TUSCOLA COUNTY

Committee of the Whole
MEETING AGENDA

Monday, July 27, 2026 – 8:00 AM

H.H. Purdy Building Board Room, 125 W. Lincoln St., Caro, MI 48723

Public may participate in the meeting electronically:
Join by phone: (US) +1 929-276-1248 PIN:112 203 398#
Join by Hangouts Meeting ID: *meet.google.com/mih-jntr-jya*

8:00 AM Call to Order - Chairperson Vaughan
Roll Call - Clerk Fetting

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New Business

1.	Maner Costerisan 2025 Audit Presentation - Aaron Stevens Tuscola County 2025 Governance Letter Tuscola County 2025 Audit	3 - 208
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3.	Road Commissioner Resolution and Millage Discussion - Billy Putnam Resolution Proposal for Implementation of the Road Commission Board Selection Process	220 - 221
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1. Controller/Administrator Contract Update

Finance/Technology

Committee Leader **Commissioner Bardwell** and Commissioner Koch

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3. Sheriff's Office Request to Purchase Firearms, Holsters, and Ammunition for Corrections - Ryan Robinson, Sheriff 235 - 238
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Request to purchase new Mosquito fogger

Primary Finance/Technology

On-Going and Other Finance

On-Going and Other Technology

Building and Grounds

Committee Leader **Commissioner Koch** and Commissioner Lutz

Primary Building and Grounds

On-Going and Other Building and Grounds

Personnel

Committee Leader **Commissioner Vaughan** and Commissioner Barrios

Primary Personnel

1. Mosquito Abatement Foreman Position - Larry Zapfe, Mosquito Abatement Director 243 - 245
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On-Going and Other Personnel

Other Business as Necessary

Public Comment Period

Adjournment

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #300,
Grand Rapids, MI 49546

☎ 517.323.7500

June 23, 2026

To the Board of Commissioners of
Tuscola County
Caro, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola County, Michigan (the County) for the year ended December 31, 2025. We did not audit the financial statements of the Tuscola County Road Commission, which represents 75%, 76%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tuscola County are described in Note 1 to the financial statements. As described in Note 17 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*, during the year ended December 31, 2025, and the Health Department implemented Statement No. 101, *Compensated Absences*, during the year ended September 30, 2025. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Tuscola County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

> The County's investments are carried at their estimated fair value at year-end. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (year-end).
>
> Management's calculation of the depreciation/amortization expense is based on the estimated useful lives of the capital assets.
>
> Management's estimate of the discount rate used for leases and subscriptions, the lease/subscription term and lease/subscription payments/receipts are based on the County's incremental borrowing rate and consideration of the noncancelable period of the lease/subscription and reasonably certain lease/subscription renewal options.

Management's estimate of the net pension liability and related deferrals is based on an actuarial study which utilized data provided by the County and certain actuarial assumptions.

Management's calculation of the accrued compensated absences is based on current hourly rates, historical usage, and policies regarding payment of sick and vacation banks while the current and noncurrent portions of compensated absences was based on an estimate of the percentage of employees' use of compensated absences.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material journal entries for the proper recognition of receivables, prepaids, depreciation expense, unearned revenue, deferred inflows of resources, and taxes receivable were proposed by the auditors.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 23, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and the schedules for the defined benefit pension plans that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Commissioners of Tuscola County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC

Lansing, Michigan

TUSCOLA COUNTY, MICHIGAN

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

Issued by:
County Controller's Department

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FINANCIAL SECTION (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION (CONCLUDED)

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INTRODUCTORY SECTION

TUSCOLA COUNTY
CONTROLLER'S OFFICE
125 W. Lincoln St, Suite 500, Caro, MI 48723
Phone: 989-672-3700

June 23, 2026

To the Citizens of
Tuscola County
Caro, Michigan

The Annual Comprehensive Financial Report of Tuscola County, Michigan, for the year ended December 31, 2025, is submitted herewith. This report was prepared by the Tuscola County Controller-Administrator's Office with significant assistance from the County's Independent Auditors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants, is included in the single audit section of this report.

This report includes all funds of the County, and its component units as defined in Government Accounting Standards Board Statement No. 14 (as amended), The Financial Reporting Entity. The County has implemented GASB Statement No. 14 (as amended), which sets forth criteria for including/excluding certain related entities in the County's basic financial statements. As a result, the Tuscola County Medical Care Facility, the Tuscola County Road Commission, the Office of the Tuscola County Drain Commissioner, and the Tuscola County Land Bank Authority have been discretely presented as component units in the basic financial statements.

Profile of the Government

The Tuscola County government is operated under a five-member elected County Board of Commissioners. Members are elected on a partisan basis by the 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 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 Counsel, Indigent Defense, Accounting-Budgeting and other statutory functions.

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 who 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, delinquent youth; building codes; animal control; emergency services/homeland security; economic development; recycling; mosquito abatement; medical care facility; etc.

Local Economy

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.

State Equalized Value (SEV) for property increased by 10.43% from 2022 to 2023, increased 8.89% from 2023 to 2024 and increased 3.51% from 2024 to 2025. Most of the increase has come from the residential and agricultural property classes. The SEV for personal property is the only property class that is declining because of the continued effort in the State to eliminate personal property taxes through increased offerings of exemptions.

According to the Bureau of Economic Analysis, Tuscola County's per capita income increased by 1.91% from 2023 to 2024, which is in stark contrast to the state which increased 3.87%, and the nation which increased 4.46%. According to the Michigan Department of Technology, Management and Budget, Tuscola County annualized unemployment rate at the end of 2024 was 4.7%, which was higher than the state rate at 4.5% and the national rate at 4.2%.

Similar to the State of Michigan as a whole, Tuscola County has experienced a slight decline in population going from an estimated 53,777 in 2015 to an estimated 52,680 in 2025. The declining population is more pronounced by school enrollment declines. In 2015, school enrollment in the county was 8,772 compared to 7,112 in 2025. This is a 10-year decline of 1,660 students or 18.92%.

Economic Development Initiatives

The Tuscola County Economic Development Corporation (EDC) has strengthened its role as a central coordination point for project development, working alongside municipalities, developers, and partner organizations. This includes supporting site readiness efforts, redevelopment planning, and predevelopment activities. The EDC also manages coordination with engineers, environmental consultants, and program partners to ensure projects remain aligned with strict funding requirements and timelines.

1. As part of the Eastern Michigan Small Business Network, the EDC awarded $31,502 of grants to seven existing businesses in Caro, Vassar, Cass City, and Mayville. These grants were awarded to a mixture of retail, service, and manufacturing businesses designed to support their growth and development and resulted in jobs being retained and created throughout the County. The Eastern Michigan Small Business Network is a partnership of organizations - including the Michigan EDC - committed to serving the needs of startups and small businesses in Michigan's central eastern region.

2. The EDC has expanded BRE efforts to increase direct engagement with local businesses throughout Tuscola County. Between June 2025 and December 31, 2025, the EDC conducted over 23 formal onsite business visits. It should be noted that this figure represents formal visits and does not include the numerous supplementary one-on-one engagements with individual businesses and municipalities we have assisted countywide. Core BRE activities include:
    - Responding to requests for information and technical assistance.
    - Conducting proactive outreach and retention visits.
    - Identifying operational challenges and barriers to growth.
    - Connecting businesses to critical resources, including the Small Business Development Center (SBDC), Small Business Administration (SBA), Michigan Works, and other regional partners.

3. State & Federal Agency Coordination
   To better position local projects for funding and technical assistance, the EDC has increased coordination with key agencies, including:
    - Michigan Economic Development Corporation (MEDC)
    - Michigan Department of Environment, Great Lakes, and Energy (EGLE)
    - U.S. Environmental Protection Agency (EPA)
    - U.S. Department of Agriculture (USDA)
    - Michigan State Housing Development Authority (MSHDA)

   This alignment has improved access to resources and enhanced the county's competitive positioning for state and federal funding opportunities.

4. Redevelopment & Community Projects
   The EDC provides ongoing support for redevelopment and community-based projects across multiple municipalities. Notable examples include the Aspire Rural Health project, Burns Poultry, and the Burnside Street redevelopment. These efforts target vacant and underutilized properties, infrastructure improvements, and community-driven initiatives. Assistance includes funding alignment, grant application development, and the coordination of project partners.

5. The EDC maintains an active role in regional initiatives, including the coordination of Brownfield Assessment funding and structured collaboration with neighboring counties and economic organizations to support broader regional economic growth.

6. The EDC facilitates public engagement and stakeholder coordination by organizing and participating in community discussions and partner meetings. This ensures that major initiatives, such as the Caro Dam project and other county priorities, incorporate local input and reflect community needs.

7. The EDC continues to manage a growing portfolio of projects, funding opportunities, and business engagements that require consistent oversight across multiple jurisdictions. To date, these efforts have yielded the following measurable outcomes:
    - Direct creation and retention of local jobs.
    - Increased business engagement and operational support.
    - Expanded access to financing and strategic resources.
    - Successful attraction and administration of over $2.4 million in grant funding to support economic development activity throughout Tuscola County.

Financial Management

Internal Controls

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

Budgeting Control

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 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.

Financial Policies

It is the Board of Commissioner's policy to maintain a sufficient fund balance in the County's General Fund. A portion of this fund balance shall be designated as the unassigned fund balance and is aimed at preserving a stable financial environment, ensuring adequate liquidity for day-to-day operations, securing favorable bond ratings, managing unexpected emergencies or downturns effectively, and meeting statutory obligations. The County's policy for its General Fund is to maintain a balance of at least 17% of expenditures and transfers-out.

Further, the County maintains strong position control (a process that monitors head count and ensures that all hires are for board-approved positions only) and position budgeting system and adheres to the practice of budgeting for full employment. Salary and fringe benefits appropriations are tied to specific authorized positions in a position budgeting system. Should vacancies occur or if positions are filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

None of the other fiscal policies had a significant impact on the current period financial statements.

Other Information

Independent Audit

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The accounting firm of Maner Costerisan was selected by the Tuscola County Board of Commissioners to perform the County's annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Uniform Guidance. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are also included in this report in the Single Audit Section.

Accounting Systems and Reports

The County's accounting records for traditional governmental operations, i.e., General Fund, special revenue funds, debt service funds and capital project funds, are maintained on a modified accrual basis of accounting. As a result, the more significant revenues such as property taxes, intergovernmental revenues and investment earnings are recognized as earned and other revenues are generally recognized only when received. Expenditures are recorded when incurred. Employees accumulated unused annual leave, sick pay and longevity pay are also recognized on the modified accrual basis.

Awards

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, 2022. The country has received this prestigious award for 22 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfies 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.

Acknowledgements

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,

Mike Miller,
Tuscola County Interim Controller-Administrator

Connie Keinath

Connie Keinath,
Tuscola County Chief Accountant

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, 2024

Christopher P. Morrill
Executive Director/CEO

The Board of Commissioners

Kim Vaughan
District 3
Chairperson

District 1	Nancy Barrios	District 2	Thomas Bardwell
District 4	William Lutz	District 5	Matthew Koch

Administration

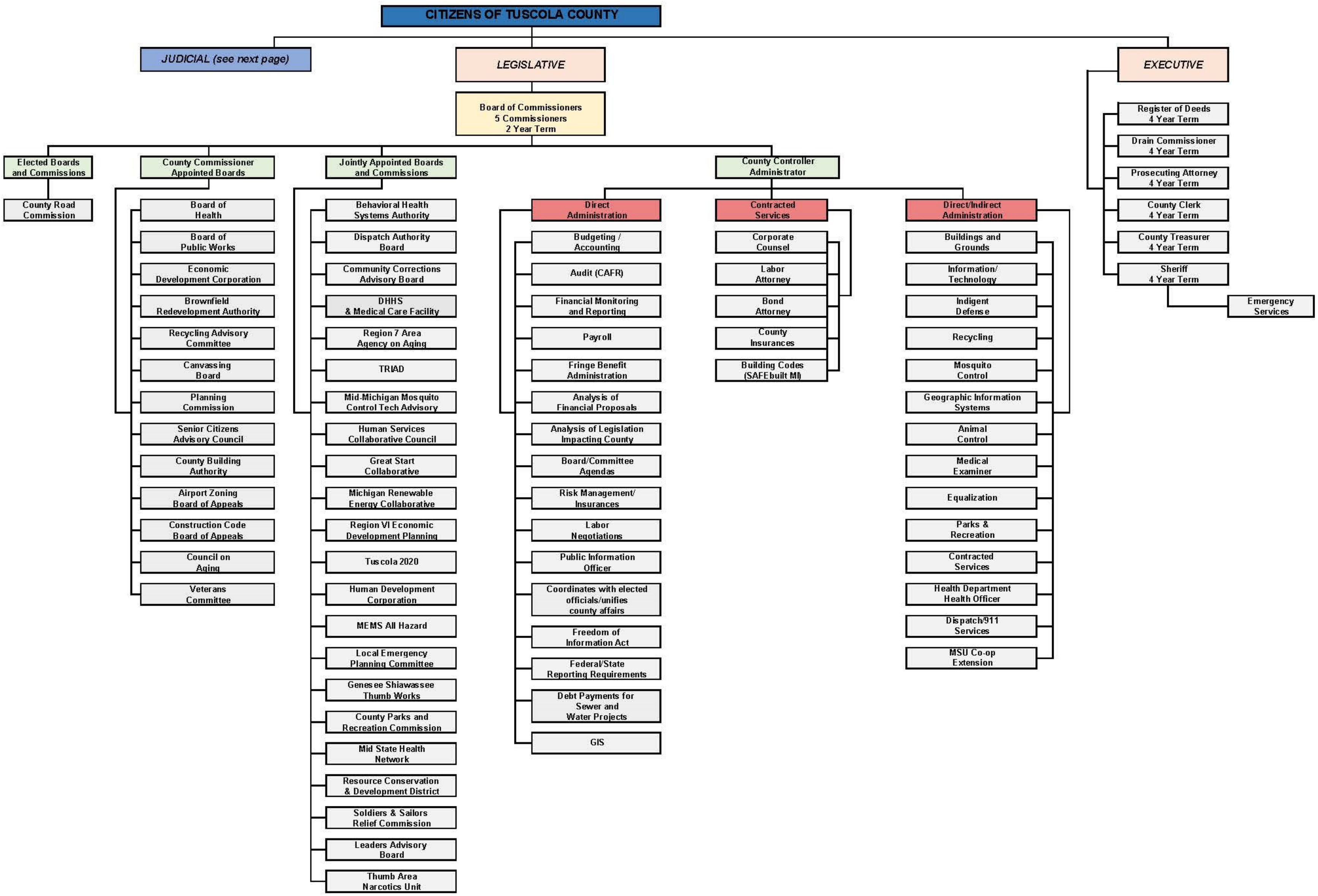
Interim Controller-Administrator	Mike Miller

Elected Officials

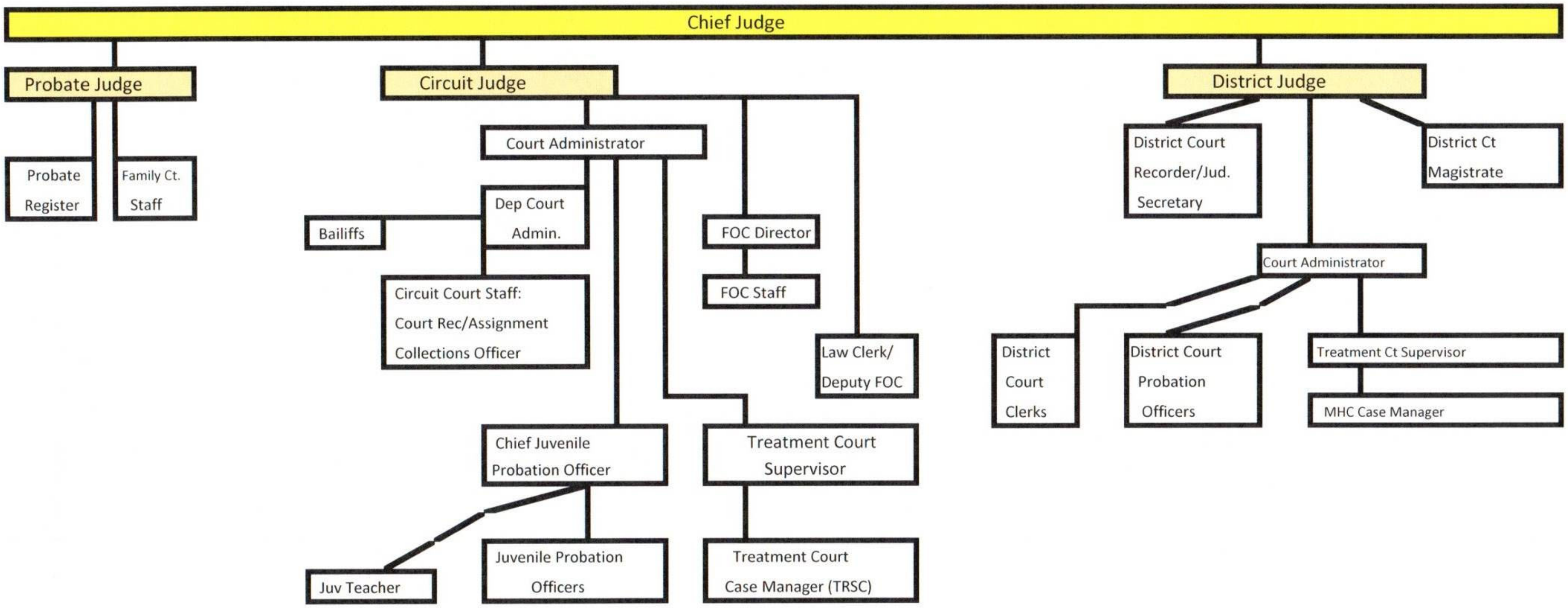
Circuit Court Judge	Amy Grace Gierhart
County Clerk	Jodi Fetting
District Court Judge	Jason Bitzer
Drain Commissioner	Dara Hood
Probate Court Judge	Nancy Thane
Prosecutor	Erica Walle
Register of Deeds	Marianne Brandt
Sheriff	Ryan Robinson
Treasurer	Ashley Bennett

Appointed Officials

Court Administrator	Sheila Long
Director of Facilities & Buildings	Mike Miller
Chief Information Officer	Eean Lee
Dispatch Director	Carrie Tabar
Equalization Director	Angela Daniels
Friend of the Court Director	Cindy Hughes
Health Officer	Amanda Ertman
Mosquito Abatement Director	Larry Zapfe
MSU/Co-op Director	Karly Creguer
Recycling Coordinator	Mike Miller
Undersheriff	Robert Baxter


CITIZENS OF TUSCOLA COUNTY
JUDICIAL (see next page)
LEGISLATIVE
EXECUTIVE
Board of Commissioners
5 Commissioners
2 Year Term
Elected Boards and Commissions
County Road Commission
County Commissioner Appointed Boards
Board of Health
Board of Public Works
Economic Development Corporation
Brownfield Redevelopment Authority
Recycling Advisory Committee
Canvassing Board
Planning Commission
Senior Citizens Advisory Council
County Building Authority
Airport Zoning Board of Appeals
Construction Code Board of Appeals
Council on Aging
Veterans Committee
Jointly Appointed Boards and Commissions
Behavioral Health Systems Authority
Dispatch Authority Board
Community Corrections Advisory Board
DHHS & Medical Care Facility
Region 7 Area Agency on Aging
TRIAD
Mid-Michigan Mosquito Control Tech Advisory
Human Services Collaborative Council
Great Start Collaborative
Michigan Renewable Energy Collaborative
Region VI Economic Development Planning
Tuscola 2020
Human Development Corporation
MEMS All Hazard
Local Emergency Planning Committee
Genesee Shiawassee Thumb Works
County Parks and Recreation Commission
Mid State Health Network
Resource Conservation & Development District
Soldiers & Sailors Relief Commission
Leaders Advisory Board
Thumb Area Narcotics Unit
County Controller Administrator
Direct Administration
Budgeting / Accounting
Audit (CAFR)
Financial Monitoring and Reporting
Payroll
Fringe Benefit Administration
Analysis of Financial Proposals
Analysis of Legislation Impacting County
Board/Committee Agendas
Risk Management/ Insurances
Labor Negotiations
Public Information Officer
Coordinates with elected officials/unifies county affairs
Freedom of Information Act
Federal/State Reporting Requirements
Debt Payments for Sewer and Water Projects
GIS
Contracted Services
Corporate Counsel
Labor Attorney
Bond Attorney
County Insurances
Building Codes (SAFEbuilt MI)
Direct/Indirect Administration
Buildings and Grounds
Information/ Technology
Indigent Defense
Recycling
Mosquito Control
Geographic Information Systems
Animal Control
Medical Examiner
Equalization
Parks & Recreation
Contracted Services
Health Department Health Officer
Dispatch/911 Services
MSU Co-op Extension
Register of Deeds
4 Year Term
Drain Commissioner
4 Year Term
Prosecuting Attorney
4 Year Term
County Clerk
4 Year Term
County Treasurer
4 Year Term
Sheriff
4 Year Term
Emergency Services

Tuscola County Courts Organizational Chart



Effective 06-20-2024

FINANCIAL SECTION

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #300,
Grand Rapids, MI 49546

☎ 517.323.7500

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Tuscola County
Caro, 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of 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 Tuscola County, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tuscola County Road Commission, which represents 75%, 76%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Tuscola County Road Commission, are based solely on the report of the other auditor.

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 Tuscola 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. The financial statements of the Tuscola County Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principles

As discussed in Note 17 to the financial statements, during the year ended September 30, 2025, the Health Department adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 Tuscola 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 Tuscola 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 Tuscola 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 defined benefit pension plan schedules, as identified 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 introductory section, combining and individual nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, and nonmajor fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual 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 the audit of the basic financial statement, 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 financial 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 23, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
June 23, 2026

As management of Tuscola County (the County), we offer this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the County primary government exceeded its liabilities and deferred inflows of resources at the close of the year by $28,768,735 *(net position).* Of this amount, $3,762,718 *(unrestricted net position)* may be used to meet the government's ongoing obligations.

- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of $23,990,920, a net increase of $1,372,088 or 6.1% over the prior year. Of the total fund balance, $5,912,549 is *available for spending* at the government's discretion *(unassigned fund balance)*.

- At the end of the fiscal year, unassigned fund balance for the General Fund was $5,912,549, an amount equal to 37.6% of total General Fund expenditures (including operating transfers).

Overview of the 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 required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide 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 and deferred outflows of resources vs. liabilities and deferred inflows of resources, with the difference between the two reported as *net position.* Over time, increases or decreases in net position indicate 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.

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, judicial, public safety, public works, health and welfare, community and economic development, and recreation and culture functions. The business-type activities primarily represent the administration of the delinquent property tax system, airport, and the public transit.

The government-wide financial statements include not only the County itself (known as the *primary government),* but also four legally separate entities: the Medical Care Facility, the Road Commission, the Drain Commission, and the Land Bank. Financial information for the *component units* is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road Patrol, Voted Primary Road, Health Department (September 30, 2025), and Wisner Township Water Distribution System, each of which is considered to be a major fund. 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. A budgetary comparison schedule has been provided herein to demonstrate compliance with the County General Fund and all special revenue funds budgets.

Proprietary funds. The County maintains two types of proprietary funds. *Enterprise funds* report the same functions as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Tax Foreclosure and Combined Revolving Tax, which are considered to be major funds. Data from the other nonmajor enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. *Internal Service funds* are used to provide supplies or services to the County's other operations. Internal Service funds are reported as governmental activities on the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs.

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 *other supplementary information,* including combining statements of the nonmajor governmental funds, nonmajor enterprise funds, and custodial funds.

Government-wide Financial Analysis

Statement of Net Position (2024 information has not been restated)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	$ 48,071,889	$ 46,478,580	$ 9,665,274	$ 9,185,998	$ 57,737,163	$ 55,664,578
Capital assets	9,254,794	9,401,876	-	-	9,254,794	9,401,876
TOTAL ASSETS	57,326,683	55,880,456	9,665,274	9,185,998	66,991,957	65,066,454
DEFERRED OUTFLOWS OF RESOURCES	2,690,656	3,462,737	-	-	2,690,656	3,462,737
LIABILITIES						
Current	4,168,928	4,012,057	309,584	13,146	4,478,512	4,025,203
Noncurrent	24,473,489	26,258,584	-	-	24,473,489	26,258,584
TOTAL LIABILITIES	28,642,417	30,270,641	309,584	13,146	28,952,001	30,283,787
DEFERRED INFLOWS OF RESOURCES	11,961,877	11,308,168	-	-	11,961,877	11,308,168
NET POSITION						
Net investment in capital assets	7,803,885	7,789,050	-	-	7,803,885	7,789,050
Restricted	17,202,132	16,267,398	-	-	17,202,132	16,267,398
Unrestricted	(5,592,972)	(6,292,064)	9,355,690	9,172,852	3,762,718	2,880,788
TOTAL NET POSITION	$ 19,413,045	$ 17,764,384	$ 9,355,690	$ 9,172,852	$ 28,768,735	$ 26,937,236

The County's net position includes $9,254,794 in net book value of capital assets comprised of land, buildings, vehicles, and equipment. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Certain other limitations on the use of net position apply due primarily to legal restrictions. The restricted net position totals $17,202,132. The remaining balance of unrestricted net position ($3,762,718 or approximately 13.1%) may be used to meet the government's ongoing obligations.

The following table shows the changes in net position in a comparative format for the years ending December 31, 2025, and December 31, 2024, respectively.

Statement of Activities (2024 information has not been restated)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenue						
Charges for services	$ 5,774,260	$ 5,650,081	$ 1,620,347	$ 1,967,590	$ 7,394,607	$ 7,617,671
Operating grants and contributions	8,914,202	10,172,010	-	-	8,914,202	10,172,010
Capital grants and contributions	303,444	228,066	-	-	303,444	228,066
General revenues						
Property taxes	19,677,902	18,067,593	-	-	19,677,902	18,067,593
State shared revenue	1,483,236	1,354,241	-	-	1,483,236	1,354,241
Investment earnings	1,065,295	1,396,081	238,787	236,819	1,304,082	1,632,900
Other	577,235	555,904	-	-	577,235	555,904
Transfers	682,000	751,218	(682,000)	(715,000)	-	36,218
TOTAL REVENUES	38,477,574	38,175,194	1,177,134	1,489,409	39,654,708	39,664,603
EXPENSES						
General government	5,054,432	5,485,229	-	-	5,054,432	5,485,229
Judicial	6,851,255	7,337,729	-	-	6,851,255	7,337,729
Public safety	9,772,316	10,190,004	-	-	9,772,316	10,190,004
Public works	4,780,338	5,564,850	-	-	4,780,338	5,564,850
Health and welfare	8,981,802	9,135,791	-	-	8,981,802	9,135,791
Comm. and econ. development	876,738	673,756	-	-	876,738	673,756
Recreation and culture	33,402	224,775	-	-	33,402	224,775
Interest on long-term debt	369,228	393,288	-	-	369,228	393,288
Tax foreclosure	-	-	964,972	882,429	-	882,429
Jail commissary	-	-	29,324	28,656	29,324	28,656
TOTAL EXPENSES	36,719,511	39,005,422	994,296	911,085	36,748,835	39,916,507
Change in net position	$ 1,758,063	$ (830,228)	$ 182,838	$ 578,324	$ 1,940,901	$ (251,904)

Governmental Activities

The preceding table shows that the net position of the County's governmental activities increased by $1,758,063 during fiscal year December 31, 2025, as compared to a decrease of $830,228 in the prior year. The primary reason for this increase is due to increased property tax revenue along with reductions in overall expenditures.

Business-type Activities

The preceding table shows that the net position of business-type activities increased by $182,838 during fiscal year 2025 as compared to an increase of $578,324 in the prior year. The current increase is mainly due to the delinquent tax foreclosures in 2025.

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. In particular, *unassigned fund balance* serves as a useful measure of a government's net resources available for spending at the end of the year. At of the end of the current year, the County's governmental funds reported combined ending fund balances of $23,990,920, a net increase of $1,372,088 specifically due to increased property tax revenue. Approximately 24.6% of this total amount ($5,912,549) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable* as it is not available in a spendable form ($808,992), *restricted* to indicate that it can only be expended if certain criteria are met ($17,131,615), or *assigned* to support other projects ($137,764).

Governmental Funds

Fund Balance as of:	General	Road Patrol	Voted Primary Road	Health Department (Sept. 30, 2025)	Wisner Township Water Distribution System
December 31, 2025	$ 6,779,791	$ 2,074,917	$ 37,949	$ 3,225,964	$ -
December 31, 2024	$ 6,344,949	$ 2,187,999	$ 17,939	$ 3,053,082	$ -
Change	$ 434,842	$ (113,082)	$ 20,010	$ 172,882	$ -

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance had increased as a result of increased property tax revenue.

The Road Patrol Fund accounts for police services to the citizens of Tuscola County. At the end of the current fiscal year, the total fund balance had decreased as a result of general operations.

The Voted Primary Road Fund accounts for revenues received from the County adopted special voted millage for primary roads and streets within Tuscola County. At the end of the current fiscal year, the total fund balance had increased as a result of increased tax revenue.

The Health Department Fund, reported on a September 30 fiscal year, accounts for the programs to provide health services to the citizens in Tuscola County. At the end of the current fiscal year, the total fund balance had increased as a result of decreased expenses primarily due to a decrease in funding for some new and existing programs, such as family planning, ELC infectious diseases, public health emergency response, and immunizations, which resulted in a decrease in supplies and materials to support those programs. The Department also had a decrease in salaries, fringe benefits, and contractual services.

Enterprise Funds

Net Position as of:	Tax Foreclosure	Combined Revolving Tax
December 31, 2025	$ 2,677,811	$ 6,651,284
December 31, 2024	$ 2,843,112	$ 6,329,740
Change	$ (165,301)	$ 321,544

The Combined Revolving Tax Fund accounts for money advanced by the County to other local taxing units and various County funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties, and interest. At the end of the current fiscal year, the total net position had increased as a result of fees received for these activities. Funds in the Delinquent Tax Revolving Fund are being retained due to uncertainty regarding ongoing litigation surrounding the property tax foreclosure system in Michigan.

General Fund Budgetary Highlights

Tuscola County's budget is a dynamic document. Although adopted in December (prior to the start of the upcoming year), the budget is amended during the course of the year to reflect changing operational demands. Actual General Fund revenues and other financing sources totaled $16,165,997, or $713,210 (4.4%) less than the final amended budget which was increased from the original budget by $367,221. General Fund actual expenditures and other financing uses came in at $15,731,055 and the final amended budget was $17,613,514, which was approximately 12.0% higher than actual. The final amended budget was 2.6% higher than the originally adopted budget after new information became available requiring the amendments. The significant variances related to the General Fund's budget are noted below.

	Original Budget	Final Amended Budget	Variance between Original and Final Budgets	Actual	Variance between Final Budget and Actual
Revenue					
Intergovernmental	$ 2,647,126	$ 2,785,680	$ 138,554	$ 2,785,217	$ (463)
Charges for services	1,922,579	1,881,731	(40,848)	1,576,908	(304,823)
Interest and rent	1,195,536	1,196,001	465	1,006,944	(189,057)
Other	286,768	545,426	258,658	391,409	(154,017)
Expenditures					
General government	4,761,591	4,984,898	(223,307)	4,182,568	802,330
Judicial	4,452,628	4,541,458	(88,830)	4,068,711	472,747
Public safety	3,826,705	3,931,697	(104,992)	3,426,428	505,269

- Intergovernmental revenue budget increased due to greater than anticipated grant funding received. Actual revenue was less than the final budget amount due to receiving less marijuana payments than expected.

- Charges for services revenue budget decreased due to less than anticipated activity during the year. Final budget amount exceeded actual revenues due to less than anticipated revenue generated for circuit court fees and civil filing fees.

- The budget for interest and rents was higher than actual due to decreased interest rates throughout the year.

- Budgeted other revenues were increased when the annual liability insurance reimbursement was known. Actual other revenue was less than budget due to less Treasurer reimbursements than expected.

- Budgeted general government expenditures were amended during the year when actual current wages and salaries are known and when unexpected expenditures are needed. Actual general government expenditures were lower than the final budgeted amount due to less costs related to computer service contracted than expected.

- Amounts budgeted for judicial expenditures were amended during the year when actual current wages and salaries are known. Actual judicial expenditures were lower than the final budgeted amount due to remote hearings and lower volume of jury trials.

- Amounts budgeted for public safety expenditures were amended during the year when actual current wages and salaries are known. Actual public safety expenditures were lower than the final budgeted amount due to staffing shortages in the Sheriff department.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2025, the County's investment in capital assets includes land, construction in progress, buildings, improvements, equipment, vehicles, Health Department, right to use - buildings, right to use - equipment, and right to use - software.

	Dec. 31, 2024	Change	Dec. 31, 2025
Governmental Activities			
Land	$ 441,712	$ -	$ 441,712
Construction in progress	1,832,600	(1,820,100)	12,500
Buildings, net	1,597,636	1,885,529	3,483,165
Improvements, net	1,509,582	6,618	1,516,200
Equipment, net	1,886,813	(274,412)	1,612,401
Vehicles, net	871,914	154,445	1,026,359
Health Department, net	218,406	12,412	230,818
Right to use - buildings, net	870,363	(70,729)	799,634
Right to use - equipment, net	73,189	16,156	89,345
Right to use - software, net	99,661	(57,001)	42,660
Total governmental activities	$ 9,401,876	$ (147,082)	$ 9,254,794

The net decrease in the County's investment in capital assets for the governmental activities in the current year was a result depreciation/amortization. During the year the County completed building improvements as well as acquired new vehicles and equipment. The County recognized $1,090,235 in depreciation/amortization of capital assets in the current year. See Note 8 for additional capital asset information.

Long-term obligations. At the end of the current year, the County's primary government had various long-term obligations outstanding aside from compensated absences.

	Dec. 31, 2024	Change	Dec. 31, 2025
Governmental Activities			
General Obligation Bonds	$ 9,089,114	$ (1,049,000)	$ 8,040,114
Notes from direct borrowings and direct placements	4,868,239	(238,437)	4,629,802
Deferred amounts	(17,037)	1,703	(15,334)
Uninsured claim liability	219,704	(61,104)	158,600
Compensated absences	624,190	97,350	721,540
Total governmental activities	$ 14,784,210	$ (1,249,488)	$ 13,534,722

During the year the County issued $61,031 in leases and subscriptions payable and made debt service payments of $1,348,468 on obligations. See Note 9 for additional long-term debt information.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2026 fiscal year:

- Healthcare costs for 2026 reflect a 12% premium increase, a notable change from the minimal growth previously anticipated.
- Taxable values are increasing resulting in fairly stable property tax revenue.
- Labor issues were taken into account when adopting the budget and those issues appear that they will be stable for the next year.

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be referred to the Tuscola County Controller-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, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash, cash equivalents, and investments	$ 24,992,720	$ 5,596,658	$ 30,589,378	$ 27,665,219
Restricted cash	-	-	-	13,284
Receivables				
Accounts	2,447,544	475,735	2,923,279	2,399,944
Contracts	589,000	-	589,000	-
Leases	655,444	-	655,444	-
Taxes	11,004,699	3,407,994	14,412,693	3,616,804
Special assessments	-	-	-	172,207
Due from other governmental units	1,470,002	177,619	1,647,621	5,570,364
Advances to other governmental units	500,000	-	500,000	-
Prepaids	389,595	7,268	396,863	928,432
Inventory	82,118	-	82,118	649,340
Total current assets	42,131,122	9,665,274	51,796,396	41,015,594
Noncurrent assets				
Investments	705,379	-	705,379	-
Contracts	4,890,323	-	4,890,323	-
Leases	345,065	-	345,065	-
Special assessments receivable	-	-	-	3,963,269
Capital assets not being depreciated/amortized	454,212	-	454,212	45,396,157
Capital assets, net of accumulated depreciation/amortization	8,800,582	-	8,800,582	122,310,713
Total noncurrent assets	15,195,561	-	15,195,561	171,670,139
TOTAL ASSETS	57,326,683	9,665,274	66,991,957	212,685,733
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	2,690,656	-	2,690,656	2,071,102
Deferred outflows of resources related to OPEB	-	-	-	110,296
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,690,656	-	2,690,656	2,181,398

See accompanying notes to financial statements.

CONTINUED

TUSCOLA COUNTY
STATEMENT OF NET POSITION (CONCLUDED)
DECEMBER 31, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	$ 1,063,126	$ 302,844	$ 1,365,970	$ 1,207,241
Residents' trust payable	-	-	-	13,284
Accrued liabilities	632,537	6,740	639,277	907,881
Accrued interest payable	69,063	-	69,063	4,080
Advance - State of Michigan	-	-	-	414,003
Due to other governmental units	264,886	-	264,886	-
Unearned revenue	276,082	-	276,082	1,673,013
Uninsured claim liability	158,600	-	158,600	-
Current portion of compensated absences	326,698	-	326,698	662,033
Current portion of long-term debt	1,377,936	-	1,377,936	929,020
Total current liabilities	4,168,928	309,584	4,478,512	5,810,555
Noncurrent liabilities				
Noncurrent portion of compensated absences	394,842	-	394,842	9,887
Noncurrent portion of long-term debt	11,276,646	-	11,276,646	3,809,462
Net pension liability	12,802,001	-	12,802,001	4,818,103
Net OPEB liability	-	-	-	9,114,591
Advance from primary government	-	-	-	500,000
Total noncurrent liabilities	24,473,489	-	24,473,489	18,252,043
TOTAL LIABILITIES	28,642,417	309,584	28,952,001	24,062,598
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	591,362
Unavailable revenue - leases	927,742	-	927,742	-
Taxes levied for a subsequent period	10,805,515	-	10,805,515	-
Deferred inflows of resources related to pension	228,620	-	228,620	496,541
Deferred inflows of resources related to OPEB	-	-	-	136,909
TOTAL DEFERRED INFLOWS OF RESOURCES	11,961,877	-	11,961,877	1,224,812
NET POSITION				
Net investment in capital assets	7,803,885	-	7,803,885	162,968,388
Restricted for:				
Public safety	3,562,871	-	3,562,871	-
Drains	-	-	-	9,228,893
Health and welfare	7,875,891	-	7,875,891	-
Other purposes	2,537,259	-	2,537,259	1,001,126
Capital projects	3,226,111	-	3,226,111	-
Unrestricted	(5,592,972)	9,355,690	3,762,718	16,381,314
TOTAL NET POSITION	$ 19,413,045	$ 9,355,690	$ 28,768,735	$ 189,579,721

See accompanying notes to financial statements.

TUSCOLA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government								
Governmental activities								
General Government	$ 5,054,432	$ 1,110,595	$ 737,770	$ -	$ (3,206,067)	$ -	$ (3,206,067)	$ -
Judicial	6,851,255	703,375	3,760,269	-	(2,387,611)	-	(2,387,611)	-
Public safety	9,772,316	2,438,852	661,475	2,280	(6,669,709)	-	(6,669,709)	-
Public works	4,780,338	80,898	43,560	178,134	(4,477,746)	-	(4,477,746)	-
Health and welfare	8,981,802	1,322,733	3,695,173	-	(3,963,896)	-	(3,963,896)	-
Community and economic development	876,738	92,952	14,080	123,030	(646,676)	-	(646,676)	-
Recreation and culture	33,402	24,855	1,875	-	(6,672)	-	(6,672)	-
Interest on long-term debt	369,228	-	-	-	(369,228)	-	(369,228)	-
Total governmental activities	36,719,511	5,774,260	8,914,202	303,444	(21,727,605)	-	(21,727,605)	-
Business-type activities								
Tax Foreclosure	964,972	691,946	-	-	-	(273,026)	(273,026)	-
Combined Revolving Tax	-	872,482	-	-	-	872,482	872,482	-
Jail Commissary	29,324	55,919	-	-	-	26,595	26,595	-
Total business-type activities	994,296	1,620,347	-	-	-	626,051	626,051	-
Total primary government	$ 37,713,807	$ 7,394,607	$ 8,914,202	$ 303,444	(21,727,605)	626,051	(21,101,554)	-
Component units								
Medical Care Facility	$ 26,050,399	$ 21,521,122	$ 6,447,930	$ -	-	-	-	1,918,653
Road Commission	15,757,249	2,369,379	3,570,600	15,088,051	-	-	-	5,270,781
Drain Commission	2,988,272	2,693,389	-	-	-	-	-	(294,883)
Land Bank	-	-	-	-	-	-	-	-
Total component units	$ 44,795,920	$ 26,583,890	$ 10,018,530	$ 15,088,051	-	-	-	6,894,551
General revenues								
Property taxes					19,677,902	-	19,677,902	3,632,788
State shared revenue					1,483,236	-	1,483,236	-
Investment earnings					1,065,295	238,787	1,304,082	939,359
Gain on disposal of capital assets					-	-	-	311,159
Other					577,235	-	577,235	610,975
Transfers					682,000	(682,000)	-	-
Total general revenues and transfers					23,485,668	(443,213)	23,042,455	5,494,281
Change in net position					1,758,063	182,838	1,940,901	12,388,832
Net position, beginning of the year, as previously presented					17,764,384	9,172,852	26,937,236	177,190,889
Adjustments to beginning net position					(109,402)	-	(109,402)	-
Net position, beginning of year, as restated					17,654,982	9,172,852	26,827,834	177,190,889
Net position, end of the year					$ 19,413,045	$ 9,355,690	$ 28,768,735	$ 189,579,721

See accompanying notes to financial statements.

TUSCOLA COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2025

		Special Revenue			Debt Service		
	General	Road Patrol	Voted Primary Road	Health Department	Wisner Township Water Distribution System	Nonmajor Governmental Funds	Total
ASSETS							
Cash, cash equivalents, and investments	$ 5,619,941	$ 2,381,176	$ 175,016	$ 3,580,139	$ 1,000	$ 12,036,724	$ 23,793,996
Receivables							
Accounts	25,913	1,605	-	92,055	-	2,327,971	2,447,544
Contracts	-	-	-	-	2,235,000	3,244,323	5,479,323
Leases	1,000,509	-	-	-	-	-	1,000,509
Taxes	852,385	2,938,631	2,133,761	-	-	5,079,922	11,004,699
Due from other funds	124,213	-	-	-	-	-	124,213
Due from other governmental units	414,757	-	-	216,386	-	838,859	1,470,002
Advances to other funds	53,000	-	-	-	-	-	53,000
Advances to other governmental units	500,000	-	-	-	-	-	500,000
Prepaids	176,478	21,439	-	5,509	-	52,566	255,992
Inventory	-	-	-	82,118	-	-	82,118
TOTAL ASSETS	$ 8,767,196	$ 5,342,851	$ 2,308,777	$ 3,976,207	$ 2,236,000	$ 23,580,365	$ 46,211,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 133,861	$ 70,784	$ -	$ 114,495	$ -	$ 743,736	$ 1,062,876
Accrued liabilities	354,467	69,760	-	102,288	-	106,022	632,537
Due to other funds	-	-	-	-	-	124,213	124,213
Due to other governmental units	6,508	-	-	258,378	-	-	264,886
Advances from other funds	-	-	-	-	-	53,000	53,000
Unearned revenue	-	-	-	275,082	1,000	-	276,082
TOTAL LIABILITIES	494,836	140,544	-	750,243	1,000	1,026,971	2,413,594
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	564,827	-	-	-	2,235,000	5,273,798	8,073,625
Unavailable revenue - leases	927,742	-	-	-	-	-	927,742
Taxes levied for a subsequent period	-	3,127,390	2,270,828	-	-	5,407,297	10,805,515
TOTAL DEFERRED INFLOWS OF RESOURCES	1,492,569	3,127,390	2,270,828	-	2,235,000	10,681,095	19,806,882
FUND BALANCES							
Nonspendable	729,478	21,439	-	5,509	-	52,566	808,992
Restricted	-	2,053,478	37,949	3,220,455	-	11,819,733	17,131,615
Assigned	137,764	-	-	-	-	-	137,764
Unassigned	5,912,549	-	-	-	-	-	5,912,549
TOTAL FUND BALANCES	6,779,791	2,074,917	37,949	3,225,964	-	11,872,299	23,990,920
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 8,767,196	$ 5,342,851	$ 2,308,777	$ 3,976,207	$ 2,236,000	$ 23,580,365	$ 46,211,396

See accompanying notes to financial statements.

TUSCOLA COUNTY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances - governmental funds		$ 23,990,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 25,670,799	
Accumulated depreciation/amortization is	(16,437,424)	
Capital assets, net		9,233,375
Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the funds.		8,073,625
Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:		
Deferred outflows of resources related to pension	2,690,656	
Deferred inflows of resources related to pension	(228,620)	
		2,462,036
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.		
Net position of governmental activities accounted for in governmental activities internal service funds		1,900,275
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Long-term debt	(12,669,916)	
Unamortized deferred amounts on debt issuance	15,334	
Accrued interest payable	(69,063)	
Compensated absences	(721,540)	
Net pension liability	(12,802,001)	
		(26,247,186)
Net position of governmental activities		$ 19,413,045

See accompanying notes to financial statements.

TUSCOLA COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

		Special Revenue			Debt Service		
	General	Road Patrol	Voted Primary Road	Health Department	Wisner Township Water Distribution System	Nonmajor Governmental Funds	Total
REVENUES							
Taxes	$ 9,634,807	$ 3,021,053	$ 2,193,613	$ -	$ -	$ 4,774,607	$ 19,624,080
Licenses and permits	1,555	-	-	235,472	-	738,479	975,506
Intergovernmental	2,785,217	12,403	-	3,551,457	147,631	5,040,634	11,537,342
Charges for services	1,576,908	46,544	-	601,866	-	1,791,220	4,016,538
Fines and forfeits	32,818	-	-	-	-	6,500	39,318
Interest and rent	1,006,944	105,718	28,176	879	-	468,487	1,610,204
Other	391,409	73,762	-	24,734	-	556,119	1,046,024
TOTAL REVENUES	15,429,658	3,259,480	2,221,789	4,414,408	147,631	13,376,046	38,849,012
EXPENDITURES							
Current							
General government	4,182,568	-	-	-	-	358,971	4,541,539
Judicial	4,068,711	-	-	-	-	2,886,539	6,955,250
Public safety	3,426,428	3,372,562	-	-	-	2,841,570	9,640,560
Public works	736,927	-	2,201,779	-	-	1,945,717	4,884,423
Health and welfare	465,042	-	-	4,441,744	-	4,053,718	8,960,504
Community and economic development	490,217	-	-	-	-	397,584	887,801
Recreation and culture	-	-	-	-	-	33,443	33,443
Debt service							
Principal	135,726	-	-	32,742	85,000	1,095,000	1,348,468
Interest and fiscal charges	28,468	-	-	581	62,631	280,791	372,471
Capital outlay	-	-	-	-	-	595,496	595,496
TOTAL EXPENDITURES	13,534,087	3,372,562	2,201,779	4,475,067	147,631	14,488,829	38,219,955
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,895,571	(113,082)	20,010	(60,659)	-	(1,112,783)	629,057
OTHER FINANCING SOURCES (USES)							
Lease issuance	43,739	-	-	17,292	-	-	61,031
Transfers in	692,500	-	-	412,494	-	2,018,519	3,123,513
Transfers out	(2,196,968)	-	-	(196,245)	-	(48,300)	(2,441,513)
TOTAL OTHER FINANCING SOURCES (USES)	(1,460,729)	-	-	233,541	-	1,970,219	743,031
NET CHANGE IN FUND BALANCES	434,842	(113,082)	20,010	172,882	-	857,436	1,372,088
Fund balances, beginning of year, as previously presented	6,344,949	2,187,999	-	3,053,082	-	11,032,802	22,618,832
Adjustments to beginning fund balances	-	-	17,939	-	-	(17,939)	-
Fund balances, beginning of year, as restated	6,344,949	2,187,999	17,939	3,053,082	-	11,014,863	22,618,832
Fund balances, end of the year	$ 6,779,791	$ 2,074,917	$ 37,949	$ 3,225,964	$ -	$ 11,872,299	$ 23,990,920

See accompanying notes to financial statements.

TUSCOLA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds		$ 1,372,088
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over the estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:		
Capital outlay	$ 960,549	
Depreciation/amortization expense	(1,084,393)	
Loss on disposals	(17,396)	
Excess of depreciation/amortization expense and loss on disposals over capital outlay		(141,240)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in long-term receivables reported in the funds is:		(239,117)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.		
Change in net position of governmental activities internal service funds		(53,218)
Certain transactions related to long-term debt are reported as expenditures or other financing sources/uses in governmental funds, but the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Issuance of debt	(61,031)	
Debt principal retirement	1,348,468	
		1,287,437
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in accrued interest payable	4,946	
(Decrease) in deferred amounts on debt issuance	(1,703)	
(Increase) in compensated absences	(97,350)	
Decrease in net pension liability	601,090	
(Decrease) in deferred outflows of resources related to pension	(772,081)	
(Increase) in deferred inflows of resources related to pension	(202,789)	
		(467,887)
Change in net position of governmental activities		$ 1,758,063

See accompanying notes to financial statements.

TUSCOLA COUNTY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Business-type Activities				Governmental Activities
			Nonmajor		
	Tax Foreclosure	Combined Revolving Tax	Jail Commissary	Total	Internal Service Funds
ASSETS					
Current assets					
Cash, cash equivalents, and investments	$ 2,971,577	$ 2,598,387	$ 26,694	$ 5,596,658	$ 1,904,103
Receivables					
Accounts	60	473,935	1,740	475,735	-
Taxes	-	3,407,994	-	3,407,994	-
Due from other governmental units	-	177,619	-	177,619	-
Prepaids	7,268	-	-	7,268	133,603
Total current assets	2,978,905	6,657,935	28,434	9,665,274	2,037,706
Noncurrent assets					
Capital assets, net of accumulated depreciation	-	-	-	-	21,419
TOTAL ASSETS	2,978,905	6,657,935	28,434	9,665,274	2,059,125
LIABILITIES					
Current liabilities					
Accounts payable	294,354	6,651	1,839	302,844	250
Accrued liabilities	6,740	-	-	6,740	-
Uninsured claim liability	-	-	-	-	158,600
TOTAL LIABILITIES	301,094	6,651	1,839	309,584	158,850
NET POSITION					
Investment in capital assets	-	-	-	-	21,419
Unrestricted	2,677,811	6,651,284	26,595	9,355,690	1,878,856
TOTAL NET POSITION	$ 2,677,811	$ 6,651,284	$ 26,595	$ 9,355,690	$ 1,900,275

See accompanying notes to financial statements.

TUSCOLA COUNTY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Business-type Activities				Governmental Activities
			Nonmajor		
	Tax Foreclosure	Combined Revolving Tax	Jail Commissary	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 691,946	$ 872,482	$ 55,919	$ 1,620,347	$ 3,697,085
OPERATING EXPENSES					
Operations and maintenance	-	-	29,324	29,324	3,598,823
Administration	964,972	-	-	964,972	145,638
Depreciation expense	-	-	-	-	5,842
TOTAL OPERATING EXPENSES	964,972	-	29,324	994,296	3,750,303
OPERATING INCOME (LOSS)	(273,026)	872,482	26,595	626,051	(53,218)
NONOPERATING REVENUES					
Investment earnings	107,725	131,062	-	238,787	-
NET INCOME (LOSS) BEFORE TRANSFERS	(165,301)	1,003,544	26,595	864,838	(53,218)
TRANSFERS					
Transfers out	-	(682,000)	-	(682,000)	-
CHANGE IN NET POSITION	(165,301)	321,544	26,595	182,838	(53,218)
Net position, beginning of year	2,843,112	6,329,740	-	9,172,852	1,953,493
Net position, end of year	$ 2,677,811	$ 6,651,284	$ 26,595	$ 9,355,690	$ 1,900,275

See accompanying notes to financial statements.

TUSCOLA COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Business-type Activities				Governmental Activities
	Tax Foreclosure	Combined Revolving Tax	Nonmajor Jail Commissary	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	$ 693,528	$ 446,357	$ 54,179	$ 1,194,064	$ -
Cash receipts from interfund services provided	-	-	-	-	3,691,085
Cash paid to suppliers	(676,949)	-	(27,485)	(704,434)	(3,391,649)
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,579	446,357	26,694	489,630	299,436
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	(682,000)	-	(682,000)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	107,725	131,062	-	238,787	-
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND INVESTMENTS	124,304	(104,581)	26,694	46,417	299,436
Cash, cash equivalents, and investments, beginning of year	2,847,273	2,702,968	-	5,550,241	1,604,667
Cash, cash equivalents, and investments, end of year	$ 2,971,577	$ 2,598,387	$ 26,694	$ 5,596,658	$ 1,904,103
Reconciliation of operating income (loss) to net provided by operating activities					
Operating income (loss)	$ (273,026)	$ 872,482	$ 26,595	$ 626,051	$ (53,218)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	-	-	-	-	5,842
(Increase) decrease in:					
Accounts receivable	1,582	(103,974)	(1,740)	(104,132)	-
Taxes receivable	-	(338,838)	-	(338,838)	-
Due from other governmental units	-	17,379	-	17,379	-
Prepaids	(7,268)	-	-	(7,268)	194,489
Increase (decrease) in:					
Accounts payable	292,450	(692)	1,839	293,597	(277)
Accrued liabilities	2,841	-	-	2,841	-
Uninsured claim liability	-	-	-	-	158,600
Due to other funds	-	-	-	-	(6,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 16,579	$ 446,357	$ 26,694	$ 489,630	$ 299,436

See accompanying notes to financial statements.

TUSCOLA COUNTY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Custodial Funds
ASSETS	
Cash, cash equivalents, and investments	$ 847,427
LIABILITIES	
Due to other governmental units	601,748
Undistributed collections	245,679
TOTAL LIABILITIES	847,427
NET POSITION	
Restricted for individuals, organizations, and other governmental units	$ -

See accompanying notes to financial statements.

TUSCOLA COUNTY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
ADDITIONS	
Tax collections for other governmental units	$ 12,706,407
Collections for other governmental units	3,067,986
Library penal fine collections	273,470
TOTAL ADDITIONS	16,047,863
DEDUCTIONS	
Tax distributions to other governmental units	12,706,407
Distributions to/for other governmental units	3,067,986
Library penal fine distributions	273,470
TOTAL DEDUCTIONS	16,047,863
CHANGE IN NET POSITION	-
Net position, beginning of year	-
Net position, end of year	$ -

See accompanying notes to financial statements.

TUSCOLA COUNTY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Medical Care Facility	Road Commission	Drain Commission	Land Bank	Total
ASSETS					
Current assets					
Cash, cash equivalents, and investments	$ 14,045,276	$ 7,161,524	$ 5,819,953	$ 638,466	$ 27,665,219
Restricted cash	13,284	-	-	-	13,284
Receivables					
Accounts	2,369,346	30,598	-	-	2,399,944
Taxes	591,362	3,025,442	-	-	3,616,804
Special assessments	-	-	172,207	-	172,207
Due from other governmental units	1,873,511	3,696,853	-	-	5,570,364
Inventory	41,033	608,307	-	-	649,340
Prepaids	13,937	358,893	555,602	-	928,432
Total current assets	18,947,749	14,881,617	6,547,762	638,466	41,015,594
Noncurrent assets					
Capital assets not being depreciated/amortized	365,222	44,848,246	182,689	-	45,396,157
Capital assets, net of accumulated depreciation/amortization	9,107,116	99,047,010	14,156,587	-	122,310,713
Special assessments receivable	-	-	3,963,269	-	3,963,269
Total noncurrent assets	9,472,338	143,895,256	18,302,545	-	171,670,139
TOTAL ASSETS	28,420,087	158,776,873	24,850,307	638,466	212,685,733
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension	1,356,982	714,120	-	-	2,071,102
Deferred outflows of resources related to OPEB	-	110,296	-	-	110,296
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,356,982	824,416	-	-	2,181,398

See accompanying notes to financial statements.

CONTINUED

TUSCOLA COUNTY
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION (CONCLUDED)
DECEMBER 31, 2025

	Medical Care Facility	Road Commission	Drain Commission	Land Bank	Total
LIABILITIES					
Current liabilities					
Accounts payable	$ 738,791	$ 274,743	$ 193,707	$ -	$ 1,207,241
Residents' trust payable	13,284	-	-	-	13,284
Accrued liabilities	800,800	107,081	-	-	907,881
Accrued interest payable	-	-	4,080	-	4,080
Advance - State of Michigan	-	414,003	-	-	414,003
Unearned revenue	9,221	1,663,792	-	-	1,673,013
Current portion of compensated absences	557,218	104,815	-	-	662,033
Current portion of long-term debt	125,235	539,215	264,570	-	929,020
Total current liabilities	2,244,549	3,103,649	462,357	-	5,810,555
Noncurrent liabilities					
Noncurrent portion of compensated absences	-	9,887	-	-	9,887
Noncurrent portion of long-term debt	117,500	1,671,930	2,020,032	-	3,809,462
Net pension liability	4,230,847	587,256	-	-	4,818,103
Net OPEB liability	-	9,114,591	-	-	9,114,591
Advance from primary government	-	-	500,000	-	500,000
Total noncurrent liabilities	4,348,347	11,383,664	2,520,032	-	18,252,043
TOTAL LIABILITIES	6,592,896	14,487,313	2,982,389	-	24,062,598
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for a subsequent period	591,362	-	-	-	591,362
Deferred inflows of resources related to pension	101,133	395,408	-	-	496,541
Deferred inflows of resources related to OPEB	-	136,909	-	-	136,909
TOTAL DEFERRED INFLOWS OF RESOURCES	692,495	532,317	-	-	1,224,812
NET POSITION					
Net investment in capital assets	9,229,603	141,684,111	12,054,674	-	162,968,388
Restricted for:					
Debt service	-	-	584,351	-	584,351
Public works	-	416,775	-	-	416,775
Drain projects	-	-	9,228,893	-	9,228,893
Unrestricted	13,262,075	2,480,773	-	638,466	16,381,314
TOTAL NET POSITION	$ 22,491,678	$ 144,581,659	$ 21,867,918	$ 638,466	$ 189,579,721

See accompanying notes to financial statements.

TUSCOLA COUNTY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Medical Care Facility	Road Commission	Drain Commission	Land Bank	Total Component Units
Medical Care Facility	$ 26,050,399	$ 21,521,122	$ 6,447,930	$ -	$ 1,918,653	$ -	$ -	$ -	$ 1,918,653
Road Commission	15,757,249	2,369,379	3,570,600	15,088,051	-	5,270,781	-	-	5,270,781
Drain Commission	2,988,272	2,693,389	-	-	-	-	(294,883)	-	(294,883)
Land Bank	-	-	-	-	-	-	-	-	-
Totals	$ 44,795,920	$ 26,583,890	$ 10,018,530	$ 15,088,051	1,918,653	5,270,781	(294,883)	-	6,894,551
	General revenues								
	Property taxes				568,393	3,064,395	-	-	3,632,788
	Investment earnings				489,195	234,548	215,068	548	939,359
	Gain on disposal of capital assets				-	311,159	-	-	311,159
	Other				-	610,975	-	-	610,975
	Total general revenues				1,057,588	4,221,077	215,068	548	5,494,281
	Change in net position				2,976,241	9,491,858	(79,815)	548	12,388,832
	Net position, beginning of year				19,515,437	135,089,801	21,947,733	637,918	177,190,889
	Net position, end of the year				$ 22,491,678	$ 144,581,659	$ 21,867,918	$ 638,466	$ 189,579,721

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Tuscola, Michigan (the County) was incorporated in 1840. The County 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 accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of Tuscola County (primary government) and its component units, entities for which the government is considered to be financially accountable. The component units described below should be included in the County's reporting entity because of the significance of their operational or financial relationship with the County and other reasons as detailed below. Blended component units, although legally separate entities are, in substance, part of the County'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 government-wide financial statements to emphasize that they are legally separate from the County.

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. There was no activity or fund balance during the year for the fund. A separate audit report is not issued for the Building Authority.

Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, Tuscola County remains financially accountable for these entities or the nature and significance of the relationship between these entities and Tuscola County is such that exclusion of these entities would render the financial statements misleading or incomplete.

The Tuscola County Medical Care Facility (the Facility) is a long-term medical care unit owned and operated by Tuscola County. It is governed by the Tuscola County Department of Human Services Board. The Board consists of three members, two of whom are appointed by the Tuscola County Board of Commissioners, and one appointed by the Michigan Governor. The Tuscola County Board of Commissioners approves the budget for the Facility. This component unit is audited individually, and the financial statements may be obtained from the administrative office of the Facility.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (concluded)

The Tuscola County Road Commission (the Road Commission), which is established pursuant to the County Road Law (MCL 224.1), is governed by the five-member Board of County Road Commissioners who are elected at-large. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, Federal financial assistance, and contributions from other local government units within the County. The Road Commission is fiscally accountable to the County and may not issue debt without the County's approval. This component unit is audited individually, and the financial statements may be obtained from the administrative office of the Road Commission.

The Tuscola County 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 Drain 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. This component unit's financial statements are included in the County's audited financial statements and are not audited separately.

The Tuscola County Land Bank (the Land Bank) is considered a discretely presented component unit as the nature and significance of the relationship between the primary government and the Land Bank is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Land Bank's budget is subject to approval by the County Commission. It was established with the primary goal of addressing issues related to tax-foreclosed, abandoned, and underutilized properties within the County. The Land Bank's mission is to strategically acquire, manage, and repurpose these properties to foster community revitalization, improve property values, and enhance the overall quality of life for residents. The Land Bank plays a crucial role in transforming neglected properties into valuable community assets, thereby contributing to the economic and social well-being of Tuscola County. Its operations are guided by principles of sustainability, community engagement, and strategic collaboration. This component unit's financial statements are included in the County's audited financial statements and are not audited separately.

Funds With Other Year Ends

All of the County funds and component units operate and are reported on a December 31 year end with the exception of the Health Department Fund which operates and is reported as of September 30.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of 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.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the County's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following *Major Governmental Funds*:

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

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

c. The *Voted Primary Road 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 are to be used exclusively for the construction, repair, and maintenance of primary county roads and major streets within Tuscola County.

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

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (concluded)

FUND FINANCIAL STATEMENTS (concluded)

e. The Wisner Township Water Distribution 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 Enterprise Funds*:

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

b. 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.

Additionally, the County reports the following *Fund Types*:

a. *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.

b. *Debt Service Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

c. *Capital Projects Funds* account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

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

e. *Internal Service Funds* account for the motor pool, workers' compensation and health insurance services provided to other departments or agencies of the government on a cost reimbursement basis.

f. *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).

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The government-wide, proprietary, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and deferred inflow of resources. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. Significant revenues susceptible to accrual are property taxes, special assessments, and certain intergovernmental revenues. Most licenses and permits, fines and forfeits, and miscellaneous revenue sources generally are recorded as revenues when received in cash because they are not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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 are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary funds financial statements are reported using the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the County to disburse fiduciary resources.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (concluded)

If/when both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash, Cash Equivalents, and Investments

The County pools cash resources of various primary government and component unit funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments. Cash includes amounts in individual demand deposits savings accounts held by the County Treasurer. Cash equivalents consist of temporary investments in money markets and short-term investments with an original maturity of 90 days or less. Earnings from deposits are allocated to numerous funds as required by Federal regulations, State statutes, and local ordinances.

The County also pools the investment resources of various primary government and component unit funds in order to facilitate the management of those investments. Investments consist of certificates of deposit, mutual funds, commercial paper, and municipal bonds with original maturities of greater than 90 days. Investments are recorded at market (fair) value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

In accordance with Michigan Compiled Laws, the County is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers' acceptances of United States banks.

f. Mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents, and Investments (concluded)

The County's pooled cash, cash equivalents, and investments are utilized by the General Fund, Special Revenue Funds, Enterprise Funds, Fiduciary Funds, and Component Unit Funds. Each fund's portion of these pooled accounts is included in the cash, cash equivalents, and investments captions on applicable balance sheet or statement of net position.

Restricted cash

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

Receivables

Receivables consist of amounts due from taxpayers for taxes levied for subsequent periods, from governmental units for various programs, leases, and accounts receivable related to charges for services made in connection with various County activities.

Inventories

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.

Inventory in the Road Commission (component unit) are priced at cost as determined on the average unit cost method. Inventory items are charged to road construction and maintenance, equipment repairs, and operations as used.

Prepaids

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

Capital Assets

PRIMARY GOVERNMENT

Capital assets are recorded (net of accumulated depreciation/amortization, if applicable) in the applicable government-wide financial statements under the governmental activities, business-type activities, and component unit's columns. Capital assets are those with an initial individual cost of more than $5,000 and an estimated useful life of more than a year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

PRIMARY GOVERNMENT (concluded)

Land and construction in process, if any, are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Right to use assets of the County are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. For all other capital assets, depreciation is computed using the straight-line method over the following useful lives:

Buildings	5 - 30 years
Improvements	5 - 30 years
Equipment	5 - 10 years
Vehicles	5 - 10 years
Health Department	5 - 15 years
Buildings - right to use	5 - 30 years
Equipment - right to use	5 - 10 years
Software - right to use	5 - 10 years

MEDICAL CARE FACILITY - COMPONENT UNIT

Capital assets are defined by the Facility as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Donated property and equipment are recorded at their estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Land and construction in process, if any, are not depreciated. Right to use assets of the Facility are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. The other capital assets of the Facility are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	5 - 40 years
Land Improvements	2 - 25 years
Leased Equipment - right to use	5 years
Subscriptions - right to use	2 years
Equipment	3 - 20 years

ROAD COMMISSION - COMPONENT UNIT

Capital assets, which include property, plant, equipment, road equipment - right to use, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the operating fund in the government-wide financial statements. Capital assets are defined by the Tuscola County Road Commission as assets with an initial cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost of purchase or constructed. Donated capital assets are recorded at the estimated acquisition cost at the date of donation.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (concluded)

ROAD COMMISSION - COMPONENT UNIT (concluded)

Depreciation/amortization is computed on the sum-of-the-years'-digits method for road equipment and straight-line method for all other capital assets. The depreciation/amortization rates are designed to depreciate/amortize the cost of the assets over their estimated useful lives as follows:

Buildings and Improvements	30 - 50 years
Road Equipment	5 - 8 years
Road Equipment - right to use	5 - 8 years
Shop Equipment	10 years
Engineering Department	4 - 10 years
Office Equipment	4 - 10 years
Infrastructure - Roads	8 - 30 years
Infrastructure - Bridges	12 - 50 years

DRAIN COMMISSION - COMPONENT UNIT

Capital assets are defined by the Commission as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Donated property and equipment are recorded at their estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure capital assets of the Commission are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years

Accrued Interest Payable

Accrued interest payable is presented for long-term obligations in the government-wide financial statements.

Unearned Revenue

Unearned revenues are reported for resources that have been received but not yet earned.

Leases and Subscription-based Information Technology Arrangements (SBITA)

The County is a lessor for noncancelable leases of building space. The County recognizes lease receivables and deferred inflows of resources in the government-wide and governmental fund financial statements.

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

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases and Subscription-based Information Technology Arrangements (SBITA) (concluded)

Key estimates and judgements include how the County determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

a. The County uses its estimated incremental borrowing rate as the discount rate for leases.

b. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are affect the amount of the lease receivable.

The County is a lessee/subscriber for noncancelable leases/SBITAs of a building, storage space, body cameras, and subscriptions. The County recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements. The County recognizes lease/SBITA liabilities that are considered material and have an initial, individual value of $5,000 or more.

At the commencement of a lease/SBITA, the County initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases/SBITAs include how the County determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

a. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITAs.

b. The lease/SBITA term includes the noncancelable period of the lease/SBITA. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Deferred Outflows/Inflows of Resources</u>

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. *Deferred inflows of resources*, a separate financial statement element, represent an acquisition of net assets or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County and its Component Units (Medical Care Facility and Road Commission) report deferred outflows of resources and deferred inflows of resources, as applicable, which correspond to their respective net pension liability and net OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual pension plan investment earnings, contributions made subsequent to the measurement date, etc. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

The County and its Component Units (Medical Care Facility and Road Commission) also reports deferred inflows of resources which arise only under a modified accrual basis of accounting, and which qualify for reporting in this category. Accordingly, *unavailable revenue* is reported only on the governmental funds balance sheet for revenues collected subsequent to 60 days after year end. The deferral of property taxes that have been levied on December 1 to support the following year's budget and will be recognized in the following year (in both the government-wide and fund financial statements). These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

<u>Property Taxes</u>

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 2025 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2025, 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, 2025, levy is reported as deferred inflows of resources at year-end.

<u>Tax Abatements</u>

The County's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

<u>Advances To and From Other Funds/Other Governmental Units</u>

Long-term advances from the General Fund to nonmajor governmental funds or component units are made to finance activities during their operations and to finance capital acquisitions. The applicable fund balance is reported as nonspendable in the fund financial statements for such advances to reflect the amount of fund balance not currently available for expenditure.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

Vested vacation and sick leave earned and not used as of December 31, 2025, for the Medical Care Facility and Road Commission are recorded in the respective component unit's financial statements.

Net Pension Liability

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

Net Other Post-Employment Benefits Liability

The Road Commission offers retiree healthcare benefits to eligible employees. The Road Commission records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The interfund transactions of the all of the County Funds are reported on a December 31 year end with the exception of the Health Department fund which operates and is reported as of September 30.

Internal Service Funds are used to record charges for services to all County departments and funds as operating transfers or operating revenue. All County funds record these payments to the Internal Service Funds as operating transfers or operating expenditures/expenses.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The County employs the following procedures in establishing budgets:

a. Prior to December 1, County departments prepare and submit their proposed operating budgets to the Finance Committee, who reviews and makes recommendations for the fiscal year commencing the following December 1. The operating budgets include proposed expenditures and resources to finance them.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to December 1, the budget is legally adopted at the departmental (activity) level through passage of a resolution for the General Fund and the functional level for special revenue funds.

d. Budget amendments are made by the County Board of Commissioners as the need arises during the year.

e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.

f. The County does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.

g. Budgeted amounts are reported as originally adopted or as amended by the Board of Commissioners during the year.

NOTE 1 - DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Details of Fund Balance Classifications

Fund balance classifications 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 the governmental funds. The following are the five classifications of fund balance:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, Tuscola County's highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is Board Resolution.

For assigned fund balance, the Board of Commissioners have not approved a policy indicating who is to assign amounts to a specific purpose. As a result, this authority is retained by the Board of Commissioners.

The County has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of December 31, 2025, the County had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2025, $2,957,278 of the County's bank balance of $32,783,717 was exposed to custodial credit risk because it was not covered by federal depository insurance. The County's carrying value on the books for deposits at the end of the year was $56,916,746. The primary government cash, cash equivalent, and investments captions on the Statement of Net Position includes $7,900 of imprest cash. The component unit cash, cash equivalent, and investments captions on the Statement of Net Position includes $1,100 of imprest cash.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the County will do business.

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	S & P Rating
U.S. Government Bonds	$ 204,285	AA+
Michigan CLASS Investment Pool	2,690,656	AAAm
	$ 2,894,941	

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

In accordance with its investment policy, the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Government Bonds	$ 204,285	0.63
Michigan CLASS Investment Pool	2,690,656	0.11
Total fair value	$ 2,894,941	
Portfolio weighted average maturity		0.14

One day maturity equals .0027, one year equals 1.00.

Concentration of Credit Risk

The County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

The County is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The County is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (concluded)

The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the County's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments that are measured at fair value using net asset per value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Government Bonds	$ 204,285	$ -	$ -	$ 204,285
Investments at Net Asset Value (NAV)				
Michigan CLASS Investment Pool				2,690,656
Total Investments				$ 2,894,941

Investments in Entities that Calculate Net Asset Value Per Share

The County holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statues and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Investments in Entities that Calculate Net Asset Value Per Share (concluded)

At the year ended December 31, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS Investment Pool	$ 2,690,656	$ -	No restrictions	None

The deposits and investments referred to above have been reported in the cash, cash equivalents, and investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of December 31, 2025:

	Primary Government	Component Units	Fiduciary Funds	Total
Cash, cash equivalents, and investments	$ 30,589,378	$ 27,665,219	$ 847,427	$ 59,102,024
Cash and cash equivalents - restricted	-	13,284	-	13,284
Investments - noncurrent	705,379	-	-	705,379
Total deposits and investments	$ 31,294,757	$ 27,678,503	$ 847,427	$ 59,820,687

The Health Department Fund portion of pooled cash presented above as cash, cash equivalents, and investments are as of September 30, 2025. However, the financial statements of the County have been presented as of December 31, 2025. This year-end reporting difference resulted in a timing difference of $312,810.

NOTE 3 - ADVANCES RECEIVABLE AND PAYABLE

The following schedule details advances receivable and payable related to the primary government at December 31, 2025:

Advance from General Fund to:	
Nonmajor governmental funds	$ 53,000

The advance was to finance operations.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule details primary government interfund receivables and payables at December 31, 2025:

Due to General Fund from:	
Nonmajor governmental funds	$ 124,213

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefits belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

NOTE 5 - INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds, enterprise funds, and component units have been eliminated.

	Transfers In			
	General Fund	Health Department Fund	Nonmajor Governmental Funds	Total
Transfers Out				
Governmental				
General Fund	$ -	$ 412,494	$ 1,784,474	$ 2,196,968
Health Department Fund	-	-	196,245	196,245
Nonmajor governmental funds	10,500	-	37,800	48,300
Total	10,500	412,494	2,018,519	2,441,513
Business-type				
Combined Revolving Tax Fund	682,000	-	-	682,000
Total transfers	$ 692,500	$ 412,494	$ 2,018,519	$ 3,123,513

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) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 - LEASE RECEIVABLE

The County is reporting total lease receivable of $1,000,509 and deferred lease revenue of $927,742 as of December 31, 2025. The County recognized $336,554 in lease revenue and $29,588 in interest revenue during the current fiscal year related to this lease.

NOTE 6 - LEASE RECEIVABLE (concluded)

The following describes the County's lease receivable as of December 31, 2025:

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. Below is a schedule of future payments pertaining to the above lease:

	DHHS Lease	
	Principal	Interest
2026	$ 345,065	$ 21,077
2027	353,791	12,350
2028	301,653	3,467
	$ 1,000,509	$ 36,894

NOTE 7 - PROPERTY TAXES AND TAXES RECEIVABLE

The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31.

The County's Winter 2024 and Summer 2025 ad valorem taxes were levied and collectible on December 1, 2024 and July 1, 2025, respectively. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's general operating Summer 2025 tax levy has been recognized as revenue in the General Fund in the current fiscal year. The 2025 adjusted taxable value of the County amounted to $2,357,941,405 on which ad valorem taxes levied for County general operating purposes consisted of 3.9141 mills. The 2024 adjusted taxable value of the County amounted to $2,288,129,872 on which the County has levied 0.4807 mills for bridges/streets, 0.3200 mills for senior citizens, 0.2500 mills for Medical Care Facility, 1.3300 mills for road patrol, 0.9657 mills for roads/streets, 0.6316 mills for mosquito control, 0.1500 mills for recycling, 0.1700 mills for veterans, and 0.1000 mills for MSU extension.

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2025. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Combined Revolving Tax Fund. This activity is accounted for in the Combined Revolving Tax (Enterprise) Fund.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

PRIMARY GOVERNMENT

	Balance Jan. 1, 2025	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Dec. 31, 2025
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	$ 441,712	$ -	$ -	$ 441,712
Construction in progress	1,832,600	223,857	(2,043,957)	12,500
Total capital assets, not being depreciated/amortized	2,274,312	223,857	(2,043,957)	454,212
Capital assets, being depreciated/amortized				
Buildings	7,697,701	2,043,957	-	9,741,658
Improvements	4,592,381	192,080	-	4,784,461
Equipment	5,538,544	29,238	-	5,567,782
Vehicles	2,594,839	391,524	(297,750)	2,688,613
Health Department	1,017,046	80,111	(17,608)	1,079,549
Right to use - buildings	1,020,079	-	-	1,020,079
Right to use - equipment	113,510	43,739	-	157,249
Right to use - software	206,404	-	-	206,404
Subtotal	22,780,504	2,780,649	(315,358)	25,245,795
Less accumulated depreciation/amortization for:				
Buildings	(6,100,065)	(158,428)	-	(6,258,493)
Improvements	(3,082,799)	(185,462)	-	(3,268,261)
Equipment	(3,651,731)	(303,650)	-	(3,955,381)
Vehicles	(1,722,925)	(219,683)	280,354	(1,662,254)
Health Department	(798,640)	(67,699)	17,608	(848,731)
Right to use - buildings	(149,716)	(70,729)	-	(220,445)
Right to use - equipment	(40,321)	(27,583)	-	(67,904)
Right to use - software	(106,743)	(57,001)	-	(163,744)
Subtotal	(15,652,940)	(1,090,235)	297,962	(16,445,213)
Net capital assets being depreciated/amortized	7,127,564	1,690,414	(17,396)	8,800,582
Capital assets, net	$ 9,401,876	$ 1,914,271	$ (2,061,353)	$ 9,254,794

Depreciation/amortization expense was charged to the following activities:

	Governmental Activities
General government	$ 387,500
Judicial	55,804
Public safety	521,843
Public works	8,802
Health and welfare	116,286
Total depreciation/amortization expense	$ 1,090,235

NOTE 8 - CAPITAL ASSETS (continued)

COMPONENT UNITS

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025
Medical Care Facility				
Capital assets, not being depreciated/amortized				
Land	$ 215,572	$ -	$ -	$ 215,572
Construction in progress	-	149,650	-	149,650
Total capital assets, not being depreciated/amortized	215,572	149,650	-	365,222
Capital assets, being depreciated/amortized				
Land improvements	2,823,320	-	-	2,823,320
Buildings	14,309,754	450,240	(121,145)	14,638,849
Right to use - equipment	82,203	-	-	82,203
Right to use - software	47,485	5,472	-	52,957
Equipment	10,144,688	517,043	(49,354)	10,612,377
Subtotal	27,407,450	972,755	(170,499)	28,209,706
Less accumulated depreciation/amortization for:				
Land improvements	(1,859,514)	(141,911)	-	(2,001,425)
Buildings	(8,526,297)	(486,522)	115,644	(8,897,175)
Right to use - equipment	(68,903)	(9,506)	-	(78,409)
Right to use - software	(35,696)	(8,249)	-	(43,945)
Equipment	(7,759,779)	(371,211)	49,354	(8,081,636)
Subtotal	(18,250,189)	(1,017,399)	164,998	(19,102,590)
Net capital assets being depreciated/amortized	9,157,261	(44,644)	(5,501)	9,107,116
Capital assets, net	$ 9,372,833	$ 105,006	$ (5,501)	$ 9,472,338

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025
Drain Commission				
Capital assets, not being depreciated				
Construction in progress	$ -	$ 182,689	$ -	$ 182,689
Capital assets, being depreciated				
Infrastructure	22,952,351	-	-	22,952,351
Less accumulated depreciation				
Infrastructure	(8,336,717)	(459,047)	-	(8,795,764)
Net capital assets being depreciated	14,615,634	(459,047)	-	14,156,587
Capital assets, net	$ 14,615,634	$ (276,358)	$ -	$ 14,339,276

NOTE 8 - CAPITAL ASSETS (concluded)

COMPONENT UNITS (concluded)

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025
Road Commission				
Capital assets, not being depreciated/amortized				
Construction in progress	$ 167,000	$ 172,000	$ (167,000)	$ 172,000
Land & right of ways	294,218	-	-	294,218
Land improvements	43,239,712	1,142,316	-	44,382,028
Total capital assets, not being depreciated/amortized	43,700,930	1,314,316	(167,000)	44,848,246
Capital assets, being depreciated/amortized				
Buildings	2,706,215	30,541	-	2,736,756
Bridges	55,818,927	5,365,667	-	61,184,594
Roads	92,741,366	9,722,384	(3,651,783)	98,811,967
Signals & guardrails	687,777	50,533	-	738,310
Equipment - roads	9,876,966	525,989	(1,353,212)	9,049,743
Equipment - shop	222,234	-	-	222,234
Equipment - heating	147,291	-	-	147,291
Equipment - office	154,763	6,134	-	160,897
Equipment - engineer	37,672	-	-	37,672
Right to use - road equipment	1,471,987	1,642,740	-	3,114,727
Depletable assets	278,249	-	-	278,249
Weightmaster equipment	24,817	-	-	24,817
Subtotal	164,168,264	17,343,988	(5,004,995)	176,507,257
Less accumulated depreciation/amortization for:				
Buildings	(1,877,573)	(47,137)	-	(1,924,710)
Bridges	(22,636,201)	(1,232,370)	-	(23,868,571)
Roads	(39,188,666)	(6,359,177)	3,651,783	(41,896,060)
Signals & guardrails	(561,931)	(20,457)	-	(582,388)
Equipment - roads	(8,448,382)	(572,004)	939,819	(8,080,567)
Equipment - shop	(188,595)	(13,171)	-	(201,766)
Equipment - heating	(113,146)	(2,040)	-	(115,186)
Equipment - office	(145,954)	(1,496)	-	(147,450)
Equipment - engineer	(35,513)	(753)	-	(36,266)
Right to use - road equipment	(196,209)	(340,046)	-	(536,255)
Depletable assets	(47,280)	-	-	(47,280)
Weightmaster equipment	(23,451)	(297)	-	(23,748)
Subtotal	(73,462,901)	(8,588,948)	4,591,602	(77,460,247)
Net capital assets being depreciated/amortized	90,705,363	8,755,040	(413,393)	99,047,010
Capital assets, net	$ 134,406,293	$ 10,069,356	$ (580,393)	$ 143,895,256

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the County for the year ended December 31, 2025.

PRIMARY GOVERNMENT

	Restated Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025	Amounts Due Within One Year
Governmental Activities					
General obligation bonds					
Pension - Health Department Series 2017	$ 1,590,000	$ -	$ (140,000)	$ 1,450,000	$ 145,000
Pension Refunding 2021	4,690,000	-	(405,000)	4,285,000	430,000
Capital Improvement Series 2011	450,000	-	(55,000)	395,000	60,000
Mayville Storm Sewer	697,000	-	(44,000)	653,000	46,000
Caro Sewer System	1,662,114	-	(405,000)	1,257,114	410,000
Total general obligation bonds	9,089,114	-	(1,049,000)	8,040,114	1,091,000
Direct borrowings and direct placements					
USDA Loans					
Denmark Sewer System	1,380,209	-	(46,000)	1,334,209	48,000
Wisner Water System	2,320,000	-	(85,000)	2,235,000	85,000
Leases payable	981,065	43,739	(88,955)	935,849	95,600
Subscriptions payable	186,965	17,292	(79,513)	124,744	60,039
Total direct borrowings and direct placements	4,868,239	61,031	(299,468)	4,629,802	288,639
Other debt					
Deferred amounts					
Bond discount - pension	(11,833)	-	1,183	(10,650)	(1,183)
Bond discount - capital improvement	(5,204)	-	520	(4,684)	(520)
Uninsured claim liability	219,704	3,364,341	(3,425,445)	158,600	158,600
Compensated absences*	624,190	97,350	-	721,540	326,698
Total other debt	826,857	3,461,691	(3,423,742)	864,806	483,595
TOTAL PRIMARY GOVERNMENT	$ 14,784,210	$ 3,522,722	$ (4,772,210)	$ 13,534,722	$ 1,863,234

*The change in compensated absences liability is presented as a net change.

COMPONENT UNITS

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025	Amounts Due Within One Year
Medical Care Facility					
Direct borrowings and direct placements					
Purchase agreements - computer servers	$ 16,882	$ -	$ (15,382)	$ 1,500	$ 1,500
Subscriptions payable	8,328	5,472	(5,065)	8,735	8,735
Installment Purchase - generator/shelter	342,500	-	(110,000)	232,500	115,000
Total direct borrowings and direct placements	367,710	5,472	(130,447)	242,735	125,235
Compensated absences*	479,543	77,675	-	557,218	557,218
Total Medical Care Facility	$ 847,253	$ 83,147	$ (130,447)	$ 799,953	$ 682,453

*The change in compensated absences liability is presented as a net change.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNITS (concluded)

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025	Amounts Due Within One Year
Road Commission					
Direct borrowings and direct placements					
2020 CAT Grader 109	$ 127,633	$ -	$ (127,633)	$ -	$ -
2020 CAT Grader 110	136,702	-	(136,702)	-	-
2020 CAT Grader 111	136,702	-	(136,702)	-	-
2020 CAT Grader 112	136,702	-	(136,702)	-	-
2020 CAT Grader 113	136,702	-	(136,702)	-	-
2020 CAT Loader 2818	80,586	-	(23,726)	56,860	25,439
2023 CAT Grader 921	190,871	-	(42,952)	147,919	45,460
2023 CAT Grader 150	190,871	-	(42,952)	147,919	45,460
2024 CAT Loader 6991	128,504	-	(24,328)	104,176	25,749
2024 CAT Loader 6995	133,356	-	(25,244)	108,112	26,719
2024 CAT Grader 150	209,447	-	(35,995)	173,452	40,353
2024 CAT Loader 926M	76,766	-	(17,340)	59,426	18,353
2025 CAT Grader	-	281,595	(29,623)	251,972	47,295
2025 CAT Grader	-	281,595	(29,623)	251,972	47,295
2025 CAT Grader	-	281,595	(29,623)	251,972	47,295
2025 CAT Grader	-	281,595	(29,623)	251,972	47,295
2025 CAT Grader	-	281,595	(29,623)	251,972	47,295
JD Tractors (3) and Diamond Flail Mowers (3)	-	234,765	(81,344)	153,421	75,207
Total direct borrowings and direct placements	1,684,842	1,642,740	(1,116,437)	2,211,145	539,215
Compensated absences*	113,720	982	-	114,702	104,815
Total Road Commission	$ 1,798,562	$ 1,643,722	$ (1,116,437)	$ 2,325,847	$ 644,030

*The change in compensated absences liability is presented as a net change.

	Balance Jan. 1, 2025	Additions	Deletions	Balance Dec. 31, 2025	Amounts Due Within One Year
Drain Commission					
General Obligation Bonds					
Moore Drain	$ 225,000	$ -	$ (225,000)	$ -	$ -
Murphy Lake	429,000	-	(36,000)	393,000	36,000
Pigeon River Intercounty Drain	43,248	-	(14,417)	28,831	14,417
Fulton Street Drain	345,000	-	(45,000)	300,000	50,000
Indian Creek Intercounty Drain	203,490	-	(26,010)	177,480	26,010
Yax North Drain	280,000	-	(35,000)	245,000	35,000
Cheboyganing Creek Intercounty Drain	-	738,291	-	738,291	72,143
Total general obligation bonds	1,525,738	738,291	(381,427)	1,882,602	233,570
Direct borrowings and direct placements					
Akron Drain	127,000	-	(9,000)	118,000	9,000
Smith Drain	306,000	-	(22,000)	284,000	22,000
Total direct borrowings and direct placements	433,000	-	(31,000)	402,000	31,000
Total Drain Commission	$ 1,958,738	$ 738,291	$ (412,427)	$ 2,284,602	$ 264,570

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

PRIMARY GOVERNMENT

General Obligation Bonds

$2,475,000 Pension Obligation Bonds dated March 16, 2017, due in annual installments ranging from $145,000 to $185,000 through December 1, 2034, with interest ranging from 3.00% to 4.00%, payable semi-annually.	$ 1,450,000
$5,530,000 General Obligation Limited Tax Pension Obligation Refunding Bonds dated July 14, 2021, due in annual installments ranging from $430,000 to $535,000 through September 1, 2034, with interest ranging from 1.30% to 2.35%, payable semi-annually.	4,285,000
$995,000 Capital Improvement Bonds dated September 8, 2011, due in annual installments ranging from $60,000 to $75,000 through June 1, 2031, with interest ranging from 4.50% to 4.90%, payable semi-annually.	395,000
$1,350,000 General Obligation Bonds dated April 18, 1997, due in annual installments ranging from $46,000 to $74,000 through September 1, 2036, with interest of 5.00%, payable semi-annually.	653,000
$7,357,114 Sewer System Bonds dated February 14, 2007, due in annual installments ranging from $410,000 to $427,114 through April 1, 2028, with interest of 1.625%, payable semi-annually.	1,257,114
	$ 8,040,114

Direct Borrowings and Direct Placements

$2,169,000 USDA Loans dated August 31, 2007, due in annual installments ranging from $48,000 to $95,000 through October 1, 2044, with interest of 4.125%, payable semi-annually.	$ 1,334,209
$3,250,000 USDA Loans dated October 12, 2012, due in annual installments ranging from $15,000 to $89,000 through October 1, 2052, with interest of 2.75%, payable semi-annually.	2,235,000
$791,899 Lease payable, dated June 16, 2022, for the right to use a building through May 16, 2042, due in monthly payments of $3,300, including imputed interest of 2.50%.	535,752
$394,612 Lease payable, dated June 10, 2021, for the right to use storage through August 1, 2033, due in monthly payments of $3,712, including imputed interest of 2.50%.	308,314

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

PRIMARY GOVERNMENT (continued)

Direct Borrowings and Direct Placements (concluded)

$74,343 Lease payable, dated March 1, 2023, for the right to use body cameras through January 1, 2028, due in monthly payments of $1,317, including imputed interest of 2.50%.	$	32,194
$39,167 Lease payable, dated October 1, 2023, for the right to use body cameras through January 1, 2028, due in monthly payments of ranging from $780, with imputed interest of 2.50%.		19,049
$19,918 Lease payable, dated January 30, 2025, for the right to use a mailing machine through April 30, 2030, due in monthly payments of $404, with imputed interest of 8.00%.		17,698
$23,821 Lease payable, dated September 30, 2025, for the right to use a copier machine through September 30, 2030, due in monthly payments of $483, with imputed interest of 8.00%.		22,842
$103,097 Subscription payable, dated March 29, 2022, for JailTracker software through March 1, 2026, due in annual installments of $26,316, with imputed interest of 4.50%.		26,316
Various Health Department subscriptions payable for the right to use software expiring October 2029, with monthly payments ranging between $92 and $2,475.		98,428
	$	4,629,802

The County's outstanding obligations from direct borrowings and direct placements related to governmental activities of $4,629,802 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest, become immediately due and payable.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

PRIMARY GOVERNMENT (concluded)

The annual requirements to pay the debt principal and interest outstanding are as follows:

Year Ending December 31,	General Obligation Bonds		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2026	$ 1,091,000	$ 185,750	$ 288,639	$ 144,104
2027	1,123,000	170,750	268,036	134,890
2028	1,143,114	153,353	240,868	126,914
2029	733,000	134,718	221,169	119,678
2030	751,000	114,825	218,173	112,582
2031-2035	3,125,000	256,407	1,012,278	465,883
2036-2040	74,000	3,700	993,936	311,340
2041-2045	-	-	851,703	148,097
2046-2050	-	-	431,000	50,079
2051-2052	-	-	104,000	3,273
	$ 8,040,114	$ 1,019,503	$ 4,629,802	$ 1,616,840

Uninsured Claim Liability

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:

	2025	2024
Unpaid claims, beginning of year	$ 219,704	$ 219,704
Incurred claims (including IBNR)	3,364,341	4,180,664
Claims paid	(3,425,445)	(4,180,664)
Unpaid claims, end of year	$ 158,600	$ 219,704

The Health Insurance internal service fund is used to liquidate the uninsured claim liability, which recovers the cost of liabilities through charges for services to other funds.

Compensated Absences

In accordance with County personnel policies and/or contracts negotiated with various employee groups of the County, individual employees have rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these rights, including related salary-related benefits, amounted to $721,540 for vacation and sick at December 31, 2025. Of this amount, $326,698 has been recorded as a current liability and $394,842 has been recorded as a noncurrent liability.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - MEDICAL CARE FACILITY

Direct Borrowings and Direct Placements

$22,508 lease agreement dated May 10, 2021, payable in monthly installments of $375 through April 26, 2026, with imputed interest of 1%. The cost of the printers under the lease agreement amounted to $22,508.	$	1,500
$12,987 SBITA agreement dated February 5, 2024, payable in an annual installment of $4,500 through February 2027, with imputed interest of 4%.		8,735
$547,500 installment purchase agreement dated November 23, 2022, payable in annual installments ranging from $122,788 to $125,463 through November 23, 2027, with interest of 4.5% for generator and shelter.		232,500
	$	242,735

The Facility's outstanding obligations from direct borrowings and direct placements of $242,735 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest, become immediately due and payable.

The annual requirements to pay the debt principal and interest are as follows:

Year Ending	Direct Borrowings and Direct Placements	
December 31,	Principal	Interest
2026	$ 125,235	$ 10,741
2027	117,500	5,288
	$ 242,735	$ 16,029

Compensated Absences

Individual employees have rights upon termination of employment to receive payments for unused sick and vacation time. The dollar amount of these rights, including payroll taxes, amounted to $557,218.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - ROAD COMMISSION

Direct Borrowings and Direct Placements

The Commission purchased a 2023 CAT wheel loader under an installment purchase agreement, dated March 9, 2023, at a cost of $135,743. The lease purchase agreement requires 60 consecutive monthly payments through March 16, 2028, which includes lease financing costs at a rate of 6.99%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.	$	56,860
The Commission purchased a 2023 CAT wheel loader under an installment purchase agreement, dated January 18, 2024, at a cost of $260,952. The lease purchase agreement requires 60 consecutive monthly payments through January 21, 2029, which includes lease financing costs at a rate of 5.69%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		147,919
The Commission purchased a 2023 CAT wheel loader under an installment purchase agreement, dated January 18, 2024, at a cost of $260,952. The lease purchase agreement requires 60 consecutive monthly payments through January 21, 2029, which includes lease financing costs at a rate of 5.69%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		147,919
The Commission purchased a 2024 CAT medium wheel loader under an installment purchase agreement, dated September 9, 2024, at a cost of $201,756. The lease purchase agreement requires 60 consecutive monthly payments through September 1, 2029, which includes lease financing costs at a rate of 5.69%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		104,176
The Commission purchased a 2024 CAT medium wheel loader under an installment purchase agreement, dated September 9, 2024, at a cost of $201,756. The lease purchase agreement requires 60 consecutive monthly payments through September 1, 2029, which includes lease financing costs at a rate of 5.69%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		108,112

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - ROAD COMMISSION (continued)

Direct Borrowings and Direct Placements (continued)

The Commission purchased a 2024 CAT motor grader under an installment purchase agreement, dated December 11, 2024, at a cost of $268,438. The lease purchase agreement requires 60 consecutive monthly payments through December 17, 2029, which includes lease financing costs at a rate of 4.99%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.	$	173,452
The Commission purchased a 2024 CAT small wheel loader under an installment purchase agreement, dated January 16, 2024, at a cost of $142,390. The lease purchase agreement requires 60 consecutive monthly payments through January 21, 2029, which includes lease financing costs at a rate of 5.69%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		59,426
The Commission purchased a 2025 CAT motor grader under an installment purchase agreement, dated November 26, 2025, at a cost of $281,595. The purchase agreement requires 60 consecutive monthly payments through November 22, 2030, which includes financing costs at a rate of 5.02%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		251,972
The Commission purchased a 2025 CAT motor grader under an installment purchase agreement, dated November 26, 2025, at a cost of $281,595. The purchase agreement requires 60 consecutive monthly payments through November 22, 2030, which includes financing costs at a rate of 5.02%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		251,972
The Commission purchased a 2025 CAT motor grader under an installment purchase agreement, dated November 26, 2025, at a cost of $281,595. The purchase agreement requires 60 consecutive monthly payments through November 22, 2030, which includes financing costs at a rate of 5.02%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.		251,972

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - ROAD COMMISSION (continued)

Direct Borrowings and Direct Placements (continued)

The Commission purchased a 2025 CAT motor grader under an installment purchase agreement, dated November 26, 2025, at a cost of $281,595. The purchase agreement requires 60 consecutive monthly payments through November 22, 2030, which includes financing costs at a rate of 5.02%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.	$ 251,972
The Commission purchased a 2025 CAT motor grader under an installment purchase agreement, dated November 26, 2025, at a cost of $281,595. The purchase agreement requires 60 consecutive monthly payments through November 22, 2030, which includes financing costs at a rate of 5.02%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.	251,972
The Commission purchased three John Deere 5130M utility tractors and three swing flail mowers under an installment purchase agreement, dated June 4, 2025, at a cost of $234,765. The purchase agreement requires 3 consecutive annual payments through June 6, 2027, with an implied interest rate of 4.00%. The lease purchase agreement qualifies as a lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception.	153,421
	$ 2,211,145

The Road Commission's outstanding obligations from direct borrowings and direct placements of $2,211,145 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest, become immediately due and payable.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - ROAD COMMISSION (concluded)

Direct Borrowings and Direct Placements (concluded)

The annual requirements to pay the debt principal and interest outstanding are as follows:

Year Ending December 31,	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest
2026	$ 539,215	$ 166,729
2027	562,011	143,928
2028	485,321	111,454
2029	368,083	71,379
2030	256,515	35,515
	$ 2,211,145	$ 529,005

Compensated Absences

In accordance with the Road Commission's personnel policies and/or contracts negotiated with various employee groups, individual employees have rights upon termination of employment to receive payment for used vacation under formulas and conditions specified in their respective personnel policies and/or contracts.

Accumulated vacation represents a liability to the Road Commission, which is presented as a long-term liability. For the year ended December 31, 2025, the liability reported in the government-wide financial statements was $114,702.

COMPONENT UNIT - DRAIN COMMISSION

General Obligation Bonds

$536,000 Special Assessment Bonds dated August 30, 2021, due in annual installments ranging from $35,000 to $36,000 through June 1, 2036, with interest of 1.73%, payable semi-annually.	$ 393,000
$5,545,000 Intercounty Drain Bonds dated October 30, 2012, of which the County of Tuscola's share is 3.84447%, due in annual installments ranging from $14,414 to $14,417 through June 1, 2027, with interest ranging from 2.60% to 2.70%, payable semi-annually.	28,831
$720,000 Drain Bonds dated November 9, 2016, due in annual installments of $50,000 through June 1, 2031, with interest ranging from 2.35% to 2.75%, payable semi-annually.	300,000

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - DRAIN COMMISSION (continued)

General Obligation Bonds (concluded)

$300,000 Intercounty Drain Note dated August 2, 2016, of which the County of Tuscola's share is 15.3%, due in annual installments ranging from $25,245 to $26,010 through June 1, 2031, with interest ranging from 3.00% to 3.25%, payable semi-annually.	$	177,480
$495,000 Drain Bonds dated September 6, 2017, due in annual installments of $35,000 through June 1, 2032, with interest ranging from 2.80% to 3.05%, payable semi-annually.		245,000
$738,291 Intercounty Drain Note dated August 28, 2015, due in annual installments ranging from $68,675 to $76,916 through June 1, 2035, with interest of 4.06%, payable semi-annually.		738,291
	$	1,882,602

Direct Borrowings and Direct Placements

$400,000 Drain Improvement Bonds dated November 11, 2010, due in annual installments ranging from $2,000 to $9,000 through June 1, 2040, with interest of 3.00%, payable semi-annually.	$	118,000
$328,000 Drain Note dated October 10, 2023, due in annual installments ranging from $21,000 to $22,000 through June 1, 2038, with interest of 5.05%, payable semi-annually.		284,000
	$	402,000

The Drain Commission’s outstanding obligations from direct borrowings and direct placements of $402,000 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest, become immediately due and payable.

NOTE 9 - LONG-TERM OBLIGATIONS (concluded)

COMPONENT UNIT - DRAIN COMMISSION (concluded)

The annual requirements to pay the debt principal and interest outstanding are as follows:

Year Ending	General Obligation Bonds		Direct Borrowings and Direct Placements	
December 31,	Principal	Interest	Principal	Interest
2026	$ 233,570	$ 33,063	$ 31,000	$ 18,332
2027	237,575	34,050	31,000	16,951
2028	223,161	28,619	31,000	15,570
2029	221,788	23,369	31,000	14,189
2030	221,788	18,077	31,000	12,808
2031-2035	709,720	30,122	154,000	43,445
2036	35,000	303	93,000	10,074
	$ 1,882,602	$ 167,603	$ 402,000	$ 131,369

NOTE 10 - RETIREMENT PLANS

PRIMARY GOVERNMENT

Defined Benefit Plan

Plan Description

The County, and the Tuscola County Health Department (September 30, 2025), collectively known as the "employer" or "County", participate in the Municipal Employees; Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

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

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (continued)

Defined Benefit Plan (continued)

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established, and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible employees of the County.

Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a five-year period) and multipliers ranging from 2.00% 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 4.70% to 6.70%. The MERS plan is closed to all new hires.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the County Board of Commissioners, generally after negotiations of the terms with the affected unions.

Plan Membership

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	67
Active employees	81
	328

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. 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 costs of benefits earned by plan members 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.

For the year ended December 31, 2025, the County's average contribution rate was 28.45% of covered payroll and the Health Department's average contribution rate was 45.17% of covered payroll.

Payable to the Pension Plan

At December 31, 2025, there were no amounts outstanding by the County for contributions to the pension plan required for the year ended December 31, 2025. At September 30, 2025, there were no amounts outstanding by the Tuscola County Health Department for contributions to the pension plan required for the year ended September 30, 2025.

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (continued)

Defined Benefit Plan (continued)

Net Pension Liability

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

Actuarial Assumptions

The total pension liability in the December 31, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.18%, net of investment and administrative expense, including inflation.

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

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

The actuarial assumptions used in valuation were based on the results of the 2019-2023 Five-Year Experience Study.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on 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.

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (continued)

Defined Benefit Plan (continued)

Projected Cash Flows (concluded)

The target allocation and best estimates of geographic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global Equity	60.00%	4.50%	2.70%
Global Fixed Income	20.00%	2.15%	0.43%
Private investments	20.00%	6.50%	1.30%
	100.00%		4.43%
Inflation			2.50%
Assumed investment rate of return			6.93%
Administrative expenses netted above			0.25%
Investment rate of return			7.18%

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (continued)

Defined Benefit Plan (continued)

Changes in Net Pension Liability

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2023	$ 62,932,317	$ 49,529,226	$ 13,403,091
Changes for the year			
Service cost	644,360	-	644,360
Interest on total pension liability	4,413,740	-	4,413,740
Difference between expected and actual experience	(463,042)	-	(463,042)
Changes in assumptions	(26,447)	-	(26,447)
Employer contributions	-	1,278,840	(1,278,840)
Employee contributions	-	292,872	(292,872)
Net investment income	-	3,706,813	(3,706,813)
Benefit payments, including employee refunds	(3,563,571)	(3,563,571)	-
Administrative expense	-	(108,824)	108,824
Net changes	1,005,040	1,606,130	(601,090)
Balances at December 31, 2024	$ 63,937,357	$ 51,135,356	$ 12,802,001

Governmental Activities (General County)	$ 8,810,650
Governmental Activities (Tuscola County Health Department)	3,991,351
	$ 12,802,001

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employer, calculated using the discount rates of 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 19,977,055	$ 12,802,001	$ 6,757,920

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (continued)

Defined Benefit Plan (continued)

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

For the year ended December 31, 2025, the County recognized pension expenses of $1,587,070. For the year ended September 30, 2025, the Tuscola County Health Department recognized pension expenses of $417,672. The County reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 228,620
Change in assumptions	2,250	-
Net difference between projected and actual earnings on pension plan investments	1,156,816	-
Contributions subsequent to the measurement date*	1,531,590	-
Total	$ 2,690,656	$ 228,620
Governmental Activities (General County)	$ 2,007,811	$ 228,620
Governmental Activities (Tuscola County Health Department)	682,845	-
	$ 2,690,656	$ 228,620

* 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, 2026.

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

Year Ending	Pension Expense
2026	$ 1,098,282
2027	22,745
2028	(145,374)
2029	(45,207)
	$ 930,446

NOTE 10 - RETIREMENT PLANS (continued)

PRIMARY GOVERNMENT (concluded)

Defined Benefit Plan (concluded)

Changes in Assumptions

Adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.

Change in Benefits

There were no changes in benefit terms during plan year 2024.

Defined Contribution Plans

COUNTY GENERAL

Effective January 1, 2016, the Tuscola County Board of Commissioners established and adopted the Municipal Employees' Retirement System ("MERS") Defined Contribution Program (the "Plan") which is administered by MERS. The Board of Commissioners can amend the Plan, as well as establish and amend contribution requirements. Full time new hires, rehires, and transfers of current Defined Benefit divisions 16, 17, 20, 24, 25, and 26 as of January 1, 2016, are eligible for this plan.

Employees can contribute 0% up to 6% and the County is required to contribute between 4% and 5%. For the fiscal year ending December 31, 2025, employees contributed $300,776 and the County contributed $258,466.

HEALTH DEPARTMENT

As of January 1, 2017, the Health Department established a defined contribution retirement plan through the Michigan Municipal Employees' Retirement System. Existing employees were given the opportunity to remain in the defined benefit plan or convert to the defined contribution plan. All employees hired after January 1, 2017, are covered under the defined contribution plan.

The plan is administered by the Michigan Municipal Employees' Retirement System. Contributions are determined, and may be amended, by an employment agreement requiring employer contributions of 4% of covered payroll. As a supplement to the required employer contribution, eligible employees may also elect to contribute up to 6% of their salary through a payroll deduction, upon which the Health Department will match up to 5%.

The Health Department's contributions to the plan were $49,649 for the year ended September 30, 2025. The Health Department's employees contributed $52,722 to the defined contribution plan for the year ended September 30, 2025.

NOTE 10 - RETIREMENT PLANS (concluded)

COMPONENT UNIT - MEDICAL CARE FACILITY

The Medical Care Facility has a separate retirement plan from the County (Primary Government). Separate accounts are maintained by MERS for this component unit. Details applicable to the Medical Care Facility's pension plan are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB 61. Actuarially determined contribution requirements have been met for the fiscal year presented within these audited financial statements.

COMPONENT UNIT - ROAD COMMISSION

The Road Commission has a separate retirement plan from the County (Primary Government). Separate accounts are maintained by MERS for this component unit. Details applicable to the Road Commission's pension plan are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB 61. Actuarially determined contribution requirements have been met for the fiscal year presented within these audited financial statements.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

COMPONENT UNIT - ROAD COMMISSION

The Road Commission administers a single-employer defined benefit healthcare, other post-employment benefits (OPEB) plan. Details applicable to the Road Commission's OPEB plan are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB 61.

NOTE 12 - CONTINGENT LIABILITIES

PRIMARY GOVERNMENT

The County participates in a number of Federal and State assisted grant programs that are subject to compliance audits. The Single Audit of the Federal Programs and the periodic program compliance audits of many of the State programs have not yet been completed or final resolution has not been received. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County from time to time is named as a defendant in lawsuits requesting damages of various amounts. The County estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

DISCRETELY PRESENTED COMPONENT UNITS

<u>Medical Care Facility and Road Commission</u>

The Medical Care Facility and the Road Commission have their own contingent liabilities disclosures in their readily available, separately issued financial statements.

NOTE 13 - RISK MANAGEMENT

PRIMARY GOVERNMENT

The County is a voluntary member of the Michigan Municipal Risk Management Authority, which is organized under Public Act 138 of 1982, as amended as a governmental group self-insurance pool. Public Act 138 authorizes local units of government to exercise jointly any power, privilege, or authority which each might exercise separately. The Authority administers a risk management fund providing the County with protection for general liability, vehicle physical damage, property damage, and losses due to crime. The County has not been informed of any special assessments being required.

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

DISCRETELY PRESENTED COMPONENT UNITS

Medical Care Facility

The Medical Care Facility is insured for workers' compensation and employees' medical benefit claims through policies with commercial carriers. The Facility also maintains commercial insurance relating to liability, bonding, auto, physical damage, crime, and property loss claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage during the past two years.

Road Commission

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission participates in the Michigan County Road Commission Self-Insurance Pool for property, fleet, umbrella, errors and omissions, dishonesty bond, and workers' compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

NOTE 14 - DETAILS OF FUND BALANCE CLASSIFICATION

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

	General	Road Patrol	Voted Primary Road	Health Department	Nonmajor Governmental Funds	Total
Fund Balances						
Nonspendable						
Advance to Drain Commission	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000
Advance to other funds	53,000	-	-	-	-	53,000
Prepaids	176,478	21,439	-	5,509	52,566	255,992
Restricted						
General government						
Principal residence exemption	-	-	-	-	25,961	25,961
GIS	-	-	-	-	265,533	265,533
Judicial						
Indigent defense	-	-	-	-	755,804	755,804
Forfeitures	-	-	-	-	97,520	97,520
Law library	-	-	-	-	43,666	43,666
Justice training	-	-	-	-	16,872	16,872
Friend of the court	-	-	-	-	246,972	246,972
Family counseling	-	-	-	-	79,184	79,184
Mental health	-	-	-	-	16	16
DWI	-	-	-	-	166,888	166,888
Public safety						
Road patrol	-	2,053,478	-	-	-	2,053,478
Crime victims	-	-	-	-	3,415	3,415
Homeland security	-	-	-	-	3,414	3,414
Concealed pistol licenses	-	-	-	-	238,074	238,074
Local corrections	-	-	-	-	4,135	4,135
MSU	-	-	-	-	196,320	196,320
Arbela Township police	-	-	-	-	10,328	10,328
Dispatch	-	-	-	-	771,115	771,115
Millington Township police	-	-	-	-	1,232	1,232
Animal shelter	-	-	-	-	15,102	15,102
CPE training	-	-	-	-	64,725	64,725
Building inspections	-	-	-	-	131,753	131,753
Public works						
Bridges	-	-	-	-	379,663	379,663
Roads	-	-	37,949	-	-	37,949
Recycling	-	-	-	-	244,950	244,950
Health and welfare						
Health Department	-	-	-	3,220,455	-	3,220,455
Child care	-	-	-	-	420,748	420,748
Soldiers relief	-	-	-	-	30,612	30,612
Veterans	-	-	-	-	104,189	104,189
Medical care	-	-	-	-	1,100,705	1,100,705
Mosquito control	-	-	-	-	1,920,686	1,920,686
Opioid programs	-	-	-	-	1,070,894	1,070,894
Community and economic development						
CDBG	-	-	-	-	47,078	47,078
Register of deeds	-	-	-	-	99,211	99,211
Recreation and culture						
Parks and recreation	-	-	-	-	27,860	27,860
Debt service	-	-	-	-	8,997	8,997
Capital improvements	-	-	-	-	3,226,111	3,226,111
Assigned						
Subsequent years' expenditures	137,764	-	-	-	-	137,764
Unassigned	5,912,549	-	-	-	-	5,912,549
TOTAL FUND BALANCES	$ 6,779,791	$ 2,074,917	$ 37,949	$ 3,225,964	$ 11,872,299	$ 23,990,920

NOTE 15 - RESTRICTED NET POSITION

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which preclude their use for unrestricted purposes. The following are the various net position restrictions as of December 31, 2025.

PRIMARY GOVERNMENT	
Governmental activities	
Public safety	
Road patrol	$ 2,074,917
Crime victims	3,415
Homeland security	3,414
Concealed pistol licenses	239,526
Local corrections	4,135
MSU	196,320
Arbela Township police	10,328
Dispatch	818,004
Millington Township police	1,232
Animal shelter	15,102
CPE training	64,725
Building inspections	131,753
Total restricted for public safety	3,562,871
Health and welfare	
Health Department	3,225,964
Child care	420,983
Soldiers relief	30,612
Veterans	104,189
Medical care	1,100,705
Mosquito control	1,922,544
Opioid programs	1,070,894
Total restricted for health and welfare	7,875,891
Other purposes	
Principal residence exemption	25,961
GIS	265,732
Indigent defense	756,422
Forfeitures	97,520
Law library	43,950
Justice training	16,872
Friend of the court	247,004
Family counseling	79,184
Mental health	16
DWI	166,888
Bridges	379,663
Roads	37,949
Recycling	245,949
CDBG	47,078
Register of deeds	99,211
Parks and recreation	27,860
Total restricted for other purposes	2,537,259
Capital improvements	3,226,111
TOTAL PRIMARY GOVERNMENT	$ 17,202,132

NOTE 15 - RESTRICTED NET POSITION (concluded)

COMPONENT UNITS	
Roads	$ 416,775
Drains	
Debt service	$ 584,351
Drain projects	9,228,893
	$ 9,813,244

NOTE 16 - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets represents the following:

	Primary Government	
	Governmental Activities	Component Units
Capital assets, net	$ 9,254,794	$ 167,706,870
General obligation bonds	(8,040,114)	(2,284,602)
USDA loans	(3,569,209)	-
Installment purchases	-	(2,445,145)
Leases and subscriptions	(1,060,593)	(8,735)
Bond discounts, net	15,334	-
Non-capital related debt, bond discounts, net	11,203,673	-
Net investment in capital assets	$ 7,803,885	$ 162,968,388

NOTE 17 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended September 30, 2025, the Health Department implemented GASB Statement No. 101, *Compensated Absences*. The following is a summary of the new pronouncement:

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

NOTE 17 - CHANGES IN ACCOUNTING PRINCIPLES (concluded)

For the year ended December 31, 2025, the County implemented GASB Statement No. 102, *Certain Risk Disclosures*. The following is a summary of the new pronouncement:

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact.

There was no material impact on the County's financial statements as a result of adopting GASB Statement No. 102.

NOTE 18 - RESTATEMENT OF BEGINNING FUND BALANCES/NET POSITION

During the year ended December 31, 2025, a change to or within the financial reporting entity and a change in accounting principle resulted in adjustments to beginning fund balances/net position, as follows:

	Voted Primary Road	Nonmajor Governmental Funds	Governmental Activities
December 31, 2024, fund balances/net position, as previously reported	$ -	$ 11,032,802	$ 17,764,384
Change within reporting entity			
Change from nonmajor to major fund	17,939	(17,939)	-
Change in accounting principle			
GASB 101	-	-	(109,402)
December 31, 2024, fund balances/net position, as restated	$ 17,939	$ 11,014,863	$ 17,654,982

NOTE 19 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

a. Management's discussion and analysis (MD&A);
   i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;
   ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
   iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
   i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
   ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI;

The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2027 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 9,724,877	$ 9,735,193	$ 9,634,807	$ (100,386)
Licenses and permits	1,500	1,510	1,555	45
Intergovernmental	2,647,126	2,785,680	2,785,217	(463)
Charges for services	1,922,579	1,881,731	1,576,908	(304,823)
Fines and forfeits	41,000	41,066	32,818	(8,248)
Interest and rent	1,195,536	1,196,001	1,006,944	(189,057)
Other	286,768	545,426	391,409	(154,017)
TOTAL REVENUES	15,819,386	16,186,607	15,429,658	(756,949)
EXPENDITURES				
Current				
General government				
Board of Commissioners	187,530	212,678	210,791	1,887
Special programs	46,500	58,339	37,349	20,990
Elections	86,800	108,429	42,993	65,436
Accounting services	68,000	112,452	112,352	100
Legal counsel	95,000	95,000	30,021	64,979
Clerk	695,059	698,097	648,515	49,582
Controller	541,397	553,908	449,943	103,965
Equalization	298,364	298,364	291,479	6,885
City of Caro assessment contract	19,009	19,631	19,552	79
Treasurer	258,134	258,134	202,104	56,030
Computer operations	1,035,144	1,027,296	834,285	193,011
Building and grounds	1,138,711	1,213,620	1,056,817	156,803
DHHS building maintenance	71,667	77,099	64,570	12,529
Sick and vacation	57,455	65,148	65,137	11
Insurance and bonds	162,821	186,703	116,660	70,043
Total general government	4,761,591	4,984,898	4,182,568	802,330

TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Judicial				
Unified court	$ 2,895,912	$ 2,949,056	$ 2,679,226	$ 269,830
Title IV CPLR grant	2,000	2,000	5,574	(3,574)
Jury commission	10,215	10,215	8,610	1,605
Adult probation	12,000	12,000	10,788	1,212
Prosecutor	1,100,371	1,096,803	905,882	190,921
Co-op reimbursement - prosecutor	246,238	260,935	264,175	(3,240)
Courtroom security	185,892	175,157	159,164	15,993
Michigan appellate assigned council	-	35,292	35,292	-
Total judicial	4,452,628	4,541,458	4,068,711	472,747
Public safety				
Courthouse security	297,247	296,090	173,219	122,871
Sheriff	3,078,652	3,153,317	2,800,946	352,371
County weigh master enforcement	136,198	137,567	131,157	6,410
Marine safety	20,098	10,781	11,006	(225)
Secondary road patrol	125,614	166,013	154,670	11,343
Thumb Area narcotics group	8,000	8,000	4,511	3,489
Emergency services	160,396	159,429	150,919	8,510
Livestock claims	500	500	-	500
Total public safety	3,826,705	3,931,697	3,426,428	505,269
Public works				
Drains at large	454,648	454,648	454,648	-
Drain commission	321,749	296,191	282,279	13,912
Total public works	776,397	750,839	736,927	13,912
Health and welfare				
Substance abuse	60,000	63,600	63,361	239
Medical examiner	150,000	150,000	105,650	44,350
DHHS board	9,944	9,944	7,788	2,156
Behavioral health	288,243	288,243	288,243	-
Total health and welfare	508,187	511,787	465,042	46,745

TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONCLUDED)
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (concluded)				
Current (concluded)				
Community and economic development				
Register of deeds	$ 381,974	$ 382,921	$ 364,270	$ 18,651
Planning commission	6,640	6,765	5,734	1,031
Airport zoning board of appeals	940	940	213	727
Economic Development Corporation	120,000	120,000	120,000	-
Total community and economic development	509,554	510,626	490,217	20,409
Debt service				
Principal	135,726	135,726	135,726	-
Interest and fiscal charges	28,468	28,468	28,468	-
Total debt service	164,194	164,194	164,194	-
TOTAL EXPENDITURES	14,999,256	15,395,499	13,534,087	1,861,412
EXCESS OF REVENUES OVER EXPENDITURES	820,130	791,108	1,895,571	1,104,463
OTHER FINANCING SOURCES (USES)				
Lease issuance	-	-	43,739	43,739
Transfers in	692,500	692,500	692,500	-
Transfers out	(2,163,588)	(2,218,015)	(2,196,968)	21,047
TOTAL OTHER FINANCING SOURCES (USES)	(1,471,088)	(1,525,515)	(1,460,729)	64,786
NET CHANGE IN FUND BALANCE	(650,958)	(734,407)	434,842	1,169,249
Fund balance, beginning of year	6,344,949	6,344,949	6,344,949	-
Fund balance, end of the year	$ 5,693,991	$ 5,610,542	$ 6,779,791	$ 1,169,249

TUSCOLA COUNTY
ROAD PATROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 3,050,994	$ 3,050,994	$ 3,021,053	$ (29,941)
Intergovernmental	21,442	23,627	12,403	(11,224)
Charges for services	2,500	47,353	46,544	(809)
Interest	100,000	102,700	105,718	3,018
Other	65,000	100,481	73,762	(26,719)
TOTAL REVENUES	3,239,936	3,325,155	3,259,480	(65,675)
EXPENDITURES				
Current				
Public safety	3,923,374	4,128,301	3,372,562	755,739
NET CHANGE IN FUND BALANCE	(683,438)	(803,146)	(113,082)	690,064
Fund balance, beginning of year	2,187,999	2,187,999	2,187,999	-
Fund balance, end of year	$ 1,504,561	$ 1,384,853	$ 2,074,917	$ 690,064

TUSCOLA COUNTY
VOTED PRIMARY ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 2,215,297	$ 2,215,297	$ 2,193,613	$ (21,684)
Interest	1,000	28,099	28,176	77
TOTAL REVENUES	2,216,297	2,243,396	2,221,789	(21,607)
EXPENDITURES				
Current				
Public works	2,200,000	2,214,808	2,201,779	13,029
NET CHANGE IN FUND BALANCE	16,297	28,588	20,010	(8,578)
Fund balance, beginning of year	17,939	17,939	17,939	-
Fund balance, end of year	$ 34,236	$ 46,527	$ 37,949	$ (8,578)

TUSCOLA COUNTY
HEALTH DEPARTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 178,424	$ 229,306	$ 235,472	$ 6,166
Intergovernmental	3,659,676	3,906,091	3,551,457	(354,634)
Charges for services	421,253	613,181	601,866	(11,315)
Interest	1,000	1,000	879	(121)
Other	1,180	21,284	24,734	3,450
TOTAL REVENUES	4,261,533	4,770,862	4,414,408	(356,454)
EXPENDITURES				
Current				
Health and welfare	4,750,657	5,025,974	4,441,744	584,230
Debt service				
Principal	32,742	32,742	32,742	-
Interest	581	581	581	
TOTAL EXPENDITURES	4,783,980	5,059,297	4,475,067	584,230
EXCESS OF REVENUES (UNDER) EXPENDITURES	(522,447)	(288,435)	(60,659)	227,776
OTHER FINANCING SOURCES (USES)				
Lease issuance	-	-	17,292	17,292
Transfers in	450,799	412,495	412,494	(1)
Transfers out	(196,245)	(196,245)	(196,245)	-
TOTAL OTHER FINANCING SOURCES (USES)	254,554	216,250	233,541	17,291
NET CHANGE IN FUND BALANCE	(267,893)	(72,185)	172,882	245,067
Fund balance, beginning of year	3,053,082	3,053,082	3,053,082	-
Fund balance, end of year	$ 2,785,189	$ 2,980,897	$ 3,225,964	$ 245,067

TUSCOLA COUNTY
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - COUNTY
LAST TEN MEASUREMENT YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH PLAN YEAR)

	2024	2023[1]	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 536,955	$ 563,591	$ 574,337	$ 548,801	$ 588,073	$ 582,618	$ 616,397	$ 623,037	$ 644,951	$ 663,158
Interest	3,337,024	3,259,425	3,220,359	3,052,206	2,918,825	2,766,607	2,839,889	2,760,220	2,658,106	2,521,804
Difference between expected and actual experience	(457,241)	(51,662)	583,679	(369,007)	1,086,714	(64,797)	(79,664)	(219,902)	159,878	15,636
Changes in assumptions	4,501	352,574	-	1,645,517	1,811,826	1,085,711	-	-	-	1,658,902
Benefit payments including employee refunds	(2,629,695)	(2,553,394)	(2,553,394)	(2,560,987)	(2,343,633)	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)
Other	-	(2)	(296,393)	(13,742)	(239,696)	(62,723)	(271,364)	(67,737)	(120,584)	(191,533)
Net Change in Total Pension Liability	791,544	1,570,532	1,528,588	2,302,788	3,822,109	2,036,506	1,007,665	1,000,333	1,327,701	2,682,890
Total Pension Liability, beginning	47,523,029	45,952,497	45,408,274	43,105,486	39,283,377	37,246,871	36,239,206	35,238,873	33,911,172	31,228,282
Total Pension Liability, ending	$ 48,314,573	$ 47,523,029	$ 46,936,862	$ 45,408,274	$ 43,105,486	$ 39,283,377	$ 37,246,871	$ 36,239,206	$ 35,238,873	$ 33,911,172
Plan Fiduciary Net Position										
Contributions - employer	$ 985,560	$ 629,568	$ 629,568	$ 797,064	$ 634,700	$ 553,422	$ 410,464	$ 367,047	$ 359,904	$ 7,412,953
Contributions - employee	253,964	262,791	262,791	278,682	290,374	307,076	362,247	316,346	340,891	339,727
Net investment income (loss)	2,837,926	3,999,419	3,921,477	(4,332,730)	5,297,606	4,379,405	4,326,240	(1,336,847)	4,201,461	3,271,744
Benefit payments including employee refunds	(2,629,695)	(2,553,394)	(2,553,394)	(2,560,987)	(2,343,633)	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)
Administrative expense	(83,912)	(83,317)	(83,317)	(76,355)	(60,773)	(69,986)	(74,522)	(67,064)	(66,597)	(62,743)
Net Change in Plan Fiduciary Net Position	1,363,843	2,255,067	2,177,125	(5,894,326)	3,818,274	2,899,007	2,926,836	(2,815,803)	2,821,009	8,976,604
Plan Fiduciary Net Position, beginning	38,140,080	35,885,013	35,885,013	41,779,339	37,961,065	35,062,058	32,135,222	34,951,025	32,130,016	23,153,412
Plan Fiduciary Net Position, ending	$ 39,503,923	$ 38,140,080	$ 38,062,138	$ 35,885,013	$ 41,779,339	$ 37,961,065	$ 35,062,058	$ 32,135,222	$ 34,951,025	$ 32,130,016
County's Net Pension Liability	$ 8,810,650	$ 9,382,949	$ 8,874,724	$ 9,523,261	$ 1,326,147	$ 1,322,312	$ 2,184,813	$ 4,103,984	$ 287,848	$ 1,781,156
Plan fiduciary net position as a percentage of the total pension liability	81.76%	80.26%	81.09%	79.03%	96.92%	96.63%	94.13%	88.68%	99.18%	94.75%
Covered payroll	$ 4,508,049	$ 4,840,091	$ 4,989,448	$ 5,186,569	$ 5,667,701	$ 5,559,777	$ 5,870,215	$ 5,950,007	$ 6,087,878	$ 6,477,636
County's net pension liability as a percentage of covered payroll	195.44%	193.86%	177.87%	183.61%	23.40%	23.78%	37.22%	68.97%	4.73%	27.50%

(1) The County changed from measuring net pension liability as of fiscal year-end using roll forward to measuring based on most recent actuarial valuation.

TUSCOLA COUNTY
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS - COUNTY
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contributions [1]	$ 1,266,432	$ 959,508	$ 629,568	$ 797,064	$ 634,700	$ 553,450	$ 367,047	$ 359,904	$ 359,904	$ 512,953
Contributions in relation to the actuarially determined contribution	1,266,432	959,508	629,568	797,064	634,700	553,450	410,464	367,047	359,904	7,412,953
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ (43,417)	$ (7,143)	$ -	$ (6,900,000)
Covered payroll	$ 4,452,006	$ 4,739,517	$ 4,989,448	$ 5,186,569	$ 5,667,701	$ 5,799,381	$ 5,790,536	$ 5,957,105	$ 6,048,830	$ 6,371,708
Contributions as a percentage of covered payroll	28.45%	20.24%	12.62%	15.37%	11.20%	9.54%	7.09%	6.16%	5.95%	116.34%

[1] The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

TUSCOLA COUNTY
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - HEALTH DEPARTMENT
LAST TEN MEASUREMENT YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 107,405	$ 98,446	$ 91,725	$ 98,470	$ 128,752	$ 117,648	$ 143,873	$ 150,565	$ 152,467	$ 158,379
Interest	1,076,716	1,044,728	1,032,523	979,776	940,104	931,679	891,937	855,148	805,787	763,788
Difference between expected and actual experience	(5,801)	109,952	79,403	(80,262)	109,094	(18,004)	154,214	89,266	212,394	(113,593)
Changes in assumptions	(30,948)	108,066	-	517,730	760,576	421,876	-	-	-	470,284
Benefit payments including employee refunds	(933,876)	(926,779)	(869,589)	(794,605)	(763,444)	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)
Other	-	10,186	-	47,300	-	(2)	-	-	-	(316)
Net Change in Total Pension Liability	213,496	444,599	334,062	768,409	1,175,082	746,739	536,210	485,268	674,990	851,617
Total Pension Liability, beginning	15,409,288	14,964,689	14,630,627	13,862,218	12,687,136	11,940,397	11,404,187	10,918,919	10,243,929	9,392,312
Total Pension Liability, ending	$ 15,622,784	$ 15,409,288	$ 14,964,689	$ 14,630,627	$ 13,862,218	$ 12,687,136	$ 11,940,397	$ 11,404,187	$ 10,918,919	$ 10,243,929
Plan Fiduciary Net Position										
Contributions - employer	$ 293,280	$ 251,400	$ 314,473	$ 230,472	$ 180,912	$ 133,356	$ 93,792	$ 2,539,650	$ 238,920	$ 239,690
Contributions - employee	38,908	36,394	37,000	49,020	51,558	55,484	60,806	62,602	64,567	60,012
Net investment income (loss)	868,887	1,179,761	(1,319,980)	1,620,713	1,338,295	1,347,573	(418,598)	1,253,297	813,161	(111,384)
Benefit payments including employee refunds	(933,876)	(926,779)	(869,589)	(794,605)	(763,444)	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)
Administrative expense	(24,912)	(25,078)	(23,204)	(18,593)	(21,545)	(23,207)	(21,068)	(19,576)	(16,049)	(16,247)
Net Change in Plan Fiduciary Net Position	242,287	515,698	(1,861,300)	1,087,007	785,776	806,748	(938,882)	3,226,262	604,941	(254,854)
Plan Fiduciary Net Position, beginning	11,389,146	10,873,448	12,734,748	11,647,741	10,861,965	10,055,217	10,994,099	7,767,837	7,162,896	7,417,750
Plan Fiduciary Net Position, ending	$ 11,631,433	$ 11,389,146	$ 10,873,448	$ 12,734,748	$ 11,647,741	$ 10,861,965	$ 10,055,217	$ 10,994,099	$ 7,767,837	$ 7,162,896
Department's Net Pension Liability	$ 3,991,351	$ 4,020,142	$ 4,091,241	$ 1,895,879	$ 2,214,477	$ 1,825,171	$ 1,885,180	$ 410,088	$ 3,151,082	$ 3,081,033
Plan fiduciary net position as a percentage of the total pension liability	74.45%	73.91%	72.66%	87.04%	84.03%	85.61%	84.21%	96.40%	71.14%	69.92%
Covered payroll	$ 737,417	$ 690,010	$ 639,762	$ 769,325	$ 995,072	$ 913,812	$ 1,124,289	$ 1,159,786	$ 1,199,952	$ 1,228,842
Department's net pension liability as a percentage of covered payroll	541.26%	582.62%	639.49%	246.43%	222.54%	199.73%	167.68%	35.36%	262.60%	250.73%

TUSCOLA COUNTY
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS - HEALTH DEPARTMENT
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contributions [1]	$ 338,478	$ 251,400	$ 317,473	$ 230,472	$ 180,912	$ 133,356	$ 93,792	$ 137,667	$ 216,504	$ 195,960
Contributions in relation to the actuarially determined contribution	338,478	251,400	317,473	230,472	180,912	133,356	93,792	2,539,650	238,918	239,691
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,401,983)	$ (22,414)	$ (43,731)
Covered payroll	$ 749,339	$ 690,010	$ 639,762	$ 769,325	$ 955,072	$ 913,812	$ 1,124,289	$ 1,159,786	$ 1,199,952	$ 1,228,842
Contributions as a percentage of covered payroll	45.17%	36.43%	49.62%	29.96%	18.94%	14.59%	8.34%	218.98%	19.91%	19.51%

[1] The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

NOTE 1 - DEFINED BENEFIT PENSION PLAN - COUNTY

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2024
Measurement date	December 31, 2024

Methods and assumptions used to determine contributions rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Asset valuation method:	5 year smoothing
Remaining amortization period:	9 years
Investment rate of return:	7.18% (net of investment expenses, including inflation)
Discount rate:	7.18%
Salary increases:	3.00% in the long-term plus merit and longevity
Inflation:	2.50%
Mortality:	Pub-2010 and fully generational MP-2021

Changes in Assumptions

Plan Year	
2024	Adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.
2023	The discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	The discount rate was lowered from 7.60% to 7.25%. Investment rate of return was lowered from 7.35% to 7.00%, net of administrative and investment expenses. Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative investment expenses. Adopted the results of an experience study covering the period January 1, 2014 through December 31, 2018.
2015	Mortality rates were updated to be based on the Pub-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes in Benefits

There have been no changes in benefit terms for the plan years presented.

NOTE 2 - DEFINED BENEFIT PENSION PLAN - HEALTH DEPARTMENT

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2024
Measurement date	December 31, 2024

Methods and assumptions used to determine contributions rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Asset valuation method:	5 year smoothing
Remaining amortization period:	14 years
Investment rate of return:	7.18% (net of investment expenses, including inflation)
Discount rate:	7.18%
Salary increases:	3.00% in the long-term plus merit and longevity
Inflation:	2.50%
Mortality:	Pub-2010 and fully generational MP-2021

Changes in Assumptions

Plan Year	
2024	Adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.
2023	The discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	The discount rate was lowered from 7.60% to 7.25%. Investment rate of return was lowered from 7.35% to 7.00%, net of administrative and investment expenses. Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative investment expenses. Adopted the results of an experience study covering the period January 1, 2014 through December 31, 2018.
2015	Mortality rates were updated to be based on the Pub-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes in Benefits

There have been no changes in benefit terms for the plan years presented.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The County's budgeted expenditures have been shown at the activity level for the General Fund and the functional classification level for the Special Revenue Funds. The approved budgets of the County have been adopted at the same level.

During the year ended December 31, 2025, the County incurred expenditures in excess of the amounts appropriated as follows:

	Amounts Appropriated	Amounts Expended	Variance
General Fund			
Current			
Judicial			
Title IV CPLR grant	$ 2,000	$ 5,574	$ 3,574
Co-op reimbursement - prosecutor	260,935	264,175	3,240
Public safety			
Marine safety	10,781	11,006	225
CDBG Housing Grant			
Current			
Community and economic development	93,233	192,567	99,334
Principal Residence Exemption			
Current			
General government	48,590	167,414	118,824

OTHER SUPPLEMENTARY INFORMATION

TUSCOLA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash, cash equivalents, and investments	$ 8,786,807	$ 8,997	$ 3,240,920	$ 12,036,724
Receivables				
Accounts	2,327,775	-	196	2,327,971
Contracts	-	3,244,323	-	3,244,323
Taxes	5,079,922	-	-	5,079,922
Due from other governmental units	838,859	-	-	838,859
Prepaids	52,566	-	-	52,566
TOTAL ASSETS	$ 17,085,929	$ 3,253,320	$ 3,241,116	$ 23,580,365
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 728,731	$ -	$ 15,005	$ 743,736
Accrued liabilities	106,022	-	-	106,022
Due to other funds	124,213	-	-	124,213
Advances from other funds	53,000	-	-	53,000
TOTAL LIABILITIES	1,011,966	-	15,005	1,026,971
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	2,029,475	3,244,323	-	5,273,798
Taxes levied for a subsequent period	5,407,297	-	-	5,407,297
TOTAL DEFERRED INFLOWS OF RESOURCES	7,436,772	3,244,323	-	10,681,095
FUND BALANCES				
Nonspendable	52,566	-	-	52,566
Restricted	8,584,625	8,997	3,226,111	11,819,733
TOTAL FUND BALANCES	8,637,191	8,997	3,226,111	11,872,299
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 17,085,929	$ 3,253,320	$ 3,241,116	$ 23,580,365

TUSCOLA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	$ 4,774,607	$ -	$ -	$ 4,774,607
Licenses and permits	738,479	-	-	738,479
Intergovernmental	4,430,131	610,503	-	5,040,634
Charges for services	1,791,220	-	-	1,791,220
Fines and forfeits	6,500	-	-	6,500
Interest and rents	308,323	3,415	156,749	468,487
Other	49,126	492,962	14,031	556,119
TOTAL REVENUES	12,098,386	1,106,880	170,780	13,376,046
EXPENDITURES				
Current				
General government	358,971	-	-	358,971
Judicial	2,886,539	-	-	2,886,539
Public safety	2,841,570	-	-	2,841,570
Public works	1,945,717	-	-	1,945,717
Health and welfare	4,053,718	-	-	4,053,718
Community and economic development	397,584	-	-	397,584
Recreation and culture	33,443	-	-	33,443
Debt service				
Principal	-	1,095,000	-	1,095,000
Interest and fiscal charges	-	280,791	-	280,791
Capital outlay	-	-	595,496	595,496
TOTAL EXPENDITURES	12,517,542	1,375,791	595,496	14,488,829
EXCESS OF REVENUES (UNDER) EXPENDITURES	(419,156)	(268,911)	(424,716)	(1,112,783)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,494,096	271,423	253,000	2,018,519
Transfers out	(48,300)	-	-	(48,300)
TOTAL OTHER FINANCING SOURCES (USES)	1,445,796	271,423	253,000	1,970,219
NET CHANGE IN FUND BALANCES	1,026,640	2,512	(171,716)	857,436
Fund balances, beginning of year, as previously presented	7,628,490	6,485	3,397,827	11,032,802
Adjustments to beginning fund balances	(17,939)	-	-	(17,939)
Fund balances, beginning of year, as restated	7,610,551	6,485	3,397,827	11,014,863
Fund balances, end of year	$ 8,637,191	$ 8,997	$ 3,226,111	$ 11,872,299

NONMAJOR SPECIAL REVENUE FUNDS

CDBG Housing Grant - 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 - This fund is used to account for the collection of taxes and interest due from principal residential exemption (homestead) denials.

State Survey Grant - 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 - 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 - 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) - Tuscola County implemented this valuable - technology in 2014. These funds will primarily be used to expedite the digital parcel map creation.

Indigent Defense - This fund was created to account for the operations of the indigent defense office.

Homeland Security - 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) - 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.

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

Forfeiture Sheriff/Prosecutor - 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 - The revenue source for this fund is penal fines. 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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 - 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.

Voted Medical Care Facility - 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 - 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 - 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.

Friend of the Court - 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 - 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 - This fund was 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.

Voted Senior Citizen Home Delivered Meal - 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 home delivered and congregated meals.

NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)

Recycling - This fund was established by a grant provided by the State. The revenue source is a voter-approved millage. Current revenues also include income from the sale of material.

Millington Township Police Contract - 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.

Mental Health Court - 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 - 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 - The revenue source for this fund is licenses and other services. The fund provides animal shelter services within the County.

Mosquito Control - 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 - 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 - 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.

Building Inspection - 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 - 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.

Police CPE Training - The revenue source for this fund is generated by a State Grant reimbursement. The fund provides services to police for CPE and training.

Opioid Settlement - The opioid settlement fund is a fund that accounts for the opioid revenue received by the County.

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	CDBG Housing Grant	Principal Residence Exemption	State Survey Grant	Victim of Crime Act Grant	Register of Deeds Automation	GIS	Indigent Defense Fund	Homeland Security	CPL	Local Corrections Officer Training
ASSETS										
Cash, cash equivalents, and investments	$ 52,953	$ 147,371	$ -	$ -	$ 101,431	$ 268,178	$ 577,375	$ -	$ 238,074	$ 4,135
Receivables										
Accounts	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	119,797	-	41,818	9,406	-	-	286,314	85,606	-	-
Prepaids	-	-	-	-	-	199	618	-	1,452	-
TOTAL ASSETS	$ 172,750	$ 147,371	$ 41,818	$ 9,406	$ 101,431	$ 268,377	$ 864,307	$ 85,606	$ 239,526	$ 4,135
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 125,672	$ 121,410	$ 2,198	$ 39	$ 2,220	$ -	$ 103,117	$ -	$ -	$ -
Accrued liabilities	-	-	284	1,958	-	2,645	4,768	-	-	-
Due to other funds	-	-	39,336	3,994	-	-	-	29,192	-	-
Advances from other funds	-	-	-	-	-	-	-	53,000	-	-
TOTAL LIABILITIES	125,672	121,410	41,818	5,991	2,220	2,645	107,885	82,192	-	-
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Taxes levied for a subsequent period	-	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	199	618	-	1,452	-
Restricted	47,078	25,961	-	3,415	99,211	265,533	755,804	3,414	238,074	4,135
TOTAL FUND BALANCES	47,078	25,961	-	3,415	99,211	265,732	756,422	3,414	239,526	4,135
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 172,750	$ 147,371	$ 41,818	$ 9,406	$ 101,431	$ 268,377	$ 864,307	$ 85,606	$ 239,526	$ 4,135

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025

	Forfeiture Sheriff/ Prosecutor	Law Library	Voted MSU	Michigan Justice Training	Child Care DHHS	Probate Child Care	Soldiers Relief	Voted Veterans	Voted Bridge	Voted Senior Citizens
ASSETS										
Cash, cash equivalents, and investments	$ 97,520	$ 43,666	$ 210,505	$ 16,872	$ 100,821	$ 291,494	$ 30,612	$ 202,442	$ 447,049	$ 49,958
Receivables										
Accounts	-	-	-	-	-	-	-	100	837	-
Taxes	-	-	214,618	-	-	-	-	375,492	1,062,047	706,915
Due from other governmental units	-	-	-	-	-	50,168	-	-	-	-
Prepaids	-	284	-	-	-	235	-	-	-	-
TOTAL ASSETS	$ 97,520	$ 43,950	$ 425,123	$ 16,872	$ 100,821	$ 341,897	$ 30,612	$ 578,034	$ 1,509,933	$ 756,873
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 11,247	$ -	$ 74,233	$ -	$ 4,550
Accrued liabilities	-	-	-	-	-	10,488	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	21,735	-	74,233	-	4,550
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Taxes levied for a subsequent period	-	-	228,803	-	-	-	-	399,612	1,130,270	752,323
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	228,803	-	-	-	-	399,612	1,130,270	752,323
FUND BALANCES										
Nonspendable	-	284	-	-	-	235	-	-	-	-
Restricted	97,520	43,666	196,320	16,872	100,821	319,927	30,612	104,189	379,663	-
TOTAL FUND BALANCES	97,520	43,950	196,320	16,872	100,821	320,162	30,612	104,189	379,663	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 97,520	$ 43,950	$ 425,123	$ 16,872	$ 100,821	$ 341,897	$ 30,612	$ 578,034	$ 1,509,933	$ 756,873

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025

	Voted Medical Care Facility	County Parks and Recreation	Arbela Township Police Contract	Friend of the Court	Family Counseling	Dispatch/911	Voted Senior Citizen Home Delivered Meal	Recycling	Millington Township Police Contract	Mental Health Court
ASSETS										
Cash, cash equivalents, and investments	$ 1,151,115	$ 34,576	$ 1,609	$ 174,940	$ 79,184	$ 493,824	$ 28,788	$ 285,545	$ -	$ 3,772
Receivables										
Accounts	-	-	11,837	1,204	-	261,821	-	-	22,277	-
Taxes	552,279	-	-	-	-	-	442,021	331,056	-	-
Due from other governmental units	-	-	-	87,498	-	58,431	-	-	-	12,263
Prepaids	-	-	-	32	-	46,889	-	999	-	-
TOTAL ASSETS	$ 1,703,394	$ 34,576	$ 13,446	$ 263,674	$ 79,184	$ 860,965	$ 470,809	$ 617,600	$ 22,277	$ 16,035
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 14,933	$ 6,716	$ -	$ 2,251	$ -	$ 10,826	$ -	$ 9,977	$ -	$ 5,700
Accrued liabilities	-	-	3,118	14,419	-	32,135	-	9,087	6,569	-
Due to other funds	-	-	-	-	-	-	-	-	14,476	10,335
Advances from other funds	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	14,933	6,716	3,118	16,670	-	42,961	-	19,064	21,045	16,035
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Taxes levied for a subsequent period	587,756	-	-	-	-	-	470,809	352,587	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	587,756	-	-	-	-	-	470,809	352,587	-	-
FUND BALANCES										
Nonspendable	-	-	-	32	-	46,889	-	999	-	-
Restricted	1,100,705	27,860	10,328	246,972	79,184	771,115	-	244,950	1,232	-
TOTAL FUND BALANCES	1,100,705	27,860	10,328	247,004	79,184	818,004	-	245,949	1,232	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,703,394	$ 34,576	$ 13,446	$ 263,674	$ 79,184	$ 860,965	$ 470,809	$ 617,600	$ 22,277	$ 16,035

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONCLUDED)
DECEMBER 31, 2025

	Victim Services	Animal Shelter	Mosquito Control	Regional DWI Court Grant	County Veteran Service Grant	Building Inspection	Juvenile Mental Health Court Program	Police CPE Training	Opioid Settlement	Total
ASSETS										
Cash, cash equivalents, and investments	$ 18,427	$ 26,288	$ 2,209,905	$ 102,847	$ 107	$ 160,013	$ 16	$ 64,725	$ 1,070,670	$ 8,786,807
Receivables										
Accounts	-	-	-	-	-	-	-	-	2,029,699	2,327,775
Taxes	-	-	1,395,494	-	-	-	-	-	-	5,079,922
Due from other governmental units	10,174	-	-	77,384	-	-	-	-	-	838,859
Prepaids	-	-	1,858	-	-	-	-	-	-	52,566
TOTAL ASSETS	$ 28,601	$ 26,288	$ 3,607,257	$ 180,231	$ 107	$ 160,013	$ 16	$ 64,725	$ 3,100,369	$ 17,085,929
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ -	$ 2,506	$ 192,999	$ 9,877	$ -	$ 28,260	$ -	$ -	$ -	$ 728,731
Accrued liabilities	1,828	8,680	6,577	3,466	-	-	-	-	-	106,022
Due to other funds	26,773	-	-	-	107	-	-	-	-	124,213
Advances from other funds	-	-	-	-	-	-	-	-	-	53,000
TOTAL LIABILITIES	28,601	11,186	199,576	13,343	107	28,260	-	-	-	1,011,966
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	-	-	-	-	2,029,475	2,029,475
Taxes levied for a subsequent period	-	-	1,485,137	-	-	-	-	-	-	5,407,297
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,485,137	-	-	-	-	-	2,029,475	7,436,772
FUND BALANCES										
Nonspendable	-	-	1,858	-	-	-	-	-	-	52,566
Restricted	-	15,102	1,920,686	166,888	-	131,753	16	64,725	1,070,894	8,584,625
TOTAL FUND BALANCES	-	15,102	1,922,544	166,888	-	131,753	16	64,725	1,070,894	8,637,191
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 28,601	$ 26,288	$ 3,607,257	$ 180,231	$ 107	$ 160,013	$ 16	$ 64,725	$ 3,100,369	$ 17,085,929

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	CDBG Housing Grant	Principal Residence Exemption	State Survey Grant	Victim of Crime Act Grant	Register of Deeds Automation	GIS	Indigent Defense Fund	Homeland Security	CPL	Local Corrections Officer Training
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-	49,948	-
Intergovernmental	134,946	158,784	69,509	92,197	-	32,000	1,899,026	61,793	-	-
Charges for services	-	1,112	-	-	47,830	48,162	-	-	-	9,256
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Interest and rent	-	39,489	-	-	2,072	6,105	14,763	-	-	-
Other	-	-	-	-	-	-	-	-	-	3,045
TOTAL REVENUES	134,946	199,385	69,509	92,197	49,902	86,267	1,913,789	61,793	49,948	12,301
EXPENDITURES										
Current										
General government	-	167,414	69,509	-	-	122,048	-	-	-	-
Judicial	-	-	-	-	-	-	1,730,321	-	-	-
Public safety	-	-	-	93,062	-	-	-	69,951	12,771	20,093
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Community and economic development	192,567	-	-	-	23,878	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	192,567	167,414	69,509	93,062	23,878	122,048	1,730,321	69,951	12,771	20,093
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(57,621)	31,971	-	(865)	26,024	(35,781)	183,468	(8,158)	37,177	(7,792)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	80,000	255,945	-	-	-
Transfers out	-	(10,500)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(10,500)	-	-	-	80,000	255,945	-	-	-
NET CHANGE IN FUND BALANCES	(57,621)	21,471	-	(865)	26,024	44,219	439,413	(8,158)	37,177	(7,792)
Fund balances, beginning of year, as previously presented	104,699	4,490	-	4,280	73,187	221,513	317,009	11,572	202,349	11,927
Adjustments to beginning fund balances	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year, as restated	104,699	4,490	-	4,280	73,187	221,513	317,009	11,572	202,349	11,927
Fund balances, end of year	$ 47,078	$ 25,961	$ -	$ 3,415	$ 99,211	$ 265,732	$ 756,422	$ 3,414	$ 239,526	$ 4,135

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Forfeiture Sheriff/ Prosecutor	Law Library	Voted MSU	Michigan Justice Training	Child Care DHHS	Probate Child Care	Soldiers Relief	Voted Veterans	Voted Bridge	Voted Senior Citizens
REVENUES										
Taxes	$ -	$ -	$ 227,014	$ -	$ -	$ -	$ -	$ 386,023	$ 1,091,838	$ 726,738
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	2,164	-	-	480,167	-	3,679	10,404	6,926
Charges for services	-	-	-	-	116	-	-	-	-	-
Fines and forfeits	-	6,500	-	-	-	-	-	-	-	-
Interest and rent	-	-	4,860	-	-	-	-	4,716	33,290	3,531
Other	-	-	-	-	1,135	259	-	2,750	-	-
TOTAL REVENUES	-	6,500	234,038	-	1,251	480,426	-	397,168	1,135,532	737,195
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Judicial	3,047	6,057	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	1,464,761	-
Health and welfare	-	-	-	-	128,190	633,050	1,710	334,522	-	882,225
Community and economic development	-	-	181,139	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,047	6,057	181,139	-	128,190	633,050	1,710	334,522	1,464,761	882,225
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,047)	443	52,899	-	(126,939)	(152,624)	(1,710)	62,646	(329,229)	(145,030)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	150,000	250,000	-	-	-	1,076
Transfers out	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	150,000	250,000	-	-	-	1,076
NET CHANGE IN FUND BALANCES	(3,047)	443	52,899	-	23,061	97,376	(1,710)	62,646	(329,229)	(143,954)
Fund balances, beginning of year, as previously presented	100,567	43,507	143,421	16,872	77,760	222,786	32,322	41,543	708,892	143,954
Adjustments to beginning fund balances	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year, as restated	100,567	43,507	143,421	16,872	77,760	222,786	32,322	41,543	708,892	143,954
Fund balances, end of year	$ 97,520	$ 43,950	$ 196,320	$ 16,872	$ 100,821	$ 320,162	$ 30,612	$ 104,189	$ 379,663	$ -

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Voted Medical Care Facility	County Parks and Recreation	Arbela Township Police Contract	Voted Primary Road	Friend of the Court	Family Counseling	Dispatch/911	Voted Senior Citizen Home Delivered Meal	Recycling	Millington Township Police Contract	Mental Health Court
REVENUES											
Taxes	$ 567,768	$ -	$ -		$ -	$ -	$ -	$ -	$ 340,591	$ -	$ -
Licenses and permits	-	-	-		-	4,575	-	-	-	-	-
Intergovernmental	-	1,875	-		586,662	-	208,726	-	33,156	-	31,183
Charges for services	-	24,855	101,377		51,814	-	1,163,277	-	80,898	210,549	-
Fines and forfeits	-	-	-		-	-	-	-	-	-	-
Interest and rent	50,564	-	-		2,377	-	24,198	-	9,471	-	-
Other	-	5,000	1,232		62	10	4,131	-	1,613	1,232	-
TOTAL REVENUES	618,332	31,730	102,609		640,915	4,585	1,400,332	-	465,729	211,781	31,183
EXPENDITURES											
Current											
General government	-	-	-		-	-	-	-	-	-	-
Judicial	-	-	-		847,808	-	-	-	-	-	34,954
Public safety	-	-	101,377		-	-	1,257,604	-	-	210,549	-
Public works	-	-	-		-	-	-	-	480,956	-	-
Health and welfare	803,857	-	-		-	-	-	-	-	-	-
Community and economic development	-	-	-		-	-	-	-	-	-	-
Recreation and culture	-	33,443	-		-	-	-	-	-	-	-
TOTAL EXPENDITURES	803,857	33,443	101,377		847,808	-	1,257,604	-	480,956	210,549	34,954
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(185,525)	(1,713)	1,232		(206,893)	4,585	142,728	-	(15,227)	1,232	(3,771)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-		432,970	-	-	-	-	-	3,771
Transfers out	-	-	-		-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-		432,970	-	-	-	-	-	3,771
NET CHANGE IN FUND BALANCES	(185,525)	(1,713)	1,232		226,077	4,585	142,728	-	(15,227)	1,232	-
Fund balances, beginning of year, as previously presented	1,286,230	29,573	9,096	17,939	20,927	74,599	675,276	-	261,176	-	-
Adjustments to beginning fund balances	-	-	-	(17,939)	-	-	-	-	-	-	-
Fund balances, beginning of year, as restated	1,286,230	29,573	9,096	-	20,927	74,599	675,276	-	261,176	-	-
Fund balances, end of year	$ 1,100,705	$ 27,860	$ 10,328	$ -	$ 247,004	$ 79,184	$ 818,004	$ -	$ 245,949	$ 1,232	$ -

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONCLUDED)
YEAR ENDED DECEMBER 31, 2025

	Victim Services	Animal Shelter	Mosquito Control	Regional DWI Court Grant	County Veteran Service Grant	Building Inspection	Juvenile Mental Health Court Program	Police CPE Training	Opioid Settlement	Total
REVENUES										
Taxes	$ -	$ -	$ 1,434,635	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,774,607
Licenses and permits	-	71,021	-	-	-	612,935	-	-	-	738,479
Intergovernmental	99,279	-	13,669	279,394	3,597	-	1,605	33,200	186,190	4,430,131
Charges for services	-	30,778	-	21,196	-	-	-	-	-	1,791,220
Fines and forfeits	-	-	-	-	-	-	-	-	-	6,500
Interest and rent	-	-	73,999	-	-	4,302	-	-	34,586	308,323
Other	-	22,123	6,534	-	-	-	-	-	-	49,126
TOTAL REVENUES	99,279	123,922	1,528,837	300,590	3,597	617,237	1,605	33,200	220,776	12,098,386
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	358,971
Judicial	-	-	-	262,747	-	-	1,605	-	-	2,886,539
Public safety	117,706	372,820	-	-	-	585,637	-	-	-	2,841,570
Public works	-	-	-	-	-	-	-	-	-	1,945,717
Health and welfare	-	-	1,238,490	-	31,674	-	-	-	-	4,053,718
Community and economic development	-	-	-	-	-	-	-	-	-	397,584
Recreation and culture	-	-	-	-	-	-	-	-	-	33,443
TOTAL EXPENDITURES	117,706	372,820	1,238,490	262,747	31,674	585,637	1,605	-	-	12,517,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,427)	(248,898)	290,347	37,843	(28,077)	31,600	-	33,200	220,776	(419,156)
OTHER FINANCING SOURCES (USES)										
Transfers in	18,427	264,000	-	37,800	107	-	-	-	-	1,494,096
Transfers out	-	-	-	-	-	-	-	-	(37,800)	(48,300)
TOTAL OTHER FINANCING SOURCES (USES)	18,427	264,000	-	37,800	107	-	-	-	(37,800)	1,445,796
NET CHANGE IN FUND BALANCES	-	15,102	290,347	75,643	(27,970)	31,600	-	33,200	182,976	1,026,640
Fund balances, beginning of year, as previously presented	-	-	1,632,197	91,245	27,970	100,153	16	31,525	887,918	7,628,490
Adjustments to beginning fund balances	-	-	-	-	-	-	-	-	-	(17,939)
Fund balances, beginning of year, as restated	-	-	1,632,197	91,245	27,970	100,153	16	31,525	887,918	7,610,551
Fund balances, end of year	$ -	$ 15,102	$ 1,922,544	$ 166,888	$ -	$ 131,753	$ 16	$ 64,725	$ 1,070,894	$ 8,637,191

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

CDBG Housing Grant

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 35,000	$ 38,233	$ 134,946	$ 96,713
EXPENDITURES				
Current				
Community and economic development	90,000	93,233	192,567	(99,334)
NET CHANGE IN FUND BALANCE	(55,000)	(55,000)	(57,621)	(2,621)
Fund balance, beginning of year	104,699	104,699	104,699	-
Fund balance, end of year	$ 49,699	$ 49,699	$ 47,078	$ (2,621)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Principal Residence Exemption

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 15,000	$ 151,720	$ 158,784	$ 7,064
Charges for services	150	1,384	1,112	(272)
Interest	2,940	40,629	39,489	(1,140)
TOTAL REVENUES	18,090	193,733	199,385	5,652
EXPENDITURES				
Current				
General government	7,590	48,590	167,414	(118,824)
EXCESS OF REVENUES OVER EXPENDITURES	10,500	145,143	31,971	(113,172)
OTHER FINANCING (USES)				
Transfers out	(10,500)	(10,500)	(10,500)	-
NET CHANGE IN FUND BALANCE	-	134,643	21,471	(113,172)
Fund balance, beginning of year	4,490	4,490	4,490	-
Fund balance, end of year	$ 4,490	$ 139,133	$ 25,961	$ (113,172)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

State Survey Grant

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 69,529	$ 136,555	$ 69,509	$ (67,046)
EXPENDITURES				
Current				
General government	69,529	70,402	69,509	893
NET CHANGE IN FUND BALANCE	-	66,153	-	(66,153)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 66,153	$ -	$ (66,153)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Victim of Crime Act Grant

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 112,988	$ 112,988	$ 92,197	$ (20,791)
EXPENDITURES				
Current				
Public safety	112,988	112,988	93,062	19,926
NET CHANGE IN FUND BALANCE	-	-	(865)	(865)
Fund balance, beginning of year	4,280	4,280	4,280	-
Fund balance, end of year	$ 4,280	$ 4,280	$ 3,415	$ (865)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Register of Deeds Automation

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 52,000	$ 52,000	$ 47,830	$ (4,170)
Interest	1,000	1,898	2,072	174
TOTAL REVENUES	53,000	53,898	49,902	(3,996)
EXPENDITURES				
Current				
Community and economic development	52,350	52,350	23,878	28,472
NET CHANGE IN FUND BALANCE	650	1,548	26,024	24,476
Fund balance, beginning of year	73,187	73,187	73,187	-
Fund balance, end of year	$ 73,837	$ 74,735	$ 99,211	$ 24,476

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

GIS

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 32,000	$ 32,000	$ 32,000	$ -
Charges for services	25,200	49,680	48,162	(1,518)
Interest	3,000	5,630	6,105	475
TOTAL REVENUES	60,200	87,310	86,267	(1,043)
EXPENDITURES				
Current				
General government	124,617	126,140	122,048	4,092
EXCESS OF REVENUES (UNDER) EXPENDITURES	(64,417)	(38,830)	(35,781)	3,049
OTHER FINANCING SOURCES				
Transfers in	80,000	80,000	80,000	-
NET CHANGE IN FUND BALANCE	15,583	41,170	44,219	3,049
Fund balance, beginning of year	221,513	221,513	221,513	-
Fund balance, end of year	$ 237,096	$ 262,683	$ 265,732	$ 3,049

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Indigent Defense

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 2,170,050	$ 2,170,050	$ 1,899,026	$ (271,024)
Interest	3,000	13,559	14,763	1,204
TOTAL REVENUES	2,173,050	2,183,609	1,913,789	(269,820)
EXPENDITURES				
Current				
Judicial	2,428,995	2,432,026	1,730,321	701,705
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(255,945)	(248,417)	183,468	431,885
OTHER FINANCING SOURCES				
Transfers in	255,945	255,945	255,945	-
NET CHANGE IN FUND BALANCE	-	7,528	439,413	431,885
Fund balance, beginning of year	317,009	317,009	317,009	-
Fund balance, end of year	$ 317,009	$ 324,537	$ 756,422	$ 431,885

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Homeland Security

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 115,700	$ 115,700	$ 61,793	$ (53,907)
EXPENDITURES				
Current				
Public safety	115,700	115,700	69,951	45,749
NET CHANGE IN FUND BALANCE	-	-	(8,158)	(8,158)
Fund balance, beginning of year	11,572	11,572	11,572	-
Fund balance, end of year	$ 11,572	$ 11,572	$ 3,414	$ (8,158)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

CPL

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 42,300	$ 49,566	$ 49,948	$ 382
EXPENDITURES				
Current				
Public safety	21,500	21,674	12,771	8,903
NET CHANGE IN FUND BALANCE	20,800	27,892	37,177	9,285
Fund balance, beginning of year	202,349	202,349	202,349	-
Fund balance, end of year	$ 223,149	$ 230,241	$ 239,526	$ 9,285

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Local Correction Officer Training

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 8,000	$ 8,323	$ 9,256	$ 933
Other	200	3,246	3,045	(201)
TOTAL REVENUES	8,200	11,569	12,301	732
EXPENDITURES				
Current				
Public safety	8,200	20,112	20,093	19
NET CHANGE IN FUND BALANCE	-	(8,543)	(7,792)	751
Fund balance, beginning of year	11,927	11,927	11,927	-
Fund balance, end of year	$ 11,927	$ 3,384	$ 4,135	$ 751

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Forfeiture Sheriff/Prosecutor

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Fines and forfeits	$ 1,500	$ 1,500	$ -	$ (1,500)
EXPENDITURES				
Current				
Judicial	15,400	15,400	3,047	12,353
Public safety	1,000	1,000	-	1,000
TOTAL EXPENDITURES	16,400	16,400	3,047	13,353
NET CHANGE IN FUND BALANCE	(14,900)	(14,900)	(3,047)	11,853
Fund balance, beginning of year	100,567	100,567	100,567	-
Fund balance, end of year	$ 85,667	$ 85,667	$ 97,520	$ 11,853

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Law Library

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Fines and forfeits	$ 6,500	$ 6,500	$ 6,500	$ -
EXPENDITURES				
Current				
Judicial	5,000	6,500	6,057	443
NET CHANGE IN FUND BALANCE	1,500	-	443	443
Fund balance, beginning of year	43,507	43,507	43,507	-
Fund balance, end of year	$ 45,007	$ 43,507	$ 43,950	$ 443

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted MSU

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 229,446	$ 229,446	$ 227,014	$ (2,432)
Intergovernmental	1,050	3,215	2,164	(1,051)
Interest	3,000	4,457	4,860	403
TOTAL REVENUES	233,496	237,118	234,038	(3,080)
EXPENDITURES				
Current				
Community and economic development	180,988	181,139	181,139	-
NET CHANGE IN FUND BALANCE	52,508	55,979	52,899	(3,080)
Fund balance, beginning of year	143,421	143,421	143,421	-
Fund balance, end of year	$ 195,929	$ 199,400	$ 196,320	$ (3,080)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Michigan Justice Training

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 4,000	$ 4,000	$ -	$ (4,000)
EXPENDITURES				
Current				
Judicial	4,000	4,000	-	4,000
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	16,872	16,872	16,872	-
Fund balance, end of year	$ 16,872	$ 16,872	$ 16,872	$ -

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Child Care DHHS

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 1,000	$ 1,000	$ 116	$ (884)
Other	600	600	1,135	535
TOTAL REVENUES	1,600	1,600	1,251	(349)
EXPENDITURES				
Current				
Health and welfare	263,420	263,472	128,190	135,282
EXCESS OF REVENUES (UNDER) EXPENDITURES	(261,820)	(261,872)	(126,939)	134,933
OTHER FINANCING SOURCES				
Transfers in	150,000	150,000	150,000	-
NET CHANGE IN FUND BALANCE	(111,820)	(111,872)	23,061	134,933
Fund balance, beginning of year	77,760	77,760	77,760	-
Fund balance, end of year	$ (34,060)	$ (34,112)	$ 100,821	$ 134,933

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Probate Child Care

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 584,320	$ 584,320	$ 480,167	$ (104,153)
Other	1,000	1,259	259	(1,000)
TOTAL REVENUES	585,320	585,579	480,426	(105,153)
EXPENDITURES				
Current				
Health and welfare	832,867	849,481	633,050	216,431
EXCESS OF REVENUES (UNDER) EXPENDITURES	(247,547)	(263,902)	(152,624)	111,278
OTHER FINANCING SOURCES				
Transfers in	250,000	250,000	250,000	-
NET CHANGE IN FUND BALANCE	2,453	(13,902)	97,376	111,278
Fund balance, beginning of year	222,786	222,786	222,786	-
Fund balance, end of year	$ 225,239	$ 208,884	$ 320,162	$ 111,278

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Soldiers Relief

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Current				
Health and welfare	12,000	12,000	1,710	10,290
NET CHANGE IN FUND BALANCE	(12,000)	(12,000)	(1,710)	10,290
Fund balance, beginning of year	32,322	32,322	32,322	-
Fund balance, end of year	$ 20,322	$ 20,322	$ 30,612	$ 10,290

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted Veterans

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 389,978	$ 389,978	$ 386,023	$ (3,955)
Intergovernmental	2,000	5,800	3,679	(2,121)
Interest	3,000	4,392	4,716	324
Other	10,000	10,000	2,750	(7,250)
TOTAL REVENUES	404,978	410,170	397,168	(13,002)
EXPENDITURES				
Current				
Health and welfare	429,632	430,089	334,522	95,567
NET CHANGE IN FUND BALANCE	(24,654)	(19,919)	62,646	82,565
Fund balance, beginning of year	41,543	41,543	41,543	-
Fund balance, end of year	$ 16,889	$ 21,624	$ 104,189	$ 82,565

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted Bridge

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 1,102,717	$ 1,102,717	$ 1,091,838	$ (10,879)
Intergovernmental	4,000	14,404	10,404	(4,000)
Interest	36,000	36,719	33,290	(3,429)
TOTAL REVENUES	1,142,717	1,153,840	1,135,532	(18,308)
EXPENDITURES				
Current				
Public works	900,500	1,464,761	1,464,761	-
NET CHANGE IN FUND BALANCE	242,217	(310,921)	(329,229)	(18,308)
Fund balance, beginning of year	708,892	708,892	708,892	-
Fund balance, end of year	$ 951,109	$ 397,971	$ 379,663	$ (18,308)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted Senior Citizens

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 734,086	$ 734,086	$ 726,738	$ (7,348)
Intergovernmental	3,200	10,126	6,926	(3,200)
Interest	6,000	6,000	3,531	(2,469)
TOTAL REVENUES	743,286	750,212	737,195	(13,017)
EXPENDITURES				
Current				
Health and welfare	885,578	884,746	882,225	2,521
EXCESS OF REVENUES (UNDER) EXPENDITURES	(142,292)	(134,534)	(145,030)	(10,496)
OTHER FINANCING SOURCES				
Transfers in	-	-	1,076	1,076
NET CHANGE IN FUND BALANCE	(142,292)	(134,534)	(143,954)	(9,420)
Fund balance, beginning of year	143,954	143,954	143,954	-
Fund balance, end of year	$ 1,662	$ 9,420	$ -	$ (9,420)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted Medical Care Facility

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 573,499	$ 573,499	$ 567,768	$ (5,731)
Interest	32,000	48,470	50,564	2,094
TOTAL REVENUES	605,499	621,969	618,332	(3,637)
EXPENDITURES				
Current				
Health and welfare	842,192	842,570	803,857	38,713
NET CHANGE IN FUND BALANCE	(236,693)	(220,601)	(185,525)	35,076
Fund balance, beginning of year	1,286,230	1,286,230	1,286,230	-
Fund balance, end of year	$ 1,049,537	$ 1,065,629	$ 1,100,705	$ 35,076

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

County Parks and Recreation

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 1,875	$ 1,875
Charges for services	22,100	25,534	24,855	(679)
Other	-	5,000	5,000	-
TOTAL REVENUES	22,100	30,534	31,730	1,196
EXPENDITURES				
Current				
Recreation and culture	35,985	43,014	33,443	9,571
NET CHANGE IN FUND BALANCE	(13,885)	(12,480)	(1,713)	10,767
Fund balance, beginning of year	29,573	29,573	29,573	-
Fund balance, end of year	$ 15,688	$ 17,093	$ 27,860	$ 10,767

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Arbela Township Police Contract

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 103,212	$ 103,212	$ 101,377	$ (1,835)
Other	-	1,232	1,232	-
TOTAL REVENUES	103,212	104,444	102,609	(1,835)
EXPENDITURES				
Current				
Public safety	103,212	106,570	101,377	5,193
NET CHANGE IN FUND BALANCE	-	(2,126)	1,232	3,358
Fund balance, beginning of year	9,096	9,096	9,096	-
Fund balance, end of year	$ 9,096	$ 6,970	$ 10,328	$ 3,358

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Friend of the Court

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 708,500	$ 718,165	$ 586,662	$ (131,503)
Charges for services	50,800	52,035	51,814	(221)
Interest	-	2,016	2,377	361
Other	-	100	62	(38)
TOTAL REVENUES	759,300	772,316	640,915	(131,401)
EXPENDITURES				
Current				
Judicial	1,097,186	1,098,026	847,808	250,218
EXCESS OF REVENUES (UNDER) EXPENDITURES	(337,886)	(325,710)	(206,893)	118,817
OTHER FINANCING SOURCES				
Transfers in	432,970	432,970	432,970	-
NET CHANGE IN FUND BALANCE	95,084	107,260	226,077	118,817
Fund balance, beginning of year	20,927	20,927	20,927	-
Fund balance, end of year	$ 116,011	$ 128,187	$ 247,004	$ 118,817

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Family Counseling

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 5,000	$ 5,000	$ 4,575	$ (425)
Other revenue	500	500	10	(490)
TOTAL REVENUES	5,500	5,500	4,585	(915)
EXPENDITURES				
Current				
Judicial	5,000	5,000	-	5,000
NET CHANGE IN FUND BALANCE	500	500	4,585	4,085
Fund balance, beginning of year	74,599	74,599	74,599	-
Fund balance, end of year	$ 75,099	$ 75,099	$ 79,184	$ 4,085

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Dispatch/911

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 198,000	$ 198,000	$ 208,726	$ 10,726
Charges for services	1,060,000	1,060,000	1,163,277	103,277
Interest	28,200	28,200	24,198	(4,002)
Other	2,800	5,129	4,131	(998)
TOTAL REVENUES	1,289,000	1,291,329	1,400,332	109,003
EXPENDITURES				
Current				
Public safety	1,418,015	1,483,551	1,257,604	225,947
NET CHANGE IN FUND BALANCE	(129,015)	(192,222)	142,728	334,950
Fund balance, beginning of year	675,276	675,276	675,276	-
Fund balance, end of year	$ 546,261	$ 483,054	$ 818,004	$ 334,950

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Voted Senior Citizen Home Delivered Meal

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ -	$ 101	$ -	$ (101)
EXPENDITURES				
Current				
Health and welfare	-	-	-	-
NET CHANGE IN FUND BALANCE	-	101	-	(101)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 101	$ -	$ (101)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Recycling

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 344,098	$ 344,098	$ 340,591	$ (3,507)
Intergovernmental	26,500	46,534	33,156	(13,378)
Charges for services	52,000	78,289	80,898	2,609
Interest	6,850	8,987	9,471	484
Other	150	1,616	1,613	(3)
TOTAL REVENUES	429,598	479,524	465,729	(13,795)
EXPENDITURES				
Current				
Public works	429,516	503,500	480,956	22,544
NET CHANGE IN FUND BALANCE	82	(23,976)	(15,227)	8,749
Fund balance, beginning of year	261,176	261,176	261,176	-
Fund balance, end of year	$ 261,258	$ 237,200	$ 245,949	$ 8,749

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Millington Township Police Contract

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 183,735	$ 212,383	$ 210,549	$ (1,834)
Other	-	1,232	1,232	-
TOTAL REVENUES	183,735	213,615	211,781	(1,834)
EXPENDITURES				
Current				
Public safety	183,735	213,060	210,549	2,511
NET CHANGE IN FUND BALANCE	-	555	1,232	677
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 555	$ 1,232	$ 677

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Mental Health Court

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 90,150	$ 90,150	$ 31,183	$ (58,967)
EXPENDITURES				
Current				
Judicial	90,150	104,936	34,954	69,982
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(14,786)	(3,771)	11,015
OTHER FINANCING SOURCES				
Transfers in	-	-	3,771	3,771
NET CHANGE IN FUND BALANCE	-	(14,786)	-	14,786
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ (14,786)	$ -	$ 14,786

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Victim Services

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 109,982	$ 109,982	$ 99,279	$ (10,703)
EXPENDITURES				
Current				
Public safety	109,982	121,651	117,706	3,945
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(11,669)	(18,427)	(6,758)
OTHER FINANCING SOURCES				
Transfers in	-	-	18,427	18,427
NET CHANGE IN FUND BALANCE	-	(11,669)	-	11,669
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ (11,669)	$ -	$ 11,669

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Animal Shelter

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 110,000	$ 83,748	$ 71,021	$ (12,727)
Charges for services	21,750	33,103	30,778	(2,325)
Interest	50	50	-	(50)
Other	24,000	25,031	22,123	(2,908)
TOTAL REVENUES	155,800	141,932	123,922	(18,010)
EXPENDITURES				
Current				
Public safety	419,551	392,690	372,820	19,870
EXCESS OF REVENUES (UNDER) EXPENDITURES	(263,751)	(250,758)	(248,898)	1,860
OTHER FINANCING SOURCES				
Transfers in	264,000	264,000	264,000	-
NET CHANGE IN FUND BALANCE	249	13,242	15,102	1,860
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 249	$ 13,242	$ 15,102	$ 1,860

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Mosquito Control

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 1,448,878	$ 1,448,878	$ 1,434,635	$ (14,243)
Intergovernmental	6,500	14,000	13,669	(331)
Interest	30,000	70,132	73,999	3,867
Other	150	6,684	6,534	(150)
TOTAL REVENUES	1,485,528	1,539,694	1,528,837	(10,857)
EXPENDITURES				
Current				
Health and welfare	1,391,104	1,435,499	1,238,490	197,009
NET CHANGE IN FUND BALANCE	94,424	104,195	290,347	186,152
Fund balance, beginning of year	1,632,197	1,632,197	1,632,197	-
Fund balance, end of year	$ 1,726,621	$ 1,736,392	$ 1,922,544	$ 186,152

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Regional DWI Court Grant

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 248,000	$ 248,000	$ 279,394	$ 31,394
Charges for services	12,000	19,098	21,196	2,098
TOTAL REVENUES	260,000	267,098	300,590	33,492
EXPENDITURES				
Current				
Judicial	263,885	302,267	262,747	39,520
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,885)	(35,169)	37,843	73,012
OTHER FINANCING SOURCES				
Transfers in	-	37,800	37,800	-
NET CHANGE IN FUND BALANCE	(3,885)	2,631	75,643	73,012
Fund balance, beginning of year	91,245	91,245	91,245	-
Fund balance, end of year	$ 87,360	$ 93,876	$ 166,888	$ 73,012

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

County Veteran Service Grant

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 82,113	$ 82,113	$ 3,597	$ (78,516)
EXPENDITURES				
Current				
Health and welfare	82,113	82,113	31,674	50,439
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	(28,077)	(28,077)
OTHER FINANCING SOURCES				
Transfers in	-	-	107	107
NET CHANGE IN FUND BALANCE	-	-	(27,970)	(27,970)
Fund balance, beginning of year	27,970	27,970	27,970	-
Fund balance, end of year	$ 27,970	$ 27,970	$ -	$ (27,970)

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Building Inspection

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 600,000	$ 600,680	$ 612,935	$ 12,255
Interest	2,000	3,953	4,302	349
TOTAL REVENUES	602,000	604,633	617,237	12,604
EXPENDITURES				
Current				
Public safety	600,500	600,500	585,637	14,863
NET CHANGE IN FUND BALANCE	1,500	4,133	31,600	27,467
Fund balance, beginning of year	100,153	100,153	100,153	-
Fund balance, end of year	$ 101,653	$ 104,286	$ 131,753	$ 27,467

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Juvenile Mental Health Court Program

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 17,407	$ 1,605	$ 1,605	$ -
EXPENDITURES				
Current				
Judicial	17,407	1,605	1,605	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	16	16	16	-
Fund balance, end of year	$ 16	$ 16	$ 16	$ -

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Police CPE Training

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 9,200	$ 33,200	$ 24,000
EXPENDITURES				
Current				
Public safety	-	-	-	-
NET CHANGE IN FUND BALANCE	-	9,200	33,200	24,000
Fund balance, beginning of year	31,525	31,525	31,525	-
Fund balance, end of year	$ 31,525	$ 40,725	$ 64,725	$ 24,000

TUSCOLA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONCLUDED)
YEAR ENDED DECEMBER 31, 2025

Opioid Settlement

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 300,000	$ 300,000	$ 186,190	$ (113,810)
Interest	6,000	31,890	34,586	2,696
TOTAL REVENUES	306,000	331,890	220,776	(111,114)
EXPENDITURES				
Current				
Health and welfare	306,000	306,000	-	306,000
EXCESS OF REVENUES OVER EXPENDITURES	-	25,890	220,776	194,886
OTHER FINANCING (USES)				
Transfers out	-	(37,800)	(37,800)	-
NET CHANGE IN FUND BALANCE	-	(11,910)	182,976	194,886
Fund balance, beginning of year	887,918	887,918	887,918	-
Fund balance, end of year	$ 887,918	$ 876,008	$ 1,070,894	$ 194,886

NONMAJOR DEBT SERVICE FUNDS

Pension Obligation Bond - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Health Department Pension - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Purdy Building - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

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

Mayville Storm Sewer Debt - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Denmark Township Sewer Debt - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

TUSCOLA COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	Pension Obligation Bond	Health Department Pension	Purdy Building	Caro Sewer Series 2007	Mayville Storm Sewer Debt	Denmark Township Sewer Debt	Total
ASSETS							
Cash, cash equivalents, and investments	$ 7,579	$ 1,177	$ 241	$ -	$ -	$ -	$ 8,997
Receivables							
Contracts	-	-	-	1,257,114	653,000	1,334,209	3,244,323
TOTAL ASSETS	$ 7,579	$ 1,177	$ 241	$ 1,257,114	$ 653,000	$ 1,334,209	$ 3,253,320
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	1,257,114	653,000	1,334,209	3,244,323
FUND BALANCES							
Restricted	7,579	1,177	241	-	-	-	8,997
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,579	$ 1,177	$ 241	$ 1,257,114	$ 653,000	$ 1,334,209	$ 3,253,320

TUSCOLA COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	Pension Obligation Bond	Health Department Pension	Purdy Building	Caro Sewer Series 2007	Mayville Storm Sewer Debt	Denmark Township Sewer Debt	Total
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ 428,719	$ 78,850	$ 102,934	$ 610,503
Interest	1,348	1,891	176	-	-	-	3,415
Other	492,962	-	-	-	-	-	492,962
TOTAL REVENUES	494,310	1,891	176	428,719	78,850	102,934	1,106,880
EXPENDITURES							
Debt service							
Principal	405,000	140,000	55,000	405,000	44,000	46,000	1,095,000
Interest and fiscal charges	87,735	57,375	20,178	23,719	34,850	56,934	280,791
TOTAL EXPENDITURES	492,735	197,375	75,178	428,719	78,850	102,934	1,375,791
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,575	(195,484)	(75,002)	-	-	-	(268,911)
OTHER FINANCING SOURCES							
Transfers in	-	196,245	75,178	-	-	-	271,423
NET CHANGE IN FUND BALANCES	1,575	761	176	-	-	-	2,512
Fund balances, beginning of year	6,004	416	65	-	-	-	6,485
Fund balances, end of the year	$ 7,579	$ 1,177	$ 241	$ -	$ -	$ -	$ 8,997

NONMAJOR CAPITAL PROJECTS FUNDS

State Police Building - This fund is used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

Capital Improvements - This fund is used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

Jail Capital Improvements - This fund is used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

Equipment / Technology - This fund is used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

TUSCOLA COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/ Technology	Total
ASSETS					
Cash, cash equivalents, and investments	$ 293,595	$ 1,794,581	$ 1,003,354	$ 149,390	$ 3,240,920
Receivables					
Accounts	-	-	196	-	196
TOTAL ASSETS	$ 293,595	$ 1,794,581	$ 1,003,550	$ 149,390	$ 3,241,116
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 14,176	$ -	$ 829	$ 15,005
FUND BALANCES					
Restricted	293,595	1,780,405	1,003,550	148,561	3,226,111
TOTAL LIABILITIES AND FUND BALANCES	$ 293,595	$ 1,794,581	$ 1,003,550	$ 149,390	$ 3,241,116

TUSCOLA COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/ Technology	Total
REVENUES					
Interest and rent	$ 60,028	$ 63,366	$ 33,355	$ -	$ 156,749
Other	-	14,031	-	-	14,031
TOTAL REVENUES	60,028	77,397	33,355	-	170,780
EXPENDITURES					
Capital outlay	53,126	358,128	-	184,242	595,496
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,902	(280,731)	33,355	(184,242)	(424,716)
OTHER FINANCING SOURCES					
Transfers in	-	113,000	-	140,000	253,000
NET CHANGE IN FUND BALANCES	6,902	(167,731)	33,355	(44,242)	(171,716)
Fund balances, beginning of year	286,693	1,948,136	970,195	192,803	3,397,827
Fund balances, end of year	$ 293,595	$ 1,780,405	$ 1,003,550	$ 148,561	$ 3,226,111

INTERNAL SERVICE FUNDS

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

Workers' Compensation Insurance - 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 - 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
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Motor Pool	Workers' Compensation Insurance	Health Insurance	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 10,438	$ 161,612	$ 1,732,053	$ 1,904,103
Prepaids	-	41,777	91,826	133,603
Total current assets	10,438	203,389	1,823,879	2,037,706
Noncurrent assets				
Capital assets, net of accumulated depreciation	21,419	-	-	21,419
TOTAL ASSETS	31,857	203,389	1,823,879	2,059,125
LIABILITIES				
Current liabilities				
Accounts payable	-	250	-	250
Uninsured claim liability	-	-	158,600	158,600
TOTAL LIABILITIES	-	250	158,600	158,850
NET POSITION				
Investment in capital assets	21,419	-	-	21,419
Unrestricted	10,438	203,139	1,665,279	1,878,856
TOTAL NET POSITION	$ 31,857	$ 203,139	$ 1,665,279	$ 1,900,275

TUSCOLA COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Motor Pool	Workers' Compensation Insurance	Health Insurance	Total
OPERATING REVENUES				
Charges for services	$ 5,817	$ 319,281	$ 3,371,987	$ 3,697,085
OPERATING EXPENSES				
Operations and maintenance	2,040	-	3,596,783	3,598,823
Administration	-	145,638	-	145,638
Depreciation expense	5,842	-	-	5,842
TOTAL OPERATING EXPENSES	7,882	145,638	3,596,783	3,750,303
CHANGE IN NET POSITION	(2,065)	173,643	(224,796)	(53,218)
Net position, beginning of year	33,922	29,496	1,890,075	1,953,493
Net position, end of year	$ 31,857	$ 203,139	$ 1,665,279	$ 1,900,275

TUSCOLA COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Motor Pool	Workers' Compensation Insurance	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from interfund services provided	$ 5,817	$ 313,281	$ 3,371,987	$ 3,691,085
Cash paid to suppliers	(2,082)	(152,286)	(3,237,281)	(3,391,649)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,735	160,995	134,706	299,436
Cash and cash equivalents, beginning of year	6,703	617	1,597,347	1,604,667
Cash and cash equivalents, end of year	$ 10,438	$ 161,612	$ 1,732,053	$ 1,904,103
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ (2,065)	$ 173,643	$ (224,796)	$ (53,218)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	5,842	-	-	5,842
(Increase) decrease in:				
Prepaids	-	(6,648)	201,137	194,489
Increase (decrease) in:				
Accounts payable	(42)	-	(235)	(277)
Uninsured claim liability	-	-	158,600	158,600
Due to other funds	-	(6,000)	-	(6,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,735	$ 160,995	$ 134,706	$ 299,436

CUSTODIAL FUNDS

General Custodial - 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 - 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. The collections pertaining to the Law Library are not included in the additions and deductions on the financial statements.

TUSCOLA COUNTY
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	General Custodial	Library Penal Fines	Total
ASSETS			
Cash, cash equivalents, and investments	$ 819,430	$ 27,997	$ 847,427
LIABILITIES			
Due to other governmental units	601,748	-	601,748
Undistributed collections	217,682	27,997	245,679
TOTAL LIABILITIES	819,430	27,997	847,427
NET POSITION			
Restricted for individuals, organizations, and other governmental units	$ -	$ -	$ -

TUSCOLA COUNTY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

	General Custodial	Library Penal Fines	Total
ADDITIONS			
Tax collections for other governmental units	$ 12,706,407	$ -	$ 12,706,407
Collections for other governmental units	3,067,986	-	3,067,986
Library penal fine collections	-	273,470	273,470
TOTAL ADDITIONS	15,774,393	273,470	16,047,863
DEDUCTIONS			
Tax distributions to other governmental units	12,706,407	-	12,706,407
Distributions to/for other governmental units	3,067,986	-	3,067,986
Library penal fine distributions	-	273,470	273,470
TOTAL DEDUCTIONS	15,774,393	273,470	16,047,863
CHANGE IN NET POSITION	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

TUSCOLA COUNTY
DRAIN COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2025

	Special Revenue	Debt Service							
	Revolving Drain	Bach and Branches Debt	Moore Debt Retirement	Armbruster I/C Debt	Akron Main Street Debt	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement
ASSETS									
Cash, cash equivalents, and investments	$ 51,106	$ -	$ 225,013	$ 13	$ 20,814	$ 11,377	$ 92,830	$ 39,022	$ 76,643
Special assessments receivable	-	-	148,713	-	144,535	28,442	273,383	165,113	200,294
Due from other funds	658,105	-	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 709,211	$ -	$ 373,726	$ 13	$ 165,349	$ 39,819	$ 366,213	$ 204,135	$ 276,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ 9,211	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	200,000	-	-	-	-	-	-	-	-
Advances from other governmental units	500,000	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	709,211	-	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	-	148,713	-	144,535	28,442	273,383	165,113	200,294
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	225,013	13	20,814	11,377	92,830	39,022	76,643
TOTAL FUND BALANCES	-	-	225,013	13	20,814	11,377	92,830	39,022	76,643
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 709,211	$ -	$ 373,726	$ 13	$ 165,349	$ 39,819	$ 366,213	$ 204,135	$ 276,937

TUSCOLA COUNTY
DRAIN COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET (CONCLUDED)
DECEMBER 31, 2025

	Debt Service		Capital Projects						
	Murphy Lake Debt Retirement	Smith Drain Debt	Cheboyganing Creek I/C Project	Special Drain	Smith Drain Construction	Murphy Lake Construction	Northwest Construction	Alder Creek Construction	Total
ASSETS									
Cash, cash equivalents, and investments	$ 30,711	$ 92,008	$ 255,574	$ 4,823,859	$ 100,913	$ 70	$ -	$ -	$ 5,819,953
Special assessments receivable	380,229	215,917	739,153	1,839,697	-	-	-	-	4,135,476
Due from other funds	-	-	-	-	-	-	212,500	50,000	920,605
Prepaids	-	-	555,602	-	-	-	-	-	555,602
TOTAL ASSETS	$ 410,940	$ 307,925	$ 1,550,329	$ 6,663,556	$ 100,913	$ 70	$ 212,500	$ 50,000	$ 11,431,636
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ 184,496	$ -	$ -	$ -	$ -	$ 193,707
Due to other funds	-	-	-	720,605	-	-	-	-	920,605
Advances from other governmental units	-	-	-	-	-	-	-	-	500,000
TOTAL LIABILITIES	-	-	-	905,101	-	-	-	-	1,614,312
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	380,229	215,917	739,153	1,839,697	-	-	-	-	4,135,476
FUND BALANCES									
Nonspendable	-	-	555,602	-	-	-	-	-	555,602
Restricted	30,711	92,008	255,574	3,918,758	100,913	70	212,500	50,000	5,126,246
TOTAL FUND BALANCES	30,711	92,008	811,176	3,918,758	100,913	70	212,500	50,000	5,681,848
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 410,940	$ 307,925	$ 1,550,329	$ 6,663,556	$ 100,913	$ 70	$ 212,500	$ 50,000	$ 11,431,636

TUSCOLA COUNTY
DRAIN COMMISSION
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances - governmental funds		$ 5,681,848
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 23,135,040	
Accumulated depreciation is	(8,795,764)	
Capital assets, net		14,339,276
Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the funds.		4,135,476
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Bonds and notes payable	(2,284,602)	
Accrued interest payable	(4,080)	
		(2,288,682)
Net position of governmental activities		$ 21,867,918

TUSCOLA COUNTY
DRAIN COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	Special Revenue	Debt Service							
	Revolving Drain	Bach and Branches Debt	Moore Debt Retirement	Armbruster I/C Debt	Akron Main Street Debt	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement
REVENUES									
Special assessments and other	$ -	$ -	$ 124,826	$ -	$ 15,677	$ 15,504	$ 60,808	$ 32,112	$ 23,002
Interest income	-	434	7,721	276	504	348	2,526	1,095	2,281
TOTAL REVENUES	-	434	132,547	276	16,181	15,852	63,334	33,207	25,283
EXPENDITURES									
Current									
Drain maintenance	-	-	-	12,779	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	225,000	-	9,000	14,417	45,000	26,010	35,000
Interest and fiscal charges	-	-	3,656	-	2,690	954	8,306	5,841	7,691
TOTAL EXPENDITURES	-	-	228,656	12,779	11,690	15,371	53,306	31,851	42,691
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	434	(96,109)	(12,503)	4,491	481	10,028	1,356	(17,408)
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(207,328)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(207,328)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(206,894)	(96,109)	(12,503)	4,491	481	10,028	1,356	(17,408)
Fund balances, beginning of year	-	206,894	321,122	12,516	16,323	10,896	82,802	37,666	94,051
Fund balances, end of year	$ -	$ -	$ 225,013	$ 13	$ 20,814	$ 11,377	$ 92,830	$ 39,022	$ 76,643

TUSCOLA COUNTY
DRAIN COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONCLUDED)
YEAR ENDED DECEMBER 31, 2025

	Debt Service		Capital Projects						
	Murphy Lake Debt Retirement	Smith Drain Debt	Cheboyganing Creek I/C Project	Special Drain	Smith Drain Construction	Murphy Lake Construction	Northwest Construction	Alder Creek Construction	Total
REVENUES									
Special assessments and other	$ 46,172	$ 31,630	$ 253,057	$ 1,853,318	$ -	$ -	$ -	$ -	$ 2,456,106
Interest income	885	2,463	2,517	188,827	2,624	1,472	1,095	-	215,068
TOTAL REVENUES	47,057	34,093	255,574	2,042,145	2,624	1,472	1,095	-	2,671,174
EXPENDITURES									
Current									
Drain maintenance	-	-	-	2,459,764	-	-	-	-	2,472,543
Capital outlay	-	-	182,689	-	5,509	-	-	-	188,198
Debt service									
Principal	36,000	22,000	-	-	-	-	-	-	412,427
Interest and fiscal charges	7,091	15,453	-	-	-	-	-	-	51,682
TOTAL EXPENDITURES	43,091	37,453	182,689	2,459,764	5,509	-	-	-	3,124,850
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,966	(3,360)	72,885	(417,619)	(2,885)	1,472	1,095	-	(453,676)
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	-	738,291	-	-	-	-	-	738,291
Transfers in	-	-	-	445,174	-	-	-	-	445,174
Transfers out	-	-	-	-	-	(68,271)	(69,575)	(100,000)	(445,174)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	738,291	445,174	-	(68,271)	(69,575)	(100,000)	738,291
NET CHANGE IN FUND BALANCES	3,966	(3,360)	811,176	27,555	(2,885)	(66,799)	(68,480)	(100,000)	284,615
Fund balances, beginning of year	26,745	95,368	-	3,891,203	103,798	66,869	280,980	150,000	5,397,233
Fund balances, end of year	$ 30,711	$ 92,008	$ 811,176	$ 3,918,758	$ 100,913	$ 70	$ 212,500	$ 50,000	$ 5,681,848

TUSCOLA COUNTY
DRAIN COMMISSION
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE WITH STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds		$ 284,615
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over the estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:		
Capital outlay	$ 182,689	
Depreciation expense	(459,047)	
Excess of depreciation expense over capital outlay		(276,358)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in long-term receivables reported in the funds is:		237,283
Certain transactions related to long-term debt are reported as expenditures or other financing sources/uses in governmental funds, but the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Proceeds from debt issuance	(738,291)	
Principal retirement	412,427	
		(325,864)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in accrued interest payable		509
Change in net position of governmental activities		$ (79,815)

TUSCOLA COUNTY
LAND BANK
GOVERNMENTAL FUND
BALANCE SHEET
DECEMBER 31, 2025

	General
ASSETS	
Cash, cash equivalents, and investments	$ 638,466
LIABILITIES	$ -
FUND BALANCE	
Unassigned	638,466
TOTAL LIABILITIES AND FUND BALANCE	$ 638,466

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to the net position as of December 31, 2025.

TUSCOLA COUNTY
LAND BANK
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	General
REVENUES	
Interest	$ 548
EXPENDITURES	
Current	
Community and economic development	-
NET CHANGE IN FUND BALANCE	548
Fund balance, beginning of year	637,918
Fund balance, end of year	$ 638,466

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance of this component unit's governmental fund to the statement of activities is not required as the net change in fund balance of the governmental fund was equal to the change in net position for the year ended December 31, 2025.

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.

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TUSCOLA COUNTY, MICHIGAN
NET POSITION BY COMPONENT
LAST TEN CALENDAR YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023 (1)	2024	2025
Governmental activities										
Net investment in capital assets	$ 5,380,615	$ 5,943,571	$ 6,071,911	$ 5,863,221	$ 5,925,950	$ 5,714,234	$ 5,932,060	$ 6,167,561	$ 7,789,050	$ 7,803,885
Restricted	2,672,329	2,882,160	10,745,988	11,510,953	20,739,755	21,407,541	21,024,386	26,658,905	16,267,398	17,202,132
Unrestricted	(3,118,970)	(2,704,558)	(11,301,211)	(7,247,593)	(14,840,253)	(14,679,356)	(10,591,214)	(14,231,854)	(6,401,466)	(5,592,972)
Total governmental activities net position	$ 4,933,974	$ 6,121,173	$ 5,516,688	$ 10,126,581	$ 11,825,452	$ 12,442,419	$ 16,365,232	$ 18,594,612	$ 17,654,982	$ 19,413,045
Business-type activities										
Net investment in capital assets	$ 11,154,645	$ 10,601,748	$ 9,941,531	$ 9,255,635	$ 8,839,114	$ 7,859,100	$ 7,497,345	$ -	$ -	$ -
Restricted	290,258	-	-	-	-	-	-	-	-	-
Unrestricted	10,239,172	10,291,902	10,116,680	10,460,164	12,891,324	17,573,475	17,206,144	8,594,528	9,172,852	9,355,690
Total business-type activities net position	$ 21,684,075	$ 20,893,650	$ 20,058,211	$ 19,715,799	$ 21,730,438	$ 25,432,575	$ 24,703,489	$ 8,594,528	$ 9,172,852	$ 9,355,690
Primary government										
Net investment in capital assets	$ 16,535,260	$ 16,545,319	$ 16,013,442	$ 15,118,856	$ 14,765,064	$ 13,573,334	$ 13,429,405	$ 6,167,561	$ 7,789,050	$ 7,803,885
Restricted	2,962,587	2,882,160	10,745,988	11,510,953	20,739,755	21,407,541	21,024,386	26,658,905	16,267,398	17,202,132
Unrestricted	7,120,202	7,587,344	(1,184,531)	3,212,571	(1,948,929)	2,894,119	6,614,930	(5,637,326)	2,771,386	3,762,718
Total primary government net position	$ 26,618,049	$ 27,014,823	$ 25,574,899	$ 29,842,380	$ 33,555,890	$ 37,874,994	$ 41,068,721	$ 27,189,140	$ 26,827,834	$ 28,768,735

(1) In fiscal year 2024 the Medical Care Facility was reclassified from a business-type activity of the County to a discretely presented component unit. Fiscal year 2023 information was restated to reflect this change.

TUSCOLA COUNTY, MICHIGAN
CHANGES IN NET POSITION
LAST TEN CALENDAR YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023 [1]	2024	2025
Expenses										
Governmental activities										
General government	$ 7,160,516	$ 7,235,661	$ 6,020,818	$ 6,689,864	$ 6,407,468	$ 4,321,644	$ 5,045,301	$ 4,842,030	$ 5,485,229	$ 5,054,432
Legislative	148,172	121,672	189,753	214,986	150,995	194,031	263,335	-	-	-
Judicial	4,156,591	3,336,249	4,239,644	3,244,038	3,335,836	6,179,674	7,454,471	7,838,572	7,337,729	6,851,255
Public safety	7,415,067	5,972,439	8,527,437	7,818,978	8,596,195	8,264,280	10,452,266	10,363,628	10,190,004	9,772,316
Public works	777,630	746,700	3,957,531	3,689,461	3,125,358	3,941,222	4,185,558	4,302,506	5,564,850	4,780,338
Health and welfare	5,598,219	5,990,088	8,087,982	7,976,028	7,533,134	8,236,356	9,610,182	8,911,637	9,135,791	8,981,802
Community and economic development	-	-	-	-	-	438,485	2,128,387	973,972	673,756	876,738
Recreation and culture	11,542	66,959	24,640	22,631	94,790	23,208	22,977	17,992	224,775	33,402
Interest on long-term debt	278,897	373,262	604,798	582,070	548,035	790,189	414,930	366,398	393,288	369,228
Total governmental activities expenses	25,546,634	23,843,030	31,652,603	30,238,056	29,791,811	32,389,089	39,577,407	37,616,735	39,005,422	36,719,511
Business-type activities										
Medical care facility	22,315,039	23,181,919	24,446,586	24,223,269	22,316,941	22,315,379	25,484,584	-	-	-
Combined Revolving Tax	843	143	86	59,939	1,270	150,000	-	-	-	-
Water/sewage systems	293,015	281,304	-	-	-	-	-	-	-	-
Tax foreclosure	335,392	249,585	245,596	525,976	243,681	376,262	405,357	428,872	882,429	964,972
Jail commissary	-	-	-	-	-	-	-	-	28,656	29,324
Total business-type activities expenses	22,944,289	23,712,951	24,692,268	24,809,184	22,561,892	22,841,641	25,889,941	428,872	911,085	994,296
Total primary government expenses	$ 48,490,923	$ 47,555,981	$ 56,344,871	$ 55,047,240	$ 52,353,703	$ 55,230,730	$ 65,467,348	$ 38,045,607	$ 39,916,507	$ 37,713,807
Program Revenues										
Governmental activities										
Charges for services										
General government	$ 1,095,603	$ 1,256,253	$ 1,783,175	$ 1,809,252	$ 3,710,228	$ 1,610,989	$ 1,581,762	$ 1,511,422	$ 1,116,445	$ 1,110,595
Judicial	1,074,291	1,099,980	1,035,461	997,501	2,117,867	1,408,599	809,373	1,371,670	718,752	703,375
Public safety	2,320,821	2,173,012	2,491,334	2,686,714	3,567,773	2,747,732	2,654,456	2,637,136	2,253,786	2,438,852
Public works	369,007	338,575	62,963	68,330	66,149	163,269	158,854	127,136	81,469	80,898
Health and welfare	672,883	691,252	764,428	778,230	4,016,544	993,139	765,613	782,720	1,403,780	1,322,733
Community and economic development	-	-	-	-	-	125,091	106,234	96,348	44,840	92,952
Recreation and culture	5,637	29,710	16,182	24,354	21,133	29,573	27,292	22,448	31,009	24,855
Operating grants and contributions										
General government	146,039	519,653	653,207	1,131,227	1,493,686	1,620,792	4,488,354	1,068,100	1,207,350	737,770
Legislative	-	-	-	-	-	-	239,063	-	-	-
Judicial	1,201,303	1,216,914	1,419,642	1,345,589	1,341,286	1,587,334	4,918,541	3,121,279	3,698,847	3,760,269
Public safety	523,665	581,396	708,921	698,340	1,137,566	578,478	3,520,205	667,281	660,703	661,475
Public works	-	-	-	12,529	1,012	91,400	351,413	25,080	27,408	43,560
Health and welfare	2,642,757	3,133,148	3,101,141	3,643,239	3,353,315	3,839,822	4,248,674	6,222,816	4,491,391	3,695,173
Community and economic development	-	-	-	-	-	-	417,328	-	84,775	14,080
Recreation and culture	-	-	1,250	876	-	-	-	-	1,536	1,875
Capital grants and contributions										
General government	-	-	-	-	-	-	-	-	21,179	-
Public safety	-	-	-	-	-	-	-	-	16,000	2,280
Public works	-	-	-	-	-	-	-	-	190,887	178,134
Community and economic development	-	-	-	-	-	-	-	-	-	123,030
Total governmental activities program revenues	10,052,006	11,039,893	12,037,704	13,196,181	20,826,559	14,796,218	24,287,162	17,653,436	16,050,157	14,991,906

TUSCOLA COUNTY, MICHIGAN
CHANGES IN NET POSITION
LAST TEN CALENDAR YEARS (CONTINUED)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023 [1]	2024	2025
Business-type activities										
Charges for services										
Medical care facility	$ 19,807,248	$ 21,399,403	$ 22,838,849	$ 23,434,528	$ 22,126,307	$ 20,058,159	$ 19,260,508	$ -	$ -	$ -
Combined Revolving Tax	636,870	663,661	765,067	747,800	723,753	609,559	593,874	696,835	815,787	872,482
Tax foreclosure	194,918	189,286	555,174	647,641	731,236	388,718	773,482	1,132,839	1,123,147	691,946
Jail commissary	-	-	-	-	-	-	-	-	28,656	55,919
Operating grants and contributions	-	-	-	-	1,208,521	4,952,530	4,672,257	-	-	-
Capital grants and contributions	293,015	281,304	-	-	-	-	-	-	-	-
Total business-type activities program revenues	20,932,051	22,533,654	24,159,090	24,829,969	24,789,817	26,008,966	25,300,121	1,829,674	1,967,590	1,620,347
Total primary government program revenues	$ 30,984,057	$ 33,573,547	$ 36,196,794	$ 38,026,150	$ 45,616,376	$ 40,805,184	$ 49,587,283	$ 19,483,110	$ 18,017,747	$ 16,612,253
Net (Expense) Revenue										
Governmental activities	$ (15,494,628)	$ (12,803,137)	$ (19,614,899)	$ (17,041,875)	$ (8,965,252)	$ (17,592,871)	$ (15,290,245)	$ (19,963,299)	$ (22,955,265)	$ (21,727,605)
Business-type activities	(2,012,238)	(1,179,297)	(533,178)	20,785	2,227,925	3,167,325	(589,820)	1,400,802	1,056,505	626,051
Total primary government net expense	$ (17,506,866)	$ (13,982,434)	$ (20,148,077)	$ (17,021,090)	$ (6,737,327)	$ (14,425,546)	$ (15,880,065)	$ (18,562,497)	$ (21,898,760)	$ (21,101,554)

TUSCOLA COUNTY, MICHIGAN
CHANGES IN NET POSITION
LAST TEN CALENDAR YEARS (CONCLUDED)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023 [1]	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities										
General revenues										
Property taxes	$ 10,186,530	$ 10,335,424	$ 14,500,060	$ 15,047,324	$ 16,026,873	$ 16,753,687	$ 17,720,775	$ 18,723,784	$ 18,067,593	$ 19,677,902
Grants and contributions not restricted to specific programs	1,199,905	1,215,686	1,293,320	2,303,904	878,877	1,158,441	1,220,546	1,322,801	1,354,241	1,483,236
Unrestricted investment earnings	511,528	518,143	163,578	51,149	173,819	141,089	139,133	1,000,345	1,396,081	1,065,295
Other	978,112	853,036	-	225,936	-	-	-	-	555,904	577,235
Transfers - internal activities	913,352	1,068,047	856,663	2,282,487	778,489	497,179	674,908	1,079,097	751,218	682,000
Total governmental activities	13,789,427	13,990,336	16,813,621	19,910,800	17,858,058	18,550,396	19,755,362	22,126,027	22,125,037	23,485,668
Business-type activities										
General revenues										
Property taxes	438,417	427,358	435,791	448,069	463,443	496,665	509,103	-	-	-
Unrestricted investment earnings	64,945	72,648	118,611	151,596	101,760	56,925	26,539	191,330	236,819	238,787
Other	854,935	721,561	-	770,839	-	-	-	-	-	-
Transfers - internal activities	(751,361)	(832,695)	(856,663)	(962,862)	(778,489)	(497,179)	(674,908)	(1,234,965)	(715,000)	(682,000)
Total business-type activities	606,936	388,872	(302,261)	407,642	(213,286)	56,411	(139,266)	(1,043,635)	(478,181)	(443,213)
Total primary government	$ 14,396,363	$ 14,379,208	$ 16,511,360	$ 20,318,442	$ 17,644,772	$ 18,606,807	$ 19,616,096	$ 21,082,392	$ 21,646,856	$ 23,042,455
Change in Net Position										
Governmental activities	$ (1,705,201)	$ 1,187,199	$ (2,801,278)	$ 2,868,925	$ 8,892,806	$ 957,525	$ 4,465,117	$ 2,162,728	$ (830,228)	$ 1,758,063
Business-type activities	(1,405,302)	(790,425)	(835,439)	428,427	2,014,639	3,223,736	(729,086)	357,167	578,324	182,838
Total primary government	$ (3,110,503)	$ 396,774	$ (3,636,717)	$ 3,297,352	$ 10,907,445	$ 4,181,261	$ 3,736,031	$ 2,519,895	$ (251,904)	$ 1,940,901

(1) In fiscal year 2024 the Medical Care Facility was reclassified from a business-type activity of the County to a discretely presented component unit. Fiscal year 2023 information was restated to reflect this change.

TUSCOLA COUNTY, MICHIGAN
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN CALENDAR YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	$ 643,918	$ 619,653	$ 599,708	$ 644,436	$ 567,028	$ 554,152	$ 532,712	$ 535,547	$ 597,134	$ 729,478
Committed	-	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Assigned	2,031,720	1,645,626	1,886,936	1,410,000	1,462,743	1,419,300	7,374,096	-	650,958	137,764
Unassigned	418,032	337,763	524,324	1,142,881	920,680	957,003	1,776,847	6,278,657	5,096,857	5,912,549
Total general fund	$ 3,093,670	$ 2,608,042	$ 3,015,968	$ 3,202,317	$ 2,955,451	$ 2,935,455	$ 9,688,655	$ 6,814,204	$ 6,344,949	$ 6,779,791
All other governmental funds										
Nonspendable	$ 31,931	$ 54,221	$ 47,584	$ 65,959	$ 57,640	$ 52,575	$ 72,382	$ 91,852	$ 141,797	$ 79,514
Restricted	6,152,182	7,096,346	10,698,404	11,510,953	12,248,437	13,246,223	13,225,681	17,225,005	16,132,086	17,131,615
Committed	422,563	382,539	365,490	351,814	425,024	494,917	564,541	626,900	-	-
Assigned	715,044	1,045,418	1,306	307,108	144,603	812,152	857,156	226,797	-	-
Unassigned	-	-	-	(53,112)	300,482	-	-	-	-	-
Total all other governmental funds	$ 7,321,720	$ 8,578,524	$ 11,112,784	$ 12,182,722	$ 13,176,186	$ 14,605,867	$ 14,719,760	$ 18,170,554	$ 16,273,883	$ 17,211,129

TUSCOLA COUNTY, MICHIGAN
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN CALENDAR YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	$ 10,173,607	$ 10,314,499	$ 14,758,866	$ 15,189,939	$ 16,026,873	$ 16,555,985	$ 17,820,176	$ 18,681,397	$ 18,629,556	$ 19,624,080
Licenses and permits	666,040	635,561	729,193	912,190	758,657	902,186	962,437	857,356	911,459	975,506
Intergovernmental	6,779,226	7,716,119	7,988,041	8,851,979	8,720,251	9,453,345	19,576,469	10,818,540	12,734,542	11,537,342
Charges for services	3,592,132	3,747,441	3,983,574	3,886,492	3,516,151	4,432,215	3,729,174	4,194,250	3,956,235	4,016,538
Fines and forfeits	214,513	156,458	93,345	83,874	77,510	415,999	73,196	63,808	56,054	39,318
Interest and rents	511,528	518,143	514,474	560,740	627,955	628,092	625,947	1,441,404	1,937,688	1,610,204
Reimbursements and refunds	823,772	711,355	21,839	25,917	267,575	-	-	-	-	-
Other revenue	85,711	71,681	808,352	821,563	584,291	839,568	1,223,618	1,030,083	990,781	1,046,024
Total revenues	22,846,529	23,871,257	28,897,684	30,332,694	30,579,263	33,227,390	44,011,017	37,086,838	39,216,315	38,849,012
Expenditures										
Current Expenditures										
General government	5,593,914	6,031,459	4,854,033	6,060,217	6,054,539	3,584,549	4,316,115	4,098,026	4,835,455	4,541,539
Legislative	103,335	123,062	135,881	212,691	150,995	194,770	224,754	-	-	-
Judicial	3,228,250	3,355,152	3,326,762	3,085,036	3,316,811	6,237,281	6,798,006	7,509,992	7,410,248	6,955,250
Public safety	6,225,193	6,152,105	6,847,567	7,169,255	8,823,001	8,105,931	8,567,842	9,245,015	9,843,827	9,640,560
Public works	774,919	747,689	3,810,200	3,729,254	3,125,358	3,784,965	4,045,010	4,318,598	5,451,965	4,884,423
Health and welfare	5,081,040	7,889,761	7,495,126	7,426,628	6,882,767	7,713,412	8,986,243	8,389,505	9,196,816	8,960,504
Community and economic development	-	-	-	-	-	440,157	2,068,801	966,421	659,364	887,801
Recreation and culture	11,542	66,959	24,440	27,964	94,790	23,297	48,316	17,976	218,032	33,443
Other	154,502	144,121	199,364	225,936	175,038	118,817	52,847	97,735	-	-
Debt service										
Principal	215,000	315,000	921,324	1,263,462	997,159	865,306	1,100,447	1,259,244	1,306,901	1,348,468
Interest and fiscal charges	128,754	311,205	607,970	585,993	554,999	703,355	425,074	391,261	396,133	372,471
Bond issuance costs	76,268	56,622	-	-	-	110,023	-	-	-	-
Capital outlay	583,532	1,532,745	786,286	252,834	205,702	371,021	1,078,068	1,763,284	3,026,100	595,496
Total expenditures	22,176,249	26,725,880	29,008,953	30,039,270	30,381,159	32,252,884	37,711,523	38,057,057	42,344,841	38,219,955
Excess (deficiency) of revenues over expenditures	670,280	(2,854,623)	(111,269)	293,424	198,104	974,506	6,299,494	(970,219)	(3,128,526)	629,057
Other financing sources (uses)										
Issuance of long-term debt	6,980,000	2,475,000	-	-	-	5,530,000	-	-	-	-
Bond (discount)	(2,172)	(18,378)	-	-	-	-	-	-	-	-
Lease proceeds	94,500	31,130	-	-	-	-	-	508,122	11,382	61,031
Subscription proceeds	-	-	-	-	-	-	-	307,361	-	-
Payment to refunded bond escrow agent	68,629	70,000	-	-	-	(5,387,000)	-	-	-	-
Transfers in	3,587,630	7,090,189	3,954,388	3,983,193	3,786,932	3,291,046	12,414,902	6,612,902	3,965,320	3,123,513
Transfers out	(2,674,278)	(6,022,142)	(3,097,725)	(3,020,331)	(3,008,443)	(2,793,867)	(11,739,994)	(5,533,805)	(3,214,102)	(2,441,513)
Total other financing sources (uses)	8,054,309	3,625,799	856,663	962,862	778,489	640,179	674,908	1,894,580	762,600	743,031
Special items										
Pension pre-funding	(6,865,581)	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 1,859,008	$ 771,176	$ 745,394	$ 1,256,286	$ 976,593	$ 1,614,685	$ 6,974,402	$ 924,361	$ (2,365,926)	$ 1,372,088
Debt service as a percentage of noncapital expenditures	1.60%	2.49%	5.42%	6.21%	5.14%	4.94%	4.16%	4.55%	4.33%	4.62%

TUSCOLA COUNTY, MICHIGAN
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

	Real Property							
Year	Industrial, Commercial & Developmental	Residential	Timber-Cut & Agricultural	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2016	$ 121,354,400	$ 978,552,403	$ 1,037,690,870	$ 417,773,965	$ 2,717,032,696	7.7621	$ 5,434,065,392	50.0%
2017	125,248,200	1,031,884,701	1,049,895,626	411,101,536	2,687,560,911	8.3121	5,375,121,822	50.0%
2018	125,431,100	1,048,833,555	1,057,430,600	423,096,250	2,679,431,236	8.3121	5,358,862,472	50.0%
2019	131,854,400	1,109,929,134	1,007,590,517	446,063,604	2,713,116,451	8.3121	5,426,232,902	50.0%
2020	136,865,050	1,184,605,341	996,990,366	534,704,449	2,922,251,912	8.3121	5,844,503,824	50.0%
2021	142,380,900	1,274,359,191	974,926,175	548,178,439	3,013,050,214	8.4621	6,026,100,428	50.0%
2022	149,672,700	1,425,401,950	1,009,862,700	524,478,924	3,302,687,358	8.3121	6,605,374,716	50.0%
2023	160,388,100	1,661,639,961	1,106,775,630	504,945,046	3,777,615,078	8.3121	7,555,230,156	50.0%
2024	169,210,066	1,895,095,999	1,197,349,400	477,459,807	4,071,967,046	8.3121	8,143,934,092	50.0%
2025	171,493,803	1,977,238,035	1,255,788,300	465,934,252	3,870,454,390	8.3121	7,740,908,780	50.0%

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
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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
Special Millage	3.848	4.398	4.398	4.398	4.398	4.548	4.398	4.398	4.398	4.398
Total direct rate	7.7621	8.3121	8.3121	8.3121	8.3121	8.4621	8.3121	8.3121	8.3121	8.3121
City rate										
Vassar	16.0000	16.0000	16.0000	17.0000	17.0000	17.0000	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
Village rates	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	9.9588- 12.4089	12.5000 21.7164	12.5000 21.6228
School district rates (1)	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	16.0371- 18.0000	29.4800- 33.8000	29.4665- 33.4488
Township rates	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	1.0000- 1.6380	1.0000- 7.0493	1.0000- 7.0386
District library rates	.7500- 1.4909	.7428- 1.4909	.8010- 1.4909	0.7408- 0.9185	1.49 - 0.7354	.7253- 1.4882	0.4935- 1.4882	0.3486- 1.4882	0.7398- 1.4773	0.7318- 1.4773
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) Includes local, SET, and averaged intermediate school district millages. Non-Homestead Rates
(1a) It appears based on previous years, the SET, and Average ISD was not added to the non homestead rate-correcting for 2024. Do we go correct previous years as well?
(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 election to raise direct rates.

TUSCOLA COUNTY, MICHIGAN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

	Current Year 2025			
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable	
Consumers Energy Company	$ 139,697,606	1	5.91%	
Pegasus Wind LLC	86,278,301	2	3.65%	
DTE Electric Company	79,623,667	3	3.37%	
Internation Transmission Co	45,956,026	4	1.94%	
Tuscola Bay Wind LLC	40,077,100	5	1.69%	
Tuscola Wind II LLC	39,383,600	6	1.66%	
Thumb Electric Co-Op	9,971,041	7	0.42%	
Dairy Farmer's of America Inc	7,505,887	8	0.32%	
POET Biorefining Caro	6,248,894	9	0.26%	
Russell Family Land Co LLC	5,971,673	10	0.25%	2025 Taxable Value
Totals	$ 460,713,795		19.47%	$ 2,365,445,292

	10 Years ago 2015			
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable	
Tuscola Bay Wind LLC	$ 167,891,900	1	9.70%	
Consumers Energy	127,673,437	2	7.38%	
ITC Transmissions	60,246,144	3	3.48%	
Detroit Edison Co	34,593,327	4	2.00%	
Dairy Farmers of America	19,699,500	5	1.14%	
POET-Biorefining - Caro	13,119,714	6	0.76%	
Thumb Electric Co-Op	5,972,864	7	0.35%	
Michigan Sugar	4,371,351	8	0.25%	
Wal-Mart Stores #01-1798	3,921,985	9	0.23%	
Russell Family Land Co LLC	3,335,684	10	0.19%	2015 Taxable Value
Totals	$ 440,825,906		25.48%	$ 1,730,939,880

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

TUSCOLA COUNTY, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Calendar Year Ended December 31,	Operating Taxes Levied for the Calendar 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
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	8,098,796	98.37%
2023	8,596,599	7,958,963	92.58%	377,182	255,715	8,591,860	99.94%
2024	8,930,598	8,066,497	90.32%	442,787	418,390	8,927,674	99.97%
2025	9,203,969	8,438,115	91.68%	425,652	337,432	9,201,199	99.97%

Source: Tuscola County Treasurer

TUSCOLA COUNTY, MICHIGAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities						Business-Type Activities						
Year	Capital Improvement Bonds	Pension Obligation Bonds	USDA Loans	Bond Discount	Leases Payable	Subscriptions Payable	Refunding Bonds	Medical Care Small House	Medical Care Land Contract	General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita (2)
2016	$ 815,000	$ 6,805,000	$ 4,872,000	$ (13,032)	$ 85,343	$ -	$ 200,000	$ 4,265,000	$ 140,000	$ 5,853,114	$ 23,022,425	8.10%	$ 426
2017	775,000	9,005,000	4,769,000	(29,784)	98,460	-	-	4,090,000	70,000	5,398,114	24,175,790	7.74%	450
2018	695,000	8,730,000	4,549,000	-	-	-	-	3,730,000	70,000	4,487,114	22,261,114	8.46%	417
2019	655,000	8,355,000	4,218,209	-	-	-	-	3,555,000	35,000	4,464,000	21,282,209	8.90%	399
2020	650,000	7,945,000	4,206,209	-	-	-	-	3,520,000	35,000	4,055,000	20,411,209	9.69%	383
2021	605,000	7,810,000	4,372,000	-	-	-	-	3,320,000	35,000	3,644,114	19,786,114	11.35%	371
2022	555,000	7,325,000	3,956,000	-	-	-	-	3,110,000	-	3,226,000	18,172,000	13.08%	341
2023	505,000	6,805,000	3,829,000	-	-	-	-	-	-	2,796,000	13,935,000	17.56%	261
2024	2,809,114	6,280,000	3,700,209	(17,037)	981,065	186,965	-	-	-	-	13,940,316	18.47%	126
2025	2,305,114	5,735,000	3,569,209	(15,334)	935,849	124,744	-	-	-	-	12,654,582	24.47%	201

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 FISCAL YEARS
(UNAUDITED)

		General Bonded Debt Outstanding						
Calendar Year	Sewer Obligation Bonds	Net Pension Obligation Bonds	Net Capital Improvement Bonds	Net Capital Improvement Bond Discounts	Net Pension Obligation Bond Discounts	Net General Bonded	Total Taxable Value	Percentage of Taxable Value
2016	$ 10,725,114	$ 6,802,914	$ 804,054	$ (10,946)	$ (18,378)	$ 18,302,758	$ 1,733,524,072	1.0558%
2017	10,167,114	8,985,416	764,800	(10,200)	(17,612)	19,889,518	1,746,978,563	1.1385%
2018	5,487,114	8,730,000	708,221	(9,454)	(16,846)	14,899,035	1,798,828,863	0.8283%
2019	4,084,114	8,345,000	695,000	(8,708)	(16,080)	13,099,326	1,862,786,940	0.7032%
2020	3,675,114	7,945,000	650,000	(7,962)	(15,314)	12,246,838	1,991,515,345	0.6150%
2021	2,324,209	7,810,000	605,000	(7,216)	(14,548)	10,717,445	2,045,969,814	0.5238%
2022	2,245,209	7,645,000	555,000	(6,470)	(13,782)	10,424,957	2,108,698,319	0.4944%
2023	2,163,209	6,805,000	505,000	(5,724)	(13,016)	9,454,469	2,204,339,057	0.4289%
2024	2,359,114	6,280,000	450,000	(5,204)	(11,833)	9,072,077	2,309,423,743	0.3928%
2025	1,910,114	5,735,000	395,000	(4,684)	(10,650)	8,024,780	2,357,332,248	0.3404%

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

TUSCOLA COUNTY, MICHIGAN
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2025
(UNAUDITED)

2025 Census Totals	52,680	
2025 Taxable Value	$ 2,357,332,248	
Direct debt of County:		
Mayville Storm Sewer		$ 653,000
Caro Sewer System		1,257,114
Capital Improvement		395,000
Pension Obligation Bond		5,735,000
USDA Loans		3,569,209
Leases and SBITAs		1,060,593
Bond Discounts		(15,334)
		$ 12,654,582
Per-Capita County Net Direct Debt		240.22
Percent County Net Direct Debt to 2025 Taxable		0.5368%
Overlapping Debt of County:		
School Districts		$ 60,521,853
Townships		4,776,049
Intermediate School District		25,559
Village		5,621,103
City		12,533,750
Net Overlapping Debt		$ 83,478,314
Net County and Overlapping Debt		$ 96,132,896
Per-Capita County Net Direct and Overlapping Debt		1,824.85
Percent Net Direct and Overlapping Debt to Taxable Value		4.0780%

(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
(UNAUDITED)

Calendar 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 Limit as a Percentage of Debt Limit
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	19,917,330	196,218,383	8.21%
2018	2017	2,231,695,255	223,169,526	19,022,956	205,628,142	7.86%
2019	2018	2,249,374,051	224,937,405	17,805,791	207,396,021	7.80%
2020	2019	2,318,460,757	231,846,076	16,838,723	214,304,692	7.57%
2021	2020	2,939,844,705	293,984,471	10,739,209	276,443,087	5.97%
2022	2021	3,109,416,274	310,941,627	15,062,323	293,400,243	5.64%
2023	2022	3,433,748,737	343,374,874	17,541,384	325,833,490	5.11%
2024	2023	3,739,115,272	373,911,527	7,880,993	365,104,318	2.11%
2025	2024	3,870,454,390	387,045,439	7,175,259	378,238,230	1.85%

Source: Tuscola County Debt Schedules, Tuscola County Equalization Report

TUSCOLA COUNTY, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
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	52,908	2,447,679	46,263	7,453	5.2%
2023	52,826	2,318,852	43,797	7,294	4.6%
2024	52,757	2,361,559	44,635	7,503	4.7%
2025	52,680	2,629,472	49,841	7,112	5.7%

(1) Estimates based on population changes, and state change in personal income.
(2) 2010-2020 updated with BEA revised estimates. BEA population estimates reflect county population estimates available as of November 2023.
(3) Fall membership count. Public schools only.
(4) Annual yearly rates shown.

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

TUSCOLA COUNTY, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR (2025) AND TEN YEARS AGO
(UNAUDITED)

	2025					2015			
Employer	Product/Service	Employees [1]	Rank	Percentage of Total County Employment	Employer	Product/Service	Employees [1]	Rank	Percentage of Total County Employment
Aspire Rural Health System	Medical	538	1	2.2%	Tuscola County	Government	378	1	3.2%
Caro Regional Center	Medical	444	2	1.8%	Caro Regional Center	Mental Health Care	360	2	3.1%
Tuscola County	Governmental	294	4	1.2%	Wal-Mart	Retail	300	3	2.6%
Lighthouse Neurological Rehabilitation Center	Neurological Rehabilitation	342	3	1.4%	Caro Community Schools	Education	264	4	2.2%
Tuscola Intermediate School District	Education	262	5	1.1%	Walbro - Engine Management	Manufacturing	258	5	2.2%
Walbro LLC	Manufacturing	219	6	0.9%	Tuscola Intermediate School District	Education	255	6	2.2%
Walmart	Retail	180	7	0.7%	TI Automotive	Manufacturing	190	7	1.6%
Caro Community Schools	Educational	181	8	0.7%	Human Development Commission	Governmental	170	8	1.4%
Human Development Commission	Governmental	138	9	0.6%	Caro Community Hospital	Health Care	159	9	1.4%
TI Fluid Systems	Fuel Pumps/Regulators	130	10	0.5%	Vassar School District	Education	156	10	1.3%
Total		2,728		11.1%	Total		2,490		21.2%

(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
(UNAUDITED)

	Full-time Equivalent Employees									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Legislative (1)	5	5	5	5	5	5	5	5	5	5
Judicial (2)	38	41	41	42	35	42	50	50	49	49
General Government	52	57	62	52	50	55	41	36	39	43
Public Safety	63	64	70	72	75	80	75	62	68	72
Health and Welfare (3)	226	230	230	255	219	220	223	241	247	265
Total	384	397	408	426	384	402	394	394	408	434

(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
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Incarcerated offenders	1,521	1,572	1,578	1,385	878	860	1,035	918	942	1,124
First time offenders	511	491	542	468	323	338	321	369	379	529
Repeat offenders	1,010	1,081	1,036	917	555	522	714	549	563	595
Males	1,184	1,224	1,231	1,037	648	650	795	642	630	865
Females	337	348	347	348	230	210	240	276	312	259
Traffic violations and other summons issued	1,688	1,350	1,666	1,812	1,527	2,286	1,530	1,913	1,477	1,515
Complaints responded to	5,091	5,085	5,231	4,886	4,532	4,087	4,995	5,106	9,183	10,162
Physical arrests made	862	852	856	755	483	417	523	439	357	335
Accidents responded to	1,030	1,086	1,027	995	836	1,243	1,177	1,352	1,460	1,360
Fatal Crashes	2	7	7	5	7	8	3	1	5	11
Car Deer Accidents	591	643	592	601	563	577	738	771	767	769
Total 911 Calls received (2)	24,298	22,684	22,022	22,067	19,309	16,372	17,599	17,747	17,055	16,735
Wireless/Voip Calls	19,019	17,902	17,435	17,869	18,723	15,539	14,648	16,494	16,007	15,912
Landline Calls	5,279	4,782	4,587	4,198	586	833	2,951	1,253	1,048	823
Non-emergency calls	27,836	22,736	24,491	23,422	20,687	20,346	20,346	39,909	29,884	27,815
Calls for Service logged	40,521	40,057	41,145	41,300	35,596	40,079	40,075	48,817	66,598	67,145
Traffic Accidents	1,359	1,462	1,480	1,033	1,117	1,662	1,757	1,782	2,938	3,244
Car Deer	892	982	970	1,250	1,089	1,095	1,095	1,720	2,476	2,445
Traffic Stops	11,881	12,170	11,533	10,808	6,356	8,503	8,503	12,953	16,496	15,994
Fires	413	478	539	501	559	459	459	1,142	1,216	9,946
Medicals (not include accidents)	5,831	5,790	6,130	6,173	6,144	6,939	6,939	5,422	5,422	9,774
Judicial										
54th Circuit Court new case filings	1,124	1,183	1,171	1,001	911	1,117	1,138	1,091	1017	1016
71B District Court new case filings	6,806	6,510	6,586	7,258	4,847	5,719	5,518	6,534	6487	6284
Probate Court new case filings	380	396	407	370	318	453	397	301	409	351

(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, Tuscola County Administrative Reports, State Court Administrative Reports, Tuscola County Central Dispatch Annual Report

TUSCOLA COUNTY, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Sheriffs Department										
Vehicles [1]	25	21	24	27	23	24	25	27	30	26
Mileage	340,893	415,692	437,270	441,077	335,514	348,045	308,297	294,270	278,216	352,184
Boats/Watercraft	2	2	2	2	2	2	2	2	1	1
Stations	1	1	1	1	1	1	1	1	1	1
Dispatch										
Vehicles	2	2	-	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
General Government										
Building and Grounds										
Vehicles	11	10	10	10	10	11	11	13	8	7
Buildings	15	15	15	15	15	15	15	15	17	17
Mosquito control										
Vehicles	21	21	22	22	25	25	24	23	22	22
Buildings	1	1	1	2	1	1	1	1	1	1
Recycling										
Vehicles	3	3	2	3	3	3	3	4	4	4
Trailers	6	6	4	6	6	6	6	6	6	6
Buildings	1	1	1	1	1	1	1	1	1	1
Animal Control										
Vehicles	-	-	2	2	2	2	2	2	3	2
Buildings	-	-	1	1	1	1	1	1	-	-
FOC										
Vehicles	1	1	1	1	1	1	1	1	-	-
Juvenile Probation										
Vehicles	2	2	1	3	2	3	2	2	4	4
Health and Welfare										
Health Department										
Vehicles	6	6	6	7	11	12	9	9	11	11
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.

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

To the Board of Commissioners of
Tuscola County
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 the Tuscola County (the County), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which comprise the County's basic financial statements, and have issued our report thereon dated June 23, 2026.

We did not audit the financial statements of the Tuscola County Road Commission, which represents 75%, 76%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Tuscola County Road Commission, are based solely on the report of the other auditor.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the following deficiency in internal control that we consider to be a material weakness.

2025-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries for the proper recognition of receivables, prepaids, depreciation expense, unearned revenue, deferred inflows of resources, and taxes receivable were proposed by the auditors. These misstatements were not detected by the County's internal control over financial reporting. Adjusting journal entries were brought to the attention of management and were subsequently recorded in the County's general ledger.

Criteria: Auditing standards emphasize that management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operation, and cash flows (where applicable), including the notes to the financial statements, in conformity with U.S. generally accepted principles.

Cause: Management did not properly identify the misstatements and record the necessary adjustments.

Effect: The County's financial reports contained material misstatements that were not otherwise identified by management.

Recommendation: We recommend that the County take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: Management will work to record these items in a more timely manner.

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 the following instances of noncompliance that are required to be reported under *Government Auditing Standards*.

2025-002 BUDGETARY NONCOMPLIANCE

Condition: We noted that expenditures exceeded the amounts appropriated for various activities in the General Fund, CDBG Housing Grant Fund, and the Principal Residence Exemption Fund. We also noted that the County's amended budget for the Mental Health Court Fund, Victim Services Fund, and the Child Care DHHS Fund projected an ending fund balance deficit.

Criteria: The Uniform Budgeting and Accounting Act requires the County to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined." The Act also stated that "an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body." Finally, the Act prohibits the County from budgeting for a fund deficit.

Cause: The County did not adequately amend the budget in a timely fashion, creating a budget variance in the areas where the overages occurred in addition to budgeting for a fund deficit.

Effect: The County adopted the budget for the General Fund at the activity level and the special revenue funds at the functional level. Having unfavorable budget variances and fund deficits, as described above, the County is not in compliance with Public Act 621 of 1978, as amended.

2025-002 BUDGETARY NONCOMPLIANCE (concluded)

Recommendation: We recommend the County monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed. We also recommend that the County refrain from budgeting for fund deficits.

Corrective Action Response: Management will monitor budgets throughout the year and make amendments as necessary.

2025-003 UNIFORM CHART OF ACCOUNTS

Condition: The County's general ledger structure and accounting practices are not in compliance with the Uniform Chart of Accounts, as required by the Michigan Department of Treasury.

Criteria: Public Act 2 of 1968 states that the State Treasurer shall prescribe uniform charts of accounts for all local units of similar size, function, or service designed to fulfill the requirements of good accounting practices related to general government.

Cause: County management has not amended the chart of accounts and accounting practices to conform with recent changes to the Uniform Chart of Accounts.

Effect: The County is not in compliance with the Uniform Chart of Accounts prescribed by the State Treasurer.

Recommendation: We recommend the County update their existing chart of accounts to conform with the Uniform Chart of Accounts as prescribed by the State Treasurer.

Corrective Action Response: Management will work to update the chart of accounts to be in compliance with the Uniform Chart of Accounts.

Tuscola County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tuscola County's response to the finding identified in our audit. Tuscola County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerisan PC

Lansing, Michigan
June 23, 2026

FY 2027
Presentation to the Tuscola County Board of Commissioners
Child Care Fund Projected Costs and In-Home Care
Parent Education and Supervised Visitation Education Program
7/27/26

MDHHS Tuscola County is requesting Tuscola County Board of Commissioner (BOC) approval for the following:

- **Board of Commissioner approval for the continuation of the Child Care Fund In-Home Care Parent Education and Supervised Visitation Program from October 1, 2026, – September 30, 2027, in the amount of $72,775.**
- **Board of Commissioner chairperson's signature on the Independent Contract Agreement between List Psychological Service PLC. And Tuscola County for October 1, 2026 – September 30, 2027.**
- **Board of Commissioner chairperson's signature on the Fiscal Year 2027 MDHSS-2091**

Rationale:
For the Michigan Department of Health and Human Services (MDHHS) Tuscola County Child Care Fund 2026-27 budget year, MDHHS continues to utilize the State Pays First program for foster care, residential and independent living costs. The State Pays First Project was implemented October 1, 2019, and streamlines payment processing for providers serving MDHHS-supervised youth (abuse/neglect, juvenile justice, and dual wards) by allowing County Child Care Fund (CCF) funded-placements and services to be paid directly from the MDHHS MiSACWIS case management and payment system. For MDHHS-supervised cases, the department issues payment to providers for placement and services. MDHHS Central Office reconciles amounts owed between the department and county through the Chargeback/Offset process without involving the providers. MDHHS pays upfront for the service and then bills the County for 75% of the cost of Family Foster Care, Institutional Care and Independent Living.

Because of this, there is no projection of MDHHS Foster Care, Institutional or Independent Living expenses on the MDHHS 2091 as in past years. The only expense for MDHHS included on the MDHHS-2091 is the In-Home Program expense described below.

To keep the Board of Commissioners (BOC) informed on projected expenses to be billed back to the county at 75%, we provide the following Fiscal Year 2026 projections:

Family Foster Care	$75,000
Institutional Care	$100,000
Independent Living	$15,000

Projections are used as it is difficult to determine the number of youth that will come into care and may need residential placement. Board of Commissioner approval of the above expenses is not needed, and the above projections are provided for informational purposes only.

Board of Commissioner approval is needed for the continuation of the Child Care Fund In-Home Care Parent Education and Supervised Visitation Program from October 1, 2026- September 30, 2027, in the amount of $72,775. In addition, the Board of Commissioner chairperson's signature is needed on the MDHHS-2091 (to be provided from the court) as well as on the Contract with List Psychological Service PLC. (attached).

It is respectfully requested that the Tuscola County BOC support the continuation of the CCF In-Home Care Supervised Visitation and Parent Education Program (PESVP) to include Tuscola County continuing the Contract with List Psychological. This contract has been reviewed and approved by the Tuscola County Attorney (contract provided). The FY 27 contract is slightly lower than the FY 26 contract in the amount of $45.00. The cost of the contract for FY 2027 (October 1, 2026 – September 30, 2027) would be 1,725 units (hours) at $39.00 per hour/unit plus $5,000 in mileage and $500 in Specific Assistance reimbursement for a total of $72,775. After eligible 75% Child Care Fund State reimbursement, the cost to Tuscola County would be approximately $18,194.

For Tuscola County, from October 1, 2023 – May 11, 2026, there were 37 youth in foster care who were not referred to the PESVP, and there were 18 youth referred. For the 37 youth not referred, the days in foster care averaged 748. For those referred to the PESVP, the average number of days was 415. Those in the PESVP experienced an average of 333 less foster care days. Calculating the average daily cost of foster care ($22.35 + 26.69 /2 = $24.52 per day – this does not account for added costs associated with special needs), there is a projected savings of $146,973 in foster care dollars. (333x $24.52 x 18 youth = $146,973 projected savings in foster care dollars from October 1, 2023– May 11, 2026, with 333 less days in foster care for youth).

The PESVP also services Children's Protective Services (CPS) cases. From October 1, 2023 – May 16, 2026, 9 youth with open CPS ongoing cases were referred for PESVP services. Of the 9 youth referred, none of were removed from the parental home.

The CCF reimbursement program is the result of a collaborative effort between Michigan's circuit courts, county governments, tribes, state and county MDHHS to support the reimbursement of costs for programming for neglected, abused, and delinquent youth in Michigan. Most of the programming is designed and administered by Michigan's circuit courts, county governments, tribes, and county MDHHS offices, based on the needs of the community. The State of Michigan oversees and administers required programming at the state level for youth placed in out-of-home care due to abuse or neglect cases. After expenditures have been incurred, requests for reimbursement for eligible direct out-of-home placements and in-home care (IHC) services are made to the state MDHHS.

MDHHS receives an annual, legislatively appropriated budget to support CCF reimbursement-eligible programs and placements for eligible child welfare and juvenile justice youth as defined below:

- An MDHHS youth in either a Category I or II Children's Protective Services case.
- Any youth in a court ordered MDHHS-supervised foster care placement.
- A delinquent youth for whom a petition, complaint, or referral has been filed and accepted by the court, and who:

- Receives IHC intensive services, or
- Is placed in court ordered out-of-home care, or
- Has a plan for early exit from out-of-home care.

CCF is the primary fund source for serving delinquent, neglected, and/or abused youth. Each Michigan county/tribe has a specific account for their CCF, which is funded primarily through county tax dollars and donations. The state supports the county's CCF with a 75-percent reimbursement on eligible direct costs. The goal of CCF reimbursement is to ensure funding for programs that provide services aimed at keeping children in their homes through successful intervention and rehabilitation for juveniles and to assist with achieving permanency for children in a safe and timely manner. CCF reimbursement assists with costs for intensive IHC services, out-of-home placements, and related supportive services such as drug screening and therapy. An IHC program is intended to provide early intervention services for youth who are within, or likely to come within, the jurisdiction of the family court for delinquency, abuse, or neglect and/or those affecting a youth's early return to his or her home from foster care or institutional care.

The Tuscola County PESVP provides parent education as well as supervised face-to-face contact between parents and their children while the in-home care provider teaches and demonstrates to parents appropriate parenting techniques, discipline, and family interaction. The PESVP serves youth/families in an MDHHS Category I or II Children's Protective Services case and/or youth/families in court-ordered MDHHS-supervised foster care. The goal of the program is to reduce the number of youth petitioned through abuse/neglect court proceedings and to reduce the number of days in family foster care. The focus of the PESVP is to provide early intervention to educate parents and to treat within the child's home.

The IHC contracted provider would be responsible for providing a safe, nurturing environment for parent education and parenting time and assisting in furthering the development of parenting skills that are healthy and promote child well-being. Cases are assigned via a referral from MDHHS staff through which a written visitation and/or education plan is developed incorporating strengths, needs, goals, objectives, parenting time schedules, locations, and parenting issues that need be addressed. Some of the duties of the PESVP IHC provider include: teaching parents, mentoring parents, modeling behaviors for parents, coordinating and arranging visits (including transportation arrangement), maintaining a visitation environment that is healthy for all and interceding on the children's behalf if inappropriate behaviors are observed, providing parental direction, maintain ongoing conferencing with MDHHS staff, testifying in court, completing required documentation, and enforcing specific court visitation requirements, etc. For youth in out of home placement, the case plan would reflect an early return goal.

Since 2012, MDHHS Tuscola County observed the following estimated savings in foster care days for youth and foster care dollars spent:

Fiscal Year	Youth	Budget	Remaining	Spent	Cost to County after 75% (50% from 2012 to FY23) Reimbursement from the State	Ave. CFC Days Saved	Estimated Savings (at $18.92 x days x youth through FY 2022 and at $23.11 x days x youth in FY 23; FY 2024 at $24.52 x days x youth)
2026 10/1/2025-5/11/2026	9	$72,820.00	$67,720.27	**$5,099.73**	**$1,274.94**		
2025	16	$72,820.00	$41,225.72	**$31,594.28**	**$7,898.57**	332	$146,973.00
2024	16	$72,820.00	$52,806.39	**$20,013.61**	**$5,003.40**	336	$181,252.00
2023	10	$73,100.00	$57,730.72	**$15,369.28**	**$7,684.64**	182	$35,127.20
2022	18	$67,900.00	$32,321.23	**$35,578.77**	**$17,789.39**	182	$79,914.38
2021	22	$67,900.00	$52,699.73	**$15,200.27**	**$7,600.14**	158	$86,691.44
2020	18	$67,900.00	$56,133.09	**$11,766.91**	**$5,883.46**	NA	NA
2019	0	$19,375.00	$19,375.00	**0**	**0**	NA	NA
2018	37	$37,496.00	$6,829.35	**$30,666.65**	**$15,333.33**		Program ended mid-year
2017	49	$108,378.00	$56,652.81	**$51,725.19**	**$25,862.60**	211	$195,613.88
2016	70	$106,684.00	$28,876.02	**$77,807.98**	**$38,903.99**	218	$288,719.20
2015	86	$109,572.00	$35,497.41	**$74,074.59**	**$37,037.30**	285	$463,729.20
2014	72	$77,367.20	$16,172.86	**$61,194.34**	**$30,597.17**	138	$187,989.12
2013	63	$54,660.00	$13,657.55	**$41,002.45**	**$20,501.23**	325.8	$388,340.57
2012		$54,660.00	$11,046.91	**$43,613.09**	**$21,806.55**		

In addition, since 2013, MDHHS Tuscola County has shown a decrease in the number of youth in foster care from 120 to 20 (as of 7.17.2026). We attribute this in part to the PESVP IHC program.

Thank you to the Tuscola County Board of Commissioners for their time and attention to this matter.

Respectfully submitted,
Krista Mackowiak
Krista Mackowiak, Director
MDHHS Tuscola County

INDEPENDENT CONTRACTOR AGREEMENT
TUSCOLA COUNTY, MI
List Psychological Services PLC, 443 N. State St., Caro, MI 48723

This agreement, made and entered into effective October 1, 2026, to be effective through September 30, 2027, by and between Tuscola County ("County" or "Tuscola County"), and List Psychological Services P.L.C, 443 N. State St., Caro, MI 48723 ("Contractor").

WHEREAS, Tuscola County desires to establish an independent contractor relationship for providing services as Tuscola County deems necessary; and

WHEREAS, Contractor is ready, willing and able to provide services as desired by Tuscola County and is recognized as an *independent contractor*.

NOW THEREFORE, in consideration of this mutual agreement hereinafter contained, subject to the terms and conditions, hereby understood, and agreed by the parties hereto as follows:

ELIGIBLE CLIENTS: The Contractor shall provide services to referred children or families who have an active:

- Michigan Department of Health and Human Services (MDHHS) Tuscola County Child Protective Services (CPS) Category I or II cases or;
- MDHHS Tuscola County Foster Care Case (CFC) with children under the age of 18 or;
- Tuscola County Family Court Delinquency Case.

Referral source will be MDHHS or as ordered by the Court. Referrals to Contractor shall be approved by the caseworker's supervisor.

Services may continue if a move occurs into an adjacent county if the youth or family remains involved in an MDHHS Tuscola County CPS/CFC case, Tuscola County Delinquency Case or under the jurisdiction of the Tuscola County Court.

PROFESSIONAL SERVICES AND REQUIRED DOCUMENTATION:

- Within 7 business days of the referral, the Contractor shall:
  - Initiate contact with the referral source;
  - Confirm referral and
  - Discuss case dynamics.

- Within 10 business days of the referral, the Contactor and MDHHS caseworker or Family Court representative will meet face to face with the family and:
  - Identify family needs and strengths;
  - Identify child needs and strengths;
  - Develop service goals and objectives;
  - Identify community services already in place;
  - Identify any safety issues or anticipated concerns
  - Set up any a supervised visitation plan and

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- Establish time frames and a schedule of contacts.

- Within 15 business days of the referral, the Contractor will:
  - Develop an action plan including:
    - Identified family needs and strengths;
    - Identified child needs and strengths;
    - Service goals and objectives;
    - Identified community services already in place;
    - Identified any safety issues or anticipated concerns
    - Supervised visitation plan and
    - Established time frames and a schedule of contacts.
  - Provide a copy of the action plan to the referral source and to the family.

- Provision of services can include but is not limited to:
  - Supervised face-to-face contact between parents and their children and/or
  - Parent education while the contractor teaches, mentors and models behaviors including but not limited to demonstrating appropriate:
    - Parenting techniques
    - Discipline
    - Family interaction
    - Nutrition
    - Money management
    - Facilitation of connections to community resources
    - Home upkeep and maintenance
    - Communication skills
    - Coordination and arrangement of parental visits (including transportation arrangement)
    - Coordination and arrangement of client's attendance at community service appointments
    - Enforcement of a visitation environment that is healthy for all and complies with referral source requirements
    - Interceding on the children's behalf if inappropriate behaviors are observed
  - Planning for transportation to necessary activities when warranted
  - Transporting children or parents to necessary activities when warranted
  - Maintaining ongoing conferencing with referral source
  - Testifying in court
  - Completing required documentation

- Within 5 business days of each family visit, an emailed narrative and a Summary and Contact Sheet will be provided to the referral source. These reports will summarize the visit as it relates to the action plan including how the family has or has not met their goals and objectives as well as any strengths, weaknesses, interventions, preparation for the visit, activities, subjects discussed and any barriers in meeting the plan of action.

- A Closing Documentation report is due upon closure of the case. This report shall address:

- Closure reason
- Safety issues, anticipated concerns, safety plan
- Placement/living arrangement of children at closure
- Closing summary

COMMUNICATION: Communication with the referral source shall occur weekly informing of the progress or lack of progress that is being made. This communication can be by phone, email or face to face.

Contractor will provide a business phone number and answering point for the client, referring worker, supervisor, Tuscola County, and/or other community members to establish contact and/or leave a message.

CLIENT RECORDS: Contractor shall maintain and be able to produce upon request the following documents:

- Referral form;
- Date of contacts – contact summaries;
- Methods of service delivery;
- All contacts with client;
- Documentation of events;
- Any other documentation that may pertain to clients;
- Total number of units of service delivered to each client
- Record of mileage
- Record of Specific Assistance expenses

All records and documentation shall be maintained in a safe and secure location and in compliance with any applicable state and federal regulations.

COMPENSATION: By the 5th business day of the following month, Contractor shall submit a payment invoice for verification of mileage, Specific Assistance expenses, units provided, and contacts made during the billing cycle at the unit rate. Reimbursement shall be made on a monthly basis. Requests for payment over 90-day period may be denied payment. A unit is defined as one hour of the Contractor's time providing services to eligible clients, as outlined in the provision of services, and approved client services plans when applicable. Billable services include case consultation, face-to-face client contact, collateral contacts, travel time, transportation of family members when required and case related office activities including preparation of required reports. Units shall be billed in one quarter of an hour increments. Contractor shall provide up to 1,725 hours at the unit rate of **$39.00** per hour equaling **$67,275.00**. In addition, Contractor is allowed **$500.00** in Specific Assistance reimbursement of approved purchases made on behalf of the referred client(s) and **$5000.00** in mileage reimbursement from Contractor's Office at 651 N. State St., Caro, MI or the Tuscola County Courthouse, 440 N. State St, Caro, MI, or the contractor's home whichever is closer to the destination. Incurred mileage to be reimbursed includes providing transportation to a referred client, driving to and from a referred client's home, driving to and from a scheduled client appointment, driving to and from a court hearing at the request of the referring MDHHS worker and driving to and from sites other than the client's home for purposes of advocacy on behalf of the client. Contractor agrees to provide documentation satisfactory to the County to verify reimbursement for Specific Assistance and mileage under this Agreement. Total contract cost will not exceed **$72,775.**

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No other funding through fees or charges to any client is permitted under this Agreement.

INDEPENDENT CONTRACTOR: It is agreed that the contractor is acting as an independent contractor, representing itself to the general public as an independent contractor for the other work or contracts as contractor desires; furthermore, it is agreed that Tuscola County will not discourage or inhibit the contractor from entering into any other contracts for like or similar services; furthermore, it is agreed this agreement is not exclusive.

CONFIDENTIALITY: The use or disclosure of information concerning services to applicants or recipients obtained in connection with the performance of the Agreement shall be restricted to purpose directly connected with the administration of the programs implemented by this Agreement. Contractor agrees to comply with all applicable federal and state privacy statutes, rules and regulations. Contractor shall at all times treat each individual to which services are provided with dignity and respect.

TAXES: It is agreed that the Contractor shall accept full responsibility for any and all taxes that may be lawfully due to any governmental unit as a result of payments made by Tuscola County. Tuscola County shall provide a Form 1099 to Contractor at the end of the year for tax purposes.

INSURANCE COVERAGE: At all times during the pendency of this Agreement, Contractor shall maintain professional and general liability insurance in such amounts as are necessary to cover all claims which may arise out of the Contractor's operations and shall name County as an additional insured on such policies. Contractor agrees to provide County with proof of such coverage. Contract also agrees to maintain unemployment compensation coverage, and worker's compensation insurance in accordance with the applicable Federal and State law and regulations.

Contractor shall at all times be regarded as an independent contractor and shall not at any time as an agent for Tuscola County.

LIABILITY: The Contractor shall indemnify, save and hold harmless Tuscola County against any and all expenses and liability of any kind which Tuscola County may sustain, incur or be required to pay arising out of this Agreement, including, but not limited to, reasonable attorney fees. Further, if the Contractor becomes involved in or is threatened with litigation, the Contractor shall immediately notify Tuscola County of the same.

TERM: This agreement shall commence on October 1, 2026, and continue through September 30, 2027.

TERMINATION OF AGREEMENT: Payment source is solely based on available funds, and if availability of the funds no longer exists, the agreement is terminated immediately.

Either County or Contractor may terminate the Agreement with 30 days written notice to the other.

CHANGES: A review of the contract will be conducted annually. Any changes in the terms and conditions provided for under this agreement shall be agreed upon in advance by both parties in writing. Failure to agree upon such changes or failure to sign such changes shall terminate the agreement immediately.

IN WITNESS WHEREOF: The parties hereto have caused this agreement to be executed by their respective officers duly authorized to do so.

[*signature page to follow*]

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Jacqueline List, COO, List Psychological Services PLC

Date 7/6/26

Kim Vaughan, Chairperson, Tuscola County Board of Commissioners

Date

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CHILD CARE FUND FY2027

October 1, 2026-September 30, 2027

The Child Care Fund is administered by the Michigan Department of Health and Human Services. The Child Care Fund (CCF) provides financial reimbursement to counties and tribes for community-based services for child welfare and juvenile justice youth, and placement costs for youth in juvenile justice cases. Community based services can be evidence-based programs or innovative and creative programs that are developed locally as an alternative to out-of-home placement. These programs are approved annually by the MDHHS-Child Care Fund Unit based on program and youth eligibility in accordance with Juvenile Justice Reform. Some examples of Tuscola County programs are Intensive Probation, Juvenile Mental Health Court, Teen and Parent Support Groups, Arts and Sciences Program, Teen Fit Club, Pre-Court Truancy Diversion and the Community Garden.

On the Court's side we have the Community Based Services Component which is reimbursed at 75% for community-based services and at 50% for out of home placements such as detention or residential treatment. The Basic Grant is reimbursed at 100%.

Tuscola County Family Court is requesting the Tuscola County Board of Commissioners' approval for the following:

- Child Care Fund FY27 in the amount of $ 845,986.17
- Basic Grant $56,520.00
- Board of Commissioner's Chairperson signature on the Fiscal Year MDHSS-2091 upon MDHHS approving our 2094's

Respectfully submitted,

Linda A. Strasz
Chief Probation Officer

Resolution Proposal for Implementation of the Road Commission Board Selection Process (Post-August 4th Election)

Whereas, the citizens of Tuscola County seek equitable and geographically balanced representation on the Road Commission Board; and

Whereas, upon passage of this resolution in the August 4th election, any civilian residing within one of the five defined districts of Tuscola County shall be eligible to apply to serve as a member of the Road Commission Board; and

Whereas, each applicant must be a resident of their specific district and must secure at least one formal sponsorship from a township, village, or city within that district; and

Whereas, the five districts are clearly defined as follows: District 1 includes Akron, Columbia, Elkland, Elmwood, Fairgrove, Gilford, and Wisner; District 2 includes Almer, Ellington, and Indianfields townships, as well as the City of Caro; District 3 includes Dayton, Fremont, Kingston, Koylton, Novesta, and Wells townships; District 4 includes Arbela, Millington, Tuscola, and Watertown townships; and District 5 includes Denmark and Juniata townships, as well as Vassar Township and the City of Vassar; and

Whereas, sponsoring townships, villages, and cities may endorse any number of applicants, but each applicant must have at least one sponsorship to proceed; and

Whereas, all applicants who secure a sponsorship will submit their applications to the County Board of Commissioners; and

Whereas, the County Board of Commissioners will conduct a public hearing, during which each applicant will be interviewed and have the opportunity to present their qualifications; and

Whereas, following these interviews, the County Board of Commissioners will deliberate and vote, selecting one representative from each of the five districts; and

Whereas, any previous member of the former Road Commission Board is welcome to reapply if they desire; and

Whereas, each selected board member shall serve a six-year term, ensuring stability and long-term focus; and

Whereas, the six-year term of each board member is a requirement under Michigan state law and is not subject to alteration or debate; and...

Whereas, this process ensures that each district—District 1, 2, 3, 4, and 5—has a dedicated, community-backed representative and a pathway to ensure accountability; and

Whereas, if citizens of Tuscola County believe a board member is no longer fulfilling their duties, they may initiate a formal recall by submitting a petition to the County Board of Commissioners; and

Whereas, this petition must be signed by a majority supervise of District, as determined by Michigan law; and

Whereas, the board member in question is given formal notice, and they have an opportunity to respond, and;

Whereas, once the petition is verified, the County Board of Commissioners shall hold a public hearing, providing the board member with notice and an opportunity to respond; and

Whereas, after the hearing, the County Board of Commissioners will determine whether cause for removal exists, in accordance with Michigan state law; and

Whereas, if verified the petition needs to be signed by a specific number of registered voters—often a set percentage of the total votes in the last election; and

Whereas, should the Tuscola County Board of Commissioners determine that removal is warranted, the position shall be declared vacant and filled in accordance with the appointment procedures established by this resolution, thereby ensuring continued representation for the affected district.

Whereas, this process is intended to promote transparency, accountability, and public confidence in the Tuscola County Road Commission Board while ensuring that every board member is afforded due process and fair consideration before any action is taken.

Be it further resolved, this plan shall be enacted immediately following selection, with all new board members beginning their six-year terms, ensuring that Tuscola County's roads benefit from stable, effective, and accountable governance.

The Season's First Detection of the West Nile Virus.

On July 20, 2026, the Michigan Department of Health and Human Services confirmed the season's first West Nile Virus positive test pool in Tuscola County. The virus was detected in a sample of Culex mosquitoes collected in Indianfields township.

Tuscola County Mosquito Abatement will continue surveillance, testing and all control efforts with extra focus on positive test pool areas in the county. Although the risk of mosquito-borne virus infections remains low, precautions should still be taken to reduce mosquito exposure.

The best way to protect yourself and family from mosquito bites include:

- Avoid being outdoors when mosquitoes are most active, especially between dusk and dawn.

- Apply insect repellent that contains DEET or picaridin, or other EPA-approved products according to label instructions. Consult a physician before using repellents on infants.

- Wear light-colored, long pants and long-sleeved shirts when outdoors. Consider applying repellent to clothing.

- Ensure doors and windows have tight-fitting screens; repair or replace any damaged screens. Keep doors and windows closed, particularly at night.

- Eliminate standing water around your home that can serve as mosquito breeding sites, such as water in buckets, wading pools, old tires, and other containers.

Larry Zapfe, Director
Tuscola County Mosquito Abatement

Proposal

New Firewall

Quote #: NSOQ38360

Prepared for
Carrie Tabar
Tuscola County Central Dispatch
ctabar@tuscolacounty.org

Prepared by
Trever Shetler
NetSource One
A New Charter Technologies Company
989-498-4534
trever.shetler@nsoit.com

STATEMENT OF WORK

New Firewall

This SOW, effective as of the signatory date below, is entered into by and between NetSource One and Client and describes the requirements by the parties for the successful provisioning of the services.

PROJECT DESCRIPTION AND SCOPE

Project Overview

- New FortiGate to replace existing end-of-support firewall

NSO Responsibilities

- Design Services
- Project Management
- Configure firewall to manufacturer and NSO best practices
- Configure SD-WAN
- Configure Unified Threat Management
- Configure Network Address Translation (“NAT”) policies
- Configure Access Control Lists or Policies
- Configure routing
- Configure Site to Site tunnels (if required)
- Update RA_IPsec VPN configuration (if applicable)
- Install firewall:
  - Connect Dual Power Supplies (if equipped)
  - Connect or reconnect devices
  - Verify proper operation
- Attend to the following items if managed by NetSource One:
  - Reconfigure server backups
  - Reconfigure any affected authentication services (Ex. RADIUS, LDAP, and DUO)
  - Adjust SIEM logging/monitoring (Ex. Blumira)
  - Update availability and performance monitoring (Ex. Zabbix, Automate, Auvik)
  - Update client agreements
- Update NetSource One documentation of new device (configuration and support renewal status)
- Project close meeting

Client Responsibilities

- The client will consider the project complete when the NetSource One Responsibilities have been completed per the Statement of Work / Project Plan
- Active 3rd-party vendor support for any line of business software involved
- When possible, the client will provide two separate batteries and surge protected power feeds, when equipment with dual power supplies is installed
- Provide a clear unobstructed work area, and a clear path for NSO engineers to access current hardware and work area.
  - Failure to remove obstructions may result in project delays and additional out of scope charges.
- Provide sufficient power, cooling and space for installation and proper operation
- Provide Internet Service Provider (“ISP”) information
- Authorize NSO to work on behalf of client with ISP

- Provide administrative access to existing equipment to facilitate installation
- Provide list of devices that will need NAT policies
- Provide routing information (if necessary)
- Provide VPN information (if necessary)
- Inform NSO of users that need remote access VPN
- Allow for a period of downtime during installation

Assumptions

- Services on-site are only performed when necessary
- When possible, the client will provide two separate batteries and surge protected power feeds, when equipment with dual power supplies is installed
- Client has rack-space sufficient for new equipment to be installed in parallel to equipment being replaced
- Installation to occur after hours

Out-of-Scope

- Upgrading 3rd-party software to a level compatible with a modern and supported Operating System
    - May involve software licensing, vendor support, and NSO professional services
- Training on new systems (can be included at additional cost upon request)
- Electrical changes/moves
- Assisting with Client Responsibilities
- Firewall or Switch Configuration Changes
- Equipment Relocation

netsource one
A NEW CHARTER COMPANY

QUOTE

PREPARED FOR	PREPARED BY
Tuscola County Central Dispatch 1303 Cleaver Road Caro, MI 48723 Carrie Tabar, (989) 673-8738 ctabar@tuscolacounty.org	NetSource One 5454 Hampton Pl Saginaw, MI 48604 Trever Shetler, 989-498-4534 trever.shetler@nsoit.com

QUOTE NAME	QUOTE #	QUOTE DATE	VALID UNTIL
New Firewall	NSOQ38360	7/20/2026	7/30/2026

INTRODUCTION NOTES

Thank you for considering NetSource One for your technology needs. The details of your quote are below:

Products	Taxable	Qty	Unit	Total
Fortinet FortiGate 81F Firewall Appliance and 24x7 FortiCare Support + FortiGuard Unified Threat Protection Support - 3 Years	*	1	$5,058.00	$5,058.00
Fortinet AC Adapter	*	1	$85.00	$85.00
RACKMOUNT.IT FortiRack Rackmount Kit - 1U Rack Height x 19" Rack Width - Rack-mountable - Signal White	*	1	$173.00	$173.00

Professional Services (Fixed Fee)	Taxable	Qty	Unit	Total
Professional Services (Fixed Fee) - Labor is quoted as a fixed-fee per statement of work - Any item not outlined in the statement of work is not included and therefore may be subject to additional pricing at our standard T&M rates on a separate ticket		1	$4,400.16	$4,400.16

netsource one
A NEW CHARTER COMPANY

QUOTE SUMMARY

PREPARED FOR	PREPARED BY
Tuscola County Central Dispatch 1303 Cleaver Road Caro, MI 48723 Carrie Tabar, (989) 673-8738 ctabar@tuscolacounty.org	NetSource One 5454 Hampton Pl Saginaw, MI 48604 Trever Shetler, 989-498-4534 trever.shetler@nsoit.com

QUOTE NAME	QUOTE #	QUOTE DATE	VALID UNTIL
New Firewall	NSOQ38360	7/20/2026	7/30/2026

Summary

Products	$5,316.00
Professional Services (Fixed Fee)	$4,400.16

Solution Totals

Subtotal:	$9,716.16
Tax:	$0.00
Shipping:	$0.00
Grand Total:	$9,716.16

Acceptance

This quote must be accepted electronically via the QuoteValet system. Electronic acceptance constitutes a binding agreement and serves as the authorized signature for this document. If electronic acceptance is not possible, please contact your account representative for alternative approval options.

Additional Terms & Conditions

Any services (if applicable) to be completed during normal business hours (unless otherwise indicated). Out of scope labor, travel & mileage will be billed at time & materials. A 50% down payment on product may be required at time of quote approval, prior to ordering. Risk of loss and transfer of ownership is assigned to the purchaser at time of shipment from Manufacturer or Distributor.

If applicable, any leasing information provided is subject to credit approval. The proposal provides an approximate monthly payment for hardware, software and services based upon the contract type and term in months. Any change in the amount financed will change this information. Pricing valid 30 days from day quote is initiated, unless otherwise stated in quote.

Taxes, shipping, handling and other fees may apply. Please do not pay from this quote, you will receive an invoice with the detailed charges. We reserve the right to cancel orders arising from pricing or other errors.

In the event that NetSource One (NSO) purchases a term-based telecommunications, subscription or network solution on behalf of its client, it is expressly stipulated that if the business relationship between NSO and the client is terminated prior to the conclusion of the term for any reason, NSO reserves the exclusive right to pass on to the client any and all costs incurred as a result of such termination. These costs may include early termination fees, remaining service charges, and any other related costs.

Acceptance and Incorporation by Reference

This Order together with the Master Services Agreement and Service Attachments and other terms and conditions identified on Exhibit A, all of which are incorporated herein by reference (collectively, the "Agreement") is between NetSource One, Inc. (sometimes referred to as "we," "us," "our," or "Provider"), and Tuscola County Central Dispatch, the customer identified on the Order (sometimes referred to as "you," "your," or "Client"). This Agreement is effective as of the date the Client accepts the Order (the "Effective Date").

By signing or accepting this Order, Client acknowledges, represents, and warrants that it has read and agrees to the terms and conditions identified on Exhibit A to this Order which are incorporated as if fully set forth herein.

The parties hereby agree that electronic signatures to this Order shall be relied upon and will bind them to the obligations stated herein. Each party hereby warrants and represents that it has the express authority to execute this Agreement(s).

Provider may make changes to the Agreement at any time. If there are changes, Provider will revise the date at the top of the document. Provider may or may not provide Client with additional notice regarding such changes. Client should review the terms and conditions regularly. Unless otherwise noted, the amended terms and conditions will be effective immediately, and your continued use of the Services thereafter constitutes your acceptance of the changes. If you do not agree to the amended terms and conditions, you must stop using the Services immediately. Please note, you may incur a termination fee or other third-party fees, if applicable. You may access the current version of the terms and conditions at any time by visiting https://www.nsoit.com/legal/.

Exhibit A

Master Services Agreement
Service Attachment for Managed Services
Service Level Objectives

Register Now

Already Registered?

Welcome to the MERS 80th Annual Conference!

Join MERS as we celebrate 80 years of serving Michigan communities. This year's conference is packed with opportunities you won’t want to miss. Meet. Network. Learn. Give back to the very Michigan communities where we live and work.

Join us at the Amway Grand Plaza Hotel to listen to inspiring success stories and share your own experiences. We look forward to seeing you there.

Who Should Attend?

- Appointed and elected officials
- Human Resources staff
- Finance staff
- Plan participants interested in learning more about their MERS benefits and planning for retirement

[Check out](#) what our previous conference attendees are saying about their experience at Annual Conference!

MERS Business Meeting

Join MERS CEO Kerrie Vanden Bosch during the Business Meeting on Thursday, where you'll hear about the State of MERS.

In addition, conference delegates will vote for members of the MERS Retirement Board. View more information on **electing delegates**.

Breakout Sessions

We have an incredible lineup of breakout sessions focusing on topics most important to both employers and participants. Check out the **agenda** here. It will be updated as new sessions are added, but in the meantime, here's a sneak peak of some of the sessions that will be offered:

- **New this year!** Roundtable discussions with your peers on a variety of topics
- MERS investments overview
- MERS plan information
- Tips to help you prepare for retirement
- Much more!

Register Now

Already registered?

cvent

TUSCOLA COUNTY SHERIFF'S OFFICE

SHERIFF
Ryan Robinson

UNDERSHERIFF
Robert Baxter

420 Court Street
Caro, MI 48723

Phone:
(989) 673-8161
Fax:
(989) 673-8164

Website:
tuscolacounty.org/sheriff

MISSION STATEMENT:
The Tuscola County Sheriff's Office will serve the public by providing assistance, coordination, and delivery of law enforcement, corrections, and protection of people and property with respect to the constitutional rights of all citizens.

BOARD OF COMMISSIONERS AGENDA REQUEST

Request:
Tuscola County Sheriff Ryan Robinson requests that the Board of Commissioners approve the purchase of duty firearms, holsters, and training ammunition for the Tuscola County Sheriff's Office Corrections Division.

Purchase Details:

Vance's

- Twenty-six (26) Smith & Wesson M&P 9mm handguns with optics @ **$990.70 each — $25,758.20**
- Twenty-six (26) duty holster systems — **$5,033.08**
- Shipping — **$25.00**

Total – Vance's: $30,816.28

Kiesler Police Supply

- Twenty (20) cases of 9mm ammunition @ **$208.80 per case — $4,176.00**

Grand Total: $34,992.28

Quotes were requested from multiple law enforcement vendors. Vance's and Kiesler Police Supply provided quotations for the requested equipment. Kiesler Police Supply submitted the lowest quote for the ammunition, while Vance's provided the best value for the firearms and holster systems. Other vendors contacted did not respond to requests for quotations. Vance's has been the Tuscola County Sheriff's Office's preferred firearms vendor and has consistently provided reliable service and competitive pricing.

Funding for this purchase, in the amount of **$34,992.28**, will be paid from the **Public Safety Revenue Sharing Account (205-321-543.000)**.

Sales Quote

KIESLER POLICE SUPPLY, INC.
2802 SABLE MILL RD
JEFFERSONVILLE, IN 47130

Bill-to Customer
TUSCOLA COUNTY SHERIFF'S OFFICE
BRYAN HEMERLINE
420 COURT ST.
CARO, MI 48723

Ship-to Address

Your Reference	
Bill-to Customer No.	L77145
Tax Registration No.	
No.	Q176955
Document Date	July 6, 2026
Due Date	August 5, 2026
Payment Terms	
Payment Method	
Tax Identification Type	Legal Entity
Shipment Method	Standard

Salesperson
Email
Home Page
Phone No.

No.	Description	Quantity	Unit of Measure	Unit Price Excl. Tax	Line Amount Excl. Tax
FEDEAE9FP	FEDERAL AMERICAN EAGLE 9MM LUGER 147 GRAIN FULL METAL JACKET, FLAT POINT 1000RDS/CASE,50RDS/BOX CMAOO-MI	20	CASE	208.80	4,176.00
SHIPPING	SHIPPING CHARGE INCLUDED	1	EACH	0.00	0.00
FORMAT JASON	QUOTED BY JASON BRUNN KIESLER POLICE SUPPLY 2802 SABLE MILL ROAD JEFFERSONVILLE, IN 47130 THIS QUOTE IS VALID FOR 30 DAYS. JBRUNN@KIESLER.COM	1	EACH	0.00	0.00
KIESLER SIGNATURE	SIGN/DATE TO APPROVE PURCHASE X_______________________ SIGNATURE REQUIRED X_______________________ DATE X_______________________ PHONE# FOR FED X QUESTIONS	1	EACH	0.00	0.00

Amount Subject to Sales Tax	0.00
Amount Exempt from Sales Tax	0.00

Subtotal	4,176.00
Total Tax	0.00
Total $ Incl. Tax	**0.00**
Tax Amount	**0.00**

VANCE'S LAW ENFORCEMENT

Send PO's To:	Remit Pymt To:
3723 Cleveland Ave	4250 Alum Creek Dr
Columbus, OH 43224	Obetz, OH 43207
Ph (614)471-0712	Ph (614)489-5025

Account Name	TUSCOLA COUNTY SHERIFF`S OFFICE	Date	7/6/2026
Contact Name	Sgt. BRYAN HEMERLINE	Quote Number	00072520
Bill To	420 COURT STREET CARO, Michigan 48723 United States	Prepared By	Nick Jewell
Phone	(989) 673-8161		
Email	bhemerline@tuscolacounty.org		

Quantity	Product Family	Style Number	Description	Unit of Measure	Sales Price	Total Price
26.00	Smith & Wesson	14087	M&P 9 M2.0 W/ACRO, NTS (W/Forward Serrations), Flat Trigger, Blk 9mm Luger 4.25in 3-17RD - Optic Height Night Sights	Each	$990.70	$25,758.20
26.00	Alien Gear	RFPT-QD-BK-B	Rapid Force - Quick Disconnect System - Black - Bag Packaging	Each	$28.79	$748.54
24.00	Alien Gear	R3-M-0880-BK-RH-LL-A0-B	Rapid Force Level 3 Duty Holster - Mid Ride Belt Slide - S&W M&P M2.0/1.0 | 40/45/9mm/10mm | 4in/4.25in Barrel | Carry Comp - Matte Black - Right Hand - Large Light - No Axon - Bag Packaging	Each	$164.79	$3,954.96
2.00	Alien Gear	R3-M-0880-BK-LH-LL-A0-B	Rapid Force Level 3 Duty Holster - Mid Ride Belt Slide - S&W M&P M2.0/1.0 | 40/45/9mm/10mm | 4in/4.25in Barrel | Carry Comp - Matte Black - Left Hand - Large Light - No Axon - Bag Packaging	Each	$164.79	$329.58

Subtotal	$30,791.28
Trade In Value	$0.00
Shipping and Handling	$25.00
Tax	$0.00
Quote Grand Total	$30,816.28

Payment Details

Net 30	✓	Number of Days Quote Valid	Quote Valid 30 Days
Credit Card	☐		

If Making Payment Via Credit Card, Please Call

RETURNED GOODS POLICY

Please note that returned goods must have prior authorization.

DEFECTIVE MERCHANDISE POLICY

Returns of defective merchandise must be made directly to the manufacturer for repair or replacement.

DAMAGED GOODS POLICY

For Prompt resolution, please notify us immediately upon receiving your shipment if you encounter any shortages or damages.

Supplying Premium Brands with Premium Service for over 79 years

VANCE'S LAW ENFORCEMENT

Send PO's To:
3723 Cleveland Ave
Columbus, OH 43224
Ph (614)471-0712

Remit Pymt To:
4250 Alum Creek Dr
Obetz, OH 43207
Ph (614)489-5025

614-471-0712

NOTE: CREDIT CARDS OVER $1,000 INCUR A 3% SURCHARGE

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GL NUMBER	DESCRIPTION	BALANCE AS OF 12/31/2024	BALANCE AS OF 12/31/2025	BALANCE AS OF 12/31/2026
Fund 207 - ROAD PATROL				
Fund Equity				
207-000-390.000	FUND BALANCE	2,311,023.69	2,187,998.38	2,074,916.77
Fund 214 - VOTED PRIMARY ROAD IMPROVEMENT				
Fund Equity				
214-000-390.000	FUND BALANCE	77,773.19	17,939.24	37,949.06
Fund 230 - RECYCLING				
Fund Equity				
230-000-390.000	FUND BALANCE	219,370.02	261,176.23	245,949.12
Fund 240 - VOTED MOSQUITO FUND				
Fund Equity				
240-000-390.000	FUND BALANCE - UNRESERVED	1,377,058.50	1,632,197.89	1,922,544.83
Fund 279 - VOTED MSU				
Fund Equity				
279-000-390.000	FUND BALANCE	113,411.63	143,420.12	196,319.57
Fund 295 - VOTED VETERANS				
Fund Equity				
295-000-390.000	FUND BALANCE	29,124.62	23,756.14	86,403.16
Fund 296 - VOTED BRIDGE				
Fund Equity				
296-000-390.000	FUND BALANCE	1,758,496.55	708,892.02	379,662.66
Fund 297 - VOTED SENIOR CITIZENS				
Fund Equity				
297-000-390.000	FUND BALANCE	138,635.52	143,954.14	0.30
Fund 298 - VOTED MEDICAL CARE FACILITY				
Fund Equity				
298-000-390.000	FUND BALANCE	1,097,227.86	1,286,229.17	1,100,704.78
Fund 299 - VOTED SENIOR CITIZEN HOME DELIVERED MALS				
Fund Equity				
299-000-390.000	FUND BALANCE	0.00	0.00	(10,272.31)

TUSCOLA COUNTY MOSQUITO ABATEMENT

1500 Press Drive
Caro, Michigan 48723-9291
989-672-3748 Phone ~ 989-672-3724 Fax
Larry Zapfe, Director

To: Tuscola County Board of Commissioners and Interim Administrator Mike Miller.

From: Larry Zapfe, Director

Date: July 27, 2026

Re: Request to purchase new mosquito fogger.

I would like to respectfully, request to purchase a new ULV fogger from Clarke Mosquito Control Products at a cost of $16,200.00. This new ULV fogger would simply replace an older model that has reached mechanical limits. This purchase was anticipated and planned for regarding the current 2026 Mosquito Abatement Budget. Funds would be removed from line-item number 240-100-970.030 ULV Sprayers.

Thank you for your time and consideration.

Larry Zapfe, Director

TUSCOLA COUNTY MOSQUITO ABATEMENT

1500 Press Drive
Caro, Michigan 48723-9291
989-672-3748 Phone ~ 989-672-3724 Fax
Larry Zapfe, Director

To: Tuscola County Board of Commissioners and Controller/Administrator Mike Miller.

From: Larry Zapfe, Director

Date: July 27, 2026

Re: Josh McAleese moved to vacant Assistant Night Shift Foreman position.

Following the move of Rick Domenick from Assistant Night Shift Foreman to Head Night Shift Foreman, I would like to respectfully request that Josh McAleese fill the vacant position on Assistant Night Shift Foreman position, effective Monday August 3rd, at step 1 of the pay scale of $17.75 per hour.

Thank you for your time and consideration.