | 371,021 | 776,132 |
| Debt service (1) | | | | | | | | | | | |
| Principal | 165,000 | 170,000 | 175,000 | 165,000 | 215,000 | 315,000 | 921,324 | 1,263,462 | 997,159 | 865,306 | 1,100,447 |
| Interest | 62,963 | 55,147 | 47,463 | 39,156 | 128,754 | 311,205 | 607,970 | 585,993 | 554,999 | 703,355 | 425,074 |
| Bond Issuance Costs | - | - | - | - | 76,268 | 56,622 | - | - | - | 110,023 | - |
| Total expenditures | 21,144,992 | 21,452,335 | 21,300,096 | 22,388,626 | 22,176,249 | 26,725,880 | 29,008,953 | 30,039,270 | 30,381,159 | 32,252,884 | 37,711,523 |
| Excess of revenues over (under) expenditures | (627,025) | (917,968) | (18,719) | 434,562 | 670,280 | (2,854,623) | (111,269) | 293,424 | 198,104 | 974,506 | 6,299,494 |

(continued)

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------------|--------------------|-------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Face Value of debt issue | - | - | - | - | 6,980,000 | 2,475,000 | - | - | - | 5,530,000 | - |
| Discounts on bonds issued | - | - | - | - | (2,172) | (18,378) | - | - | - | - | - |
| Proceeds from capital lease | - | - | - | - | 94,500 | 31,130 | - | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | 68,629 | 70,000 | - | - | - | (5,387,000) | - |
| Issuance of debt | 22,600 | - | - | - | - | - | - | - | - | - | - |
| Bond proceeds | - | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from issuance of capital leases | - | - | - | - | - | - | - | - | - | - | - |
| Transfer in | 2,370,765 | 2,601,686 | 2,642,235 | 3,403,347 | 3,587,630 | 7,090,189 | 3,954,388 | 3,983,193 | 3,786,932 | 3,291,046 | 12,414,902 |
| Transfer out | (1,528,551) | (1,776,223) | (1,907,377) | (2,632,089) | (2,674,278) | (6,022,142) | (3,097,725) | (3,020,331) | (3,008,443) | (2,793,867) | (11,739,994) |
| Total other financing sources (uses) | <u>864,814</u> | <u>825,463</u> | <u>734,858</u> | <u>771,258</u> | <u>8,054,309</u> | <u>3,625,799</u> | <u>856,663</u> | <u>962,862</u> | <u>778,489</u> | <u>640,179</u> | <u>674,908</u> |
| Special Items - Pension pre-funding | - | - | - | - | (6,865,581) | - | - | - | - | - | - |
| Net change in fund balances | <u>\$ 237,789</u> | <u>\$ (92,505)</u> | <u>\$ 716,139</u> | <u>\$ 1,205,820</u> | <u>\$ 1,859,008</u> | <u>\$ 771,176</u> | <u>\$ 745,394</u> | <u>\$ 1,256,286</u> | <u>\$ 976,593</u> | <u>\$ 1,614,685</u> | <u>\$ 6,974,402</u> |
| Debt service as a percentage of noncapital expenditures | 1.133% | 1.096% | 1.066% | 0.96% | 1.59% | 2.49% | 5.42% | 6.21% | 5.14% | 4.94% | 4.13% |

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
(in thousands of dollars)

| Fiscal Year Ended December 31, | Real Property | | | | | Personal Property | Total Assessed Value | Total Direct Tax Rate | Estimated Actual Assessed Value | Assessed Value as a Percentage of Actual Value |
|--------------------------------------|--|-------------|------------------------------|--------------|---------------|----------------------|----------------------------|-----------------------------|--|---|
| | Industrial, Commercial & Developmental | Residential | Timber-Cut & Agricultural | | | | | | | |
| 2012 | 130,754,171 | | 878,425,910 | | 620,457,418 | 104,604,689 | 1,734,242,188 | 8.4921 | 3,468,484,376 | 50% |
| 2013 | 126,476,800 | (4,277,371) | 865,378,642 | (13,047,268) | 712,747,569 | 217,916,056 | 1,997,484,579 | 8.4921 | 3,994,969,158 | 50% |
| 2014 | 120,812,500 | (5,664,300) | 881,972,835 | 16,594,193 | 855,585,985 | 142,838,416 | 2,345,194,208 | 7.4921 | 4,690,388,416 | 50% |
| 2015 | 122,071,635 | 1,259,135 | 917,724,525 | 35,751,690 | 936,140,455 | 80,554,470 | 2,548,439,909 | 7.6621 | 5,096,879,818 | 50% |
| 2016 | 121,354,400 | (717,235) | 978,552,403 | 60,827,878 | 1,037,690,870 | 101,550,415 | 2,717,032,696 | 7.7621 | 5,434,065,392 | 50% |
| 2017 | 125,248,200 | 3,893,800 | 1,031,884,701 | 53,332,298 | 1,049,895,623 | 12,204,753 | 2,687,560,911 | 8.3121 | 5,375,121,822 | 50% |
| 2018 | 125,431,100 | 182,900 | 1,048,833,555 | 16,948,854 | 1,057,430,600 | 7,534,977 | 2,679,431,236 | 8.3121 | 5,358,862,472 | 50% |
| 2019 | 131,854,400 | 6,423,300 | 1,109,929,134 | 61,095,579 | 1,007,590,517 | (49,840,083) | 2,713,116,451 | 8.3121 | 5,426,232,902 | 50% |
| 2020 | 136,865,050 | 5,010,650 | 1,184,605,341 | 74,676,207 | 996,990,366 | (10,600,151) | 2,922,251,912 | 8.3121 | 5,844,503,824 | 50% |
| 2021 | 142,380,900 | 5,515,850 | 1,274,359,191 | 89,753,850 | 974,926,175 | (22,064,191) | 3,013,050,214 | 8.3121 | 6,026,100,428 | 50% |
| 2022 | 149,672,700 | 7,291,800 | 1,425,401,950 | 151,042,759 | 1,009,862,700 | 34,936,525 | 3,302,687,358 | 8.3121 | 6,605,374,716 | 50% |

Source: Tuscola County Equalization Department

Note: Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of taxable value.

TUSCOLA COUNTY, MICHIGAN
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rates per \$1,000 of assessed value)

Table 6

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| County direct rates | | | | | | | | | | | |
| Operating Millage | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 | 3.9141 |
| Special Millage | 3.5780 | 3.5780 | 3.5780 | 3.7480 | 3.8480 | 4.3980 | 4.3980 | 4.3980 | 4.3980 | - | - |
| Debt Millage | 1.0000 | 1.0000 | - | - | - | - | - | - | - | - | - |
| Total direct rate | 8.4921 | 8.4921 | 7.4921 | 7.6621 | 7.7621 | 8.3121 | 8.3121 | 8.3121 | 8.3121 | 3.9141 | 3.9141 |
| City rate | | | | | | | | | | | |
| Vassar | 17.0000 | 17.0000 | 16.0000 | 16.0000 | 16.0000 | 16.0000 | 16.0000 | 17.0000 | 17.0000 | 17.0000 | 17.0000 |
| Caro (2) | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 | 16.1643 |
| Village rates | | | | | | | | | | | |
| | 11.0000- 18.1387 | 11.0000- 18.1387 | 11.0000- 21.7268 | 11.0000- 21.7268 | 11.0000- 21.7268 | 11.0000- 21.7268 | 11.4352- 18.2892 | 12.5000- 18.1387 | 11.8880- 17.3785 | 10.888- 12.4089 | 10.9500- 12.4089 |
| School district rates (1) | | | | | | | | | | | |
| | 28.2409- 28.4480 | 22.7079- 28.0409 | 22.7079- 28.4079 | 22.7079- 27.7079 | 22.7479- 27.3079 | 22.7479- 27.3079 | 18.000- 21.9895 | 21.9895- 21.7268 | 23.9766- 24.0000 | 18.0000- 21.5000 | 16.6888- 18.0246 |
| Township rates | | | | | | | | | | | |
| | 1.0000- 6.3957 | 1.0000- 6.4175 | 1.0000- 6.4026 | 1.0000- 6.3864 | 1.0000- 6.3864 | 1.0000- 6.3912 | 1.0000- 3.7676 | 1.0000- 4.0569 | 1.0000- 6.3912 | 1.0000- 4.9779 | 1.1012- 1.6380 |
| District library rates | | | | | | | | | | | |
| | .7500- 1.4909 | .7500- 1.4909 | .7500- 1.4909 | .7500- 1.4909 | .7500- 1.4909 | .7428- 1.4909 | .8010- 1.4909 | 0.7408- 0.9185 | 1.49 - 0.7354 | .7253- 1.4882 | 0.4935- 1.4882 |
| Caro Transit Authority (3) | | | | | | | | | | | |
| | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

(1) Includes local, SET, and averaged intermediate school district millages. Non-Homestead Rates

(2) In 2010 Caro was voted in as a City, rather than being a Village

(3) In 2010 new millage for public transportation.

Source: Tuscola County Equalization Department.

Note: State law requires that localities obtain the approval of the state legislature or a majority of the voters in a public referendum.

**TUSCOLA COUNTY, MICHIGAN
Principal Property Tax Payers,
Current Year and Nine Years Ago**

| <u>Current Year 2022</u> | | | | |
|--------------------------------------|-----------------------|-------------|------------------------------------|--|
| <u>Taxpayer</u> | <u>Taxable Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable</u> | |
| Consumers Energy Company | \$ 174,812,452 | 1 | 8.33% | |
| Pegasus Wind LLC | 104,033,753 | 2 | 4.96% | |
| DTE Electric Company | 55,818,503 | 3 | 2.66% | |
| International Transmission Co | 53,834,612 | 5 | 2.56% | |
| Tuscola Bay Wind LLC | 50,752,300 | 4 | 2.42% | |
| Tuscola Wind II LLC | 31,565,800 | 6 | 1.50% | |
| Tuscola Bay Wind II LLC | 16,980,074 | 7 | 0.81% | |
| POET Biorefining Caro | 10,684,465 | 8 | 0.51% | |
| Thumb Electric Co-Op | 8,923,251 | 9 | 0.43% | |
| Dairy Farmer's Of America Inc | 7,199,242 | 10 | 0.34% | |
| | <hr/> | | <hr/> | |
| Totals | <u>\$ 514,604,452</u> | | <u>24.52%</u> | 2022 Taxable Value \$ 2,099,330,650 |
| <hr/> <u>10 Years ago 2012</u> <hr/> | | | | |
| <u>Taxpayer</u> | <u>Taxable Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable</u> | |
| Detroit Edison Company | \$ 31,599,587 | 1 | 2.27% | |
| POET-Biorefining - Caro | 16,034,437 | 2 | 1.15% | |
| ITC Transmission | 9,162,122 | 3 | 0.66% | |
| Consumers Energy Company | 7,472,493 | 4 | 0.54% | |
| Michigan Sugar Co. | 6,283,766 | 5 | 0.45% | |
| Walbro Engine Management LLC | 6,259,300 | 6 | 0.45% | |
| Thumb Electric Co-Op | 5,554,322 | 7 | 0.40% | |
| Wal-Mar Stores #01-1798 | 5,134,600 | 8 | 0.37% | |
| TI Group Automotive Services | 2,795,697 | 9 | 0.20% | |
| Metavation | 2,476,600 | 10 | 0.18% | |
| | <hr/> | | <hr/> | |
| Totals | <u>\$ 92,772,924</u> | | <u>6.67%</u> | 2012 Taxable Value \$ 1,392,442,700 |

Source: Tuscola County Equalization Department, Municipal Advisory Council of Michigan

TUSCOLA COUNTY, MICHIGAN
Property Tax Levies and Collections,
Last Ten Fiscal Years

Table 8

| Fiscal Year Ended December 31, | Operating Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquents Purchased by Treasurer | Collections in Subsequent Years | Total Collections to Date | |
|--------------------------------------|---|---|-----------------------|--|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | | Amount | Percentage of Levy |
| 2012 | 5,123,153 | 4,538,536 | 88.59% | 292,379 | 281,547 | 5,112,462 | 99.79% |
| 2013 | 5,372,959 | 4,762,105 | 88.63% | 326,624 | 273,660 | 5,362,389 | 99.80% |
| 2014 | 5,884,294 | 5,339,435 | 90.74% | 288,450 | 251,009 | 5,878,894 | 99.91% |
| 2015 | 6,353,186 | 5,686,840 | 89.51% | 306,719 | 335,066 | 6,328,625 | 99.61% |
| 2016 | 6,752,971 | 5,937,568 | 87.93% | 309,983 | 394,996 | 6,642,547 | 98.36% |
| 2017 | 6,812,328 | 6,112,770 | 89.73% | 318,150 | 259,843 | 6,690,763 | 98.22% |
| 2018 | 7,020,989 | 6,276,705 | 89.40% | 348,809 | 271,466 | 6,896,980 | 98.23% |
| 2019 | 7,287,641 | 6,524,989 | 89.53% | 333,258 | 264,738 | 7,122,985 | 97.74% |
| 2020 | 7,801,256 | 7,237,708 | 92.78% | 323,351 | 190,184 | 7,751,243 | 99.36% |
| 2021 | 7,962,602 | 7,102,388 | 89.20% | 322,441 | 201,959 | 7,626,788 | 95.78% |
| 2022 | 8,233,135 | 7,483,037 | 90.89% | 361,808 | 253,951 | 8,098,797 | 98.37% |

Source: Tuscola County Treasurer

TUSCOLA COUNTY, MICHIGAN Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

| Governmental Activities | | | | | | | |
|--------------------------------|--------------------------|---------------------------|--------------------------|---------------|----------------|-----------------------|------------|
| Fiscal Year | General Obligation Bonds | Capital Improvement Bonds | Pension Obligation Bonds | Bond Discount | Equipment Loan | Capital Lease Payable | USDA Loans |
| 2013 (1) | 270,000 | 925,000 | - | (13,184) | 26,013 | 212,496 | - |
| 2014 | 130,000 | 890,000 | - | (12,438) | 13,221 | - | - |
| 2015 | - | 855,000 | - | (11,692) | - | - | - |
| 2016 | - | 815,000 | 6,805,000 | (13,032) | - | 85,343 | - |
| 2017 | - | 775,000 | 9,005,000 | (29,784) | - | 98,460 | - |
| 2018 | - | 695,000 | 8,730,000 | - | - | - | - |
| 2019 | - | 655,000 | 8,355,000 | - | - | - | - |
| 2020 | - | 650,000 | 7,945,000 | - | - | - | - |
| 2021 | 3,644,114 | 605,000 | 7,810,000 | (23,280) | - | - | 4,082,209 |
| 2022 | 3,226,114 | 555,000 | 7,325,000 | (20,252) | - | 770,452 | 3,956,209 |

| Business-Type Activities | | | | | | | | Total Primary Government | Percentage of Personal Income | Per Capita (2) |
|---------------------------------|-----------------|--------------------------|----------------------------|--------------------------|------------|-----------------------|---------------------------------|--------------------------|-------------------------------|----------------|
| Fiscal Year | Refunding Bonds | Medical Care Small House | Medical Care Land Contract | General Obligation Bonds | USDA Loans | Capital Lease Payable | Installment Purchase Agreements | | | |
| 2013 (1) | 3,450,000 | 4,600,000 | - | 7,559,114 | 5,219,000 | - | - | 1,420,325 | 120.76% | 26 |
| 2014 | 2,420,000 | 4,600,000 | - | 6,743,114 | 5,060,000 | - | - | 1,020,783 | 171.26% | 19 |
| 2015 | 1,320,000 | 4,435,000 | - | 6,306,114 | 4,969,000 | - | - | 843,308 | 221.06% | 16 |
| 2016 | 200,000 | 4,265,000 | 140,000 | 5,853,114 | 4,872,000 | - | - | 7,692,311 | 24.32% | 143 |
| 2017 | - | 4,090,000 | 70,000 | 5,398,114 | 4,769,000 | - | - | 9,848,676 | 19.11% | 185 |
| 2018 | - | 3,730,000 | 70,000 | 4,487,114 | 4,549,000 | - | - | 9,425,000 | 20.10% | 177 |
| 2019 | - | 3,555,000 | 35,000 | 4,464,000 | 4,218,209 | - | - | 9,010,000 | 21.95% | 169 |
| 2020 | - | 3,520,000 | 35,000 | 4,055,000 | 4,206,209 | - | - | 8,595,000 | 26.13% | 161 |
| 2021 | - | 3,320,000 | - | - | - | 105,730 | - | 16,118,043 | 14.74% | 302 |
| 2022 | - | 2,660,000 | - | - | - | 75,899 | 547,500 | 15,812,523 | 15.48% | 296 |

Source: Tuscola County Financial Reports, Municipal Advisory Council of Michigan

Note: Details regarding the county's debt can be found in the notes to the financial statements.

(1) Populated table to include breakdown as stated in financial reports

(2) Per Capita based on estimated population changes. Population continues to decrease.

TUSCOLA COUNTY, MICHIGAN
Ratios of Net General Bonded Debt Outstanding
(Last ten years)

| Fiscal Year | <u>General Bonded Debt Outstanding</u> | | | | | Net General Bonded | Total Taxable Value | Percentage of Taxable Value |
|-------------|--|-------------------------------|------------------------------|-------------------------------|-------------------------------------|--------------------|---------------------|-----------------------------|
| | Building Authority Bonds | Water/ Sewer Obligation Bonds | Net Pension Obligation Bonds | Net Capital Improvement Bonds | Less Paid by Benefited Municipality | | | |
| 2013 | 270,000 | 12,378,000 | - | 925,000 | 12,648,000 | 925,000 | 1,504,307,893 | 0.0615% |
| 2014 | 130,000 | 11,873,000 | - | 890,000 | 12,003,000 | 890,000 | 1,627,457,617 | 0.0547% |
| 2015 | - | 11,345,000 | - | 855,000 | 11,345,000 | 855,000 | 1,730,939,880 | 0.0494% |
| 2016 | - | 10,725,114 | 6,802,914 | 804,054 | 10,725,114 | 7,606,968 | 1,733,524,072 | 0.4388% |
| 2017 | - | 10,167,114 | 8,985,416 | 764,800 | 10,167,114 | 9,750,216 | 1,746,978,563 | 0.5581% |
| 2018 | - | 5,487,114 | 8,730,000 | 708,221 | 5,487,114 | 9,438,221 | 1,798,828,863 | 0.5247% |
| 2019 | - | 4,084,114 | 8,345,000 | 695,000 | 4,084,114 | 9,040,000 | 1,862,786,940 | 0.4853% |
| 2020 | - | 3,675,114 | 7,945,000 | 650,000 | 3,675,114 | 8,595,000 | 1,991,515,345 | 0.4316% |
| 2021 | - | 7,726,323 | 7,810,000 | 605,000 | 7,726,323 | 8,415,000 | 2,045,969,814 | 0.4113% |
| 2022 | - | 7,182,323 | 7,325,000 | 555,000 | 7,182,323 | 7,880,000 | 2,108,698,319 | 0.3737% |

| Fiscal Year | <u>General Bonded Debt Outstanding</u> | | | Village | City | Net Overlapping | Percentage of Taxable Value |
|-------------|--|-----------|----------------------|-----------|-----------|-----------------|-----------------------------|
| | School Districts | Townships | Intermediate Schools | | | | |
| 2013 | 56,502,273 | 6,556,673 | 1,291,641 | 2,810,984 | 2,287,615 | 69,449,186 | 4.6167% |
| 2014 | 47,882,889 | 6,939,267 | 1,286,014 | 3,403,835 | 1,994,106 | 61,506,111 | 3.7793% |
| 2015 | 62,195,613 | 7,424,969 | 1,281,445 | 3,226,164 | 2,536,597 | 76,664,788 | 4.4291% |
| 2016 | 52,429,998 | 7,120,679 | 20,392 | 3,268,193 | 6,994,088 | 69,833,350 | 4.0284% |
| 2017 | 54,132,775 | 6,597,293 | 43,966 | 7,590,666 | 6,332,580 | 74,697,280 | 4.2758% |
| 2018 | 63,494,376 | 6,393,388 | 37,031 | 6,996,491 | 5,706,750 | 82,628,036 | 4.5934% |
| 2019 | 66,819,870 | 6,137,346 | 30,948 | 6,756,783 | 5,136,375 | 84,881,322 | 4.5567% |
| 2020 | 71,637,950 | 5,919,010 | 32,837 | 6,504,608 | 4,562,125 | 88,656,530 | 4.4517% |
| 2021 | 66,434,367 | 5,447,949 | 50,601 | 6,247,433 | 7,046,875 | 85,227,225 | 4.1656% |
| 2022 | 64,811,605 | 5,265,419 | 44,732 | 5,987,726 | 6,107,750 | 82,217,232 | 3.8990% |

Source: Tuscola County debt schedules, and the Municipal Advisory Council of Michigan overlapping debt schedules

TUSCOLA COUNTY, MICHIGAN
Computation of Direct and Overlapping Bonded Debt
December 31, 2022

Table 11

| 2022 Census Totals 2022 Taxable Value | 53,323 2,108,698,319 | <u>Gross</u> | <u>Self-Support or Portion Paid by Benefited Municipality</u> | <u>Net</u> |
|--|-------------------------|----------------------|---|----------------------|
| Direct debt of County: | | | | |
| Sewer/Water | | \$ 7,182,323 | \$ 7,182,323 | \$ - |
| Capital Improvement | | 555,000 | - | 555,000 |
| Pension Obligation Bond | | 7,325,000 | - | 7,325,000 |
| | | <u>\$ 15,062,323</u> | <u>\$ 7,182,323</u> | <u>\$ 7,880,000</u> |
| | | | | |
| Per-Capita County Net Direct Debt | | | | 147.78 |
| Percent County Net Direct Debt to 2022 Taxable | | | | 0.3737% |
| Overlapping Debt of County: | | | | |
| School Districts | | | | \$ 64,811,605 |
| Townships | | | | 5,265,419 |
| Intermediate School District | | | | 44,732 |
| Village | | | | 5,987,726 |
| City | | | | 6,107,750 |
| Net Overlapping Debt | | | | <u>\$ 82,217,231</u> |
| Net County and Overlapping Debt | | | | <u>\$ 90,097,231</u> |
| | | | | |
| Per-Capita County Net Direct and Overlapping Debt | | | | \$ 1,689.65 |
| Percent Net Direct and Overlapping Debt to Taxable Value | | | | 4.2726% |

(1) Includes Primary Government

Source: census.gov, Municipal Advisory Council of Michigan, Tuscola County Debt Schedules, Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN
Legal Debt Margin Information
(Last Ten Fiscal Years)

Table 12

| Fiscal Year | Assessed Year | Assessed Value of Property | Debt limit, 10% of Assessed Value (Statutory Limitation) | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to the Limit as a Percentage of Debt |
|-------------|---------------|----------------------------|--|------------------------------------|-------------------|--|
| 2013 | 2012 | 1,504,307,893 | 150,430,789 | 13,573,000 | \$ 136,857,789 | 9.02% |
| 2014 | 2013 | 1,627,457,617 | 162,745,762 | 12,893,000 | \$ 149,852,762 | 7.92% |
| 2015 | 2014 | 1,730,939,880 | 173,093,988 | 12,200,000 | \$ 160,893,988 | 7.05% |
| 2016 | 2015 | 1,975,936,615 | 197,593,662 | 18,332,082 | \$ 179,261,580 | 9.28% |
| 2017 | 2016 | 2,137,597,673 | 213,759,767 | 10,739,209 | \$ 203,020,558 | 5.02% |
| 2018 | 2017 | 2,231,695,255 | 223,169,526 | 10,739,209 | \$ 212,430,317 | 4.81% |
| 2019 | 2018 | 2,249,374,051 | 224,937,405 | 10,739,209 | \$ 214,198,196 | 4.77% |
| 2020 | 2019 | 2,318,460,757 | 231,846,076 | 10,739,209 | \$ 221,106,867 | 4.63% |
| 2021 | 2020 | 2,939,844,705 | 293,984,471 | 10,739,209 | \$ 283,245,262 | 3.65% |
| 2022 | 2021 | 3,109,416,274 | 310,941,627 | 15,062,323 | \$ 295,879,304 | 4.84% |

Source: Tuscola County Debt Schedules, Tuscola County Equalization Report

TUSCOLA COUNTY, MICHIGAN
Demographic and Economic Statistics,
Last Ten Calendar Years

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (2)</u> | <u>School Enrollment (3)</u> | <u>Unemployment Rate (4)</u> |
|-------------|-----------------------|----------------------------|---------------------------------------|------------------------------|------------------------------|
| 2012 | 54,662 | 1,624,119 | 29,712 | 9,140 | 10.5% |
| 2013 | 54,263 | 1,715,147 | 31,608 | 9,140 | 10.5% |
| 2014 | 54,000 | 1,748,161 | 32,373 | 8,833 | 8.5% |
| 2015 | 53,777 | 1,864,226 | 34,666 | 8,772 | 7.8% |
| 2016 | 53,338 | 1,870,805 | 35,075 | 8,570 | 6.3% |
| 2017 | 52,764 | 1,882,424 | 35,676 | 8,365 | 6.4% |
| 2018 | 52,516 | 1,894,115 | 36,067 | 8,271 | 5.5% |
| 2019 | 52,245 | 1,977,456 | 37,850 | 7,754 | 6.2% |
| 2020 | 53,274 | 2,245,744 | 42,155 | 7,446 | 7.1% |
| 2021 | 53,046 | 2,376,387 | 44,799 | 7,473 | 4.8% |
| 2022 | 52,945 | 2,447,679 | 46,231 | 7,453 | 5.2% |

(1) Census Bureau 2017-2021 estimated census data. 2020 actual census data. 2017-2021 estimated.

(2) Personal income includes net earnings by place of residence, dividends, interest, and rent; and personal current transfer receipts received by the residents of Tuscola County. (dollars stated in thousands)

BEA 2022 data not available. Estimates based on population changes, and state change in personal income.

2010-2020 updated with BEA revised estimates. BEA population estimates reflect county population estimates available as of December 2022.

(3) Fall membership count. Public schools only.

(4) Annual yearly rates shown.

Sources: US Census Bureau, Dept. Technology Mgt & Budget, US Bureau of Labor Statistics, Michigan Department of Technology, Management & Budget, Tuscola Intermediate School District.

TUSCOLA COUNTY, MICHIGAN
Principal Employers
Current Year (1) and Nine Years Ago

Table 14

| <u>2022</u> | | | | | <u>2012</u> | | | | |
|---|-----------------------------|----------------------|-------------|--|--------------------------------------|-------------------------|----------------------|-------------|--|
| <u>Employer</u> | <u>Product/Service</u> | <u>Employees (1)</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employer</u> | <u>Product/Service</u> | <u>Employees (1)</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Caro Regional Center | Mental Health Care | 418 | 1 | 3.7% | Tuscola County | Government | 354 | 1 | 1.6% |
| Hills & Dales General Hospital | Health Care | 350 | 2 | 3.1% | Caro Regional Center | Mental Health Care | 324 | 2 | 1.4% |
| Walbro LLC | Manufacturing | 315 | 3 | 2.8% | Hills & Dales General Hospital | Health Care | 300 | 3 | 1.3% |
| Lighthouse Neurological Rehabilitation Center | Neurological Rehabilitation | 283 | 4 | 2.5% | Wolverine Human Services | Juvenile Rehabilitation | 298 | 4 | 1.3% |
| Tuscola Intermediate School District | Education | 240 | 6 | 2.1% | Caro Community Schools | Education | 260 | 5 | 1.1% |
| Caro Community Schools | Education | 232 | 7 | 2.0% | Vassar Schools | Education | 257 | 6 | 1.1% |
| Tuscola County | Government | 218 | 7 | 1.9% | Tuscola Intermediate School District | Education | 256 | 7 | 1.1% |
| Walmart | Retail | 169 | 8 | 1.5% | Walbro - Engine Management | Manufacturing | 224 | 8 | 1.0% |
| TI Automotive | Manufacturing | 157 | 9 | 1.4% | Wal-Mart | Retail | 142 | 9 | 0.6% |
| Human Development Commission | Government | 137 | 10 | 1.2% | Metavation Foundry | Manufacturing | 140 | 10 | 0.6% |
| Total | | <u>2519</u> | | <u>22.0%</u> | Total | | <u>2555</u> | | <u>11.2%</u> |

(1) Full Time employee count
(2) Includes Primary Government

Sources: Tuscola Co Economic Development Corp., US Bureau of Labor Statistics, and Tuscola Co Human Resources

TUSCOLA COUNTY, MICHIGAN
Full-Time Equivalent County Employees by Function,
Last Ten Fiscal Years

Table 15

| | | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--------------------|-----|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function | | | | | | | | | | | | |
| Legislative | (1) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Judicial | (2) | 42 | 43 | 36 | 38 | 38 | 41 | 41 | 42 | 35 | 42 | 50 |
| General Government | | 48 | 49 | 48 | 51 | 52 | 57 | 62 | 52 | 50 | 55 | 41 |
| Public Safety | | 59 | 57 | 62 | 61 | 63 | 64 | 70 | 72 | 75 | 80 | 75 |
| Public Works | | - | - | - | - | - | - | - | - | - | - | - |
| Health and Welfare | (3) | 200 | 203 | 215 | 228 | 226 | 230 | 230 | 255 | 219 | 220 | 223 |
| Total | | 354 | 357 | 366 | 383 | 384 | 397 | 408 | 426 | 384 | 402 | 394 |

(1) In 2015 Board of Commissioners were classed PT by Board Action 14-M-226

(2) In 2014 Tuscola County Reclassified Probate Child care to Health and Welfare

(3) Does not include Component Units

Source: Tuscola County Human Resources, Tuscola Co Medical Care Facility, Tuscola Co Health Dept.

TUSCOLA COUNTY, MICHIGAN
Operating Indicators by Function/Program,
Last Ten Fiscal Years

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Function/Program</u> | | | | | | | | | | |
| Incarcerated offenders | 1,761 | 1,987 | 1,742 | 1,521 | 1,572 | 1,578 | 1,385 | 878 | 860 | 1,035 |
| First time offenders | 514 | 474 | 548 | 511 | 491 | 542 | 468 | 323 | 338 | 321 |
| Repeat offenders | 1,247 | 1,513 | 1,194 | 1,010 | 1,081 | 1,036 | 917 | 555 | 522 | 532 |
| Males | 1,415 | 1,667 | 1,368 | 1,184 | 1,224 | 1,231 | 1,037 | 648 | 650 | 795 |
| Females | 346 | 320 | 374 | 337 | 348 | 347 | 348 | 230 | 210 | 24 |
| Traffic violations and other summons issued | 1,784 | 1,766 | 1,744 | 1,688 | 1,350 | 1,666 | 1,812 | 1,527 | 2,286 | 1,530 |
| Complaints responded to | 4,975 | 4,884 | 5,120 | 5,091 | 5,085 | 5,231 | 4,886 | 4,532 | 4,087 | 4,995 |
| Physical arrests made | 746 | 725 | 981 | 862 | 852 | 856 | 755 | 483 | 417 | 523 |
| Accidents responded to | 1,068 | 966 | 1,016 | 1,030 | 1,086 | 1,027 | 995 | 836 | 1,243 | 1,177 |
| Fatal Crashes | 2 | 8 | 2 | 2 | 7 | 7 | 5 | 7 | 8 | 3 |
| Car Deer Accidents | 609 | 549 | 599 | 591 | 643 | 592 | 601 | 563 | 577 | 738 |
| | | | | | | | | | | |
| Total 911 Calls received (2) | 22,703 | 22,225 | 22,339 | 24,298 | 22,292 | 22,022 | 21,504 | 19,309 | 22,710 | 17,599 |
| Wireless/Voip Calls | 15,845 | 15,718 | 15,874 | 19,019 | 17,902 | 17,435 | 17,869 | 18,723 | 15,539 | 14,648 |
| Landline Calls | 6,858 | 6,507 | 6,465 | 5,279 | 4,782 | 4,587 | 4,198 | 586 | 833 | 2,951 |
| Non-emergency calls | 38,919 | 36,584 | 34,326 | 27,836 | 22,736 | 24,491 | 23,422 | 20,687 | 20,346 | 20,346 |
| Calls for Service logged | 37,850 | 39,283 | 40,512 | 40,521 | 40,057 | 41,145 | 41,300 | 35,596 | 40,079 | 40,075 |
| Traffic Accidents | 1,230 | 1,252 | 1,291 | 1,359 | 1,462 | 1,480 | 1,033 | 1,117 | 1,662 | 1,757 |
| Car Deer | 780 | 744 | 885 | 892 | 982 | 970 | 1,250 | 1,089 | 1,095 | 1,095 |
| Traffic Stops | 12,892 | 13,047 | 13,407 | 11,881 | 12,170 | 11,533 | 10,808 | 6,356 | 8,503 | 8,503 |
| Fires | 699 | 523 | 717 | 413 | 478 | 539 | 501 | 559 | 459 | 459 |
| Medicals (not include accidents) | 5,086 | 5,657 | 5,971 | 5,831 | 5,790 | 6,130 | 6,173 | 6,144 | 6,939 | 6,939 |
| | | | | | | | | | | |
| Judicial | | | | | | | | | | |
| 54th Circuit Court new case filings | 1,314 | 1,212 | 1,096 | 1,124 | 1,183 | 1,171 | 1,001 | 911 | 1,117 | 1,138 |
| 71B District Court new case filings | 7,783 | 7,111 | 6,975 | 6,806 | 6,510 | 6,586 | 7,258 | 4,847 | 5,719 | 5,518 |
| Probate Court new case filings | 400 | 394 | 379 | 380 | 396 | 407 | 370 | 318 | 453 | 397 |

(1) Tuscola County Sheriff's Department, only incarcerated offenders are from all police departments.

(2) All calls for Tuscola County are handled through Central Dispatch

Sources: Sheriff's Annual Report, State Court Administrative Reports. Tuscola County Central Dispatch Annual Report

TUSCOLA COUNTY, MICHIGAN
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Table 17

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Function/Program</u> | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Sheriffs Department | | | | | | | | | | |
| Vehicles (1) | 24 | 21 | 24 | 25 | 21 | 24 | 27 | 23 | 24 | 25 |
| Mileage | 330,004 | 356,320 | 335,880 | 340,893 | 415,692 | 437,270 | 441,077 | 335,514 | 348,045 | 308,297 |
| Boats/Watercraft | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Dispatch | | | | | | | | | | |
| Vehicles | 2 | 2 | 2 | 2 | 2 | - | 1 | 1 | 1 | 1 |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| General Government | | | | | | | | | | |
| Building and Grounds | | | | | | | | | | |
| Vehicles | 12 | 10 | 10 | 11 | 10 | 10 | 10 | 10 | 11 | 11 |
| Buildings | 17 | 17 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Mosquito control | | | | | | | | | | |
| Vehicles | 17 | 21 | 21 | 21 | 21 | 22 | 22 | 25 | 25 | 24 |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 |
| Recycling | | | | | | | | | | |
| Vehicles | 2 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Trailers | 4 | 6 | 6 | 6 | 6 | 4 | 6 | 6 | 6 | 6 |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Animal Control | | | | | | | | | | |
| Vehicles | - | - | - | - | - | 2 | 2 | 2 | 2 | 2 |
| Buildings | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| FOC | | | | | | | | | | |
| Vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Juvenile Probation | | | | | | | | | | |
| Vehicles | 2 | 2 | 2 | 2 | 2 | 1 | 3 | 2 | 3 | 2 |
| Health and Welfare | | | | | | | | | | |
| Health Department | | | | | | | | | | |
| Vehicles | 4 | 5 | 5 | 6 | 6 | 6 | 7 | 11 | 12 | 9 |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation and Culture | | | | | | | | | | |
| Vanderbilt Park (2) | | | | | | | | | | |
| Acres | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |

(1) Not all vehicles used for Road Patrol

(2) Vanderbilt Park is the only county owned park

Source: Tuscola County Controller's Office Asset Tracking System, MMRMA

Note: Not all historical information is currently available. This table will continue to be populated as more information becomes available.



**TUSCOLA COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2022**

Tuscola County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

| Federal Agency / Cluster / Program Title | Assistance Listing Number | Pass-through / Grantor Number | Federal Expenditures |
|--|--------------------------------------|--|---------------------------------|
| U.S. Department of Justice: | | | |
| <i>Passed through the Michigan Department of State Police</i> | | | |
| Coronavirus Emergency Supplemental Funding Program | 16.034 | CESF-2022-083 | \$ 79,653 |
| <i>Passed through the Michigan Department of Health and Human Services</i> | | | |
| Crime Victim Assistance | 16.575 | 2019V2GX0036 | 82,071 |
| Total U.S. Department of Justice | | | <u>161,724</u> |
| U.S. Department of Treasury: | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) | 21.027 | Direct | 10,073,179 |
| Total U.S. Department of Treasury | | | <u>10,073,179</u> |
| U.S. Department of Health and Human Services: | | | |
| <i>Passed through the Michigan Department of Health and Human Services</i> | | | |
| Child Support Enforcement: | | | |
| Prosecuting Attorney Cooperative Reimbursement Program | 93.563 | CSPA 17-79002 | 89,103 |
| Friend of the Court Cooperative Reimbursement Program | 93.563 | CSFOC17-79001-A22 | 542,807 |
| Friend of the Court Cooperative Reimbursement Program | 93.563 | GF/GP | 37,322 |
| Title IV-D Incentive Program | 93.563 | N/A | 56,548 |
| Total Child Support Enforcement: | | | <u>725,780</u> |
| Total U.S. Department of Health and Human Services | | | <u>725,780</u> |
| U.S. Department of Homeland Security: | | | |
| <i>Passed through the Michigan Department of State Police</i> | | | |
| Emergency Management Performance Grants | 97.042 | N/A | 37,873 |
| <i>Passed through the County of Midland, Michigan</i> | | | |
| Homeland Security Grant Program | 97.067 | N/A | 26,762 |
| <i>Passed through the Michigan Department of Natural Resources</i> | | | |
| Boating Safety Financial Assistance | 97.012 | N/A | 13,900 |
| Total U.S. Department of Homeland Security | | | <u>78,535</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 11,039,218</u> |

See Notes to the Schedule of Expenditures of Federal Awards

Tuscola County

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

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

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the Tuscola County Health Department (9/30/2022), Tuscola County Medical Care Facility, and the Tuscola County Road Commission, which received federal awards that are not included in the Schedule for the year ended December 31, 2022, as these entities were separately audited from the County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

NOTE C - UNITED STATES DEPARTMENT OF AGRICULTURE LONG-TERM DEBT

The County has outstanding loans under the United States Department of Agriculture (USDA) Water and Waste Disposal Systems for Rural Development Communities totaling \$3,956,209 as of December 31, 2022.

Tuscola County

Notes to the Schedule of Expenditures of Federal Awards

NOTE D - RECONCILIATION TO FINANCIAL STATEMENTS

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

| | |
|--|-----------------------------|
| Intergovernmental revenues reported in the financial statements: | |
| Governmental funds | \$ 19,550,393 |
| Business-type activities | 4,672,257 |
| Component units | <u>16,236,890</u> |
| Total intergovernmental revenue: | <u>40,459,540</u> |
| <i>Subtract separately audited entities:</i> | |
| Tuscola County Health Department (09/30/2022) | (3,368,178) |
| Tuscola County Medical Care Facility | (4,672,257) |
| Tuscola County Road Commission | (16,236,890) |
| <i>Subtract state and local sources:</i> | <u>(5,142,997)</u> |
| <i>Total expenditures of federal awards:</i> | <u>\$ 11,039,218</u> |

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

To the Board of Commissioners
Tuscola County, Michigan
Caro, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola County, Michigan (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Tuscola County Health Department (09/30/2022), Tuscola County Medical Care Facility, and the Tuscola County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC
Grand Rapids, MI
June 30, 2023

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

To the Board of Commissioners
Tuscola County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

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

The County's basic financial statements include the operations of the Tuscola County Health Department (09/30/2022), the Tuscola County Medical Care Facility, and the Tuscola County Road Commission, which received over \$750,000 in federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2022. Our audit, described below, did not include the operations of the Tuscola County Health Department (09/30/2022), the Tuscola County Medical Care Facility, and the Tuscola County Road Commission, because each entity arranged for a separate financial statement audit and either did not meet the criteria for a single audit in accordance with the Uniform Guidance (Tuscola County Road Commission and Tuscola County Medical Care Facility) or met the criteria and had a single audit engagement performed in accordance with the Uniform Guidance (Tuscola County Health Department (09/30/2022)).

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of the Report

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



Gabridge & Company, PLC
Grand Rapids, MI
June 30, 2023

Tuscola County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

| |
|---|
| SECTION I - SUMMARY OF AUDITOR'S RESULTS |
|---|

Financial Statements

| | |
|---|------------|
| Type of auditor's report issued | Unmodified |
| Internal controls over financial reporting | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | No |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|---------------|
| Internal control over major programs | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of Major Programs

| Name of Federal Program or Cluster | Assistance Listing Number |
|---|------------------------------|
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |
| Dollar threshold used to distinguish between Type A and B programs? | \$ 750,000 |
| Auditee qualified as a low-risk auditee? | Yes |

| |
|--|
| SECTION II - FINANCIAL STATEMENT FINDINGS |
|--|

No matters were reported.

| |
|--|
| SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS |
|--|

No matters were reported.

| |
|---|
| SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS |
|---|

No findings or questioned costs in the prior year.