

County of Wexford,
Michigan



Year Ended
December 31, 2023

Financial
Statements and
Single Audit Act
Compliance

Rehmann

COUNTY OF WEXFORD, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

June 27, 2024

Honorable Members of the
Board of Commissioners
County of Wexford, Michigan
Cadillac, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Wexford, Michigan** (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Wexford, Michigan, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Cadillac-Wexford Transit Authority, Wexford County Airport Authority, Cadillac-Wexford Public Library or Wexford County Road Commission discretely presented component units, which collectively represent 100 percent of the total assets and deferred outflows of resources, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wexford County Road Commission were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, 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.

Rehmann Johnson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

As management of the County of Wexford, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$28,800,399 (net position). Of this amount, \$10,722,779 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$6,651,003.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,761,026, an increase of \$2,537,108 in comparison with the prior year. Approximately 83.5 percent of this total amount, or \$11,488,424, represents unassigned fund balance of the General Fund. The unassigned fund balance of the General Fund was 71.9 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) 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 legislative, judicial, general government, public safety, public works, health and welfare, recreation and culture, and community and economic development. The business-type activities of the County primarily include delinquent tax collection and administration, landfill, water and wastewater systems, and other activities.

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County reports a variety of governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and change in fund balances for the General Fund, Public Safety, Community Development Block Grant, Opioid Settlement and Commission on Aging, all of which are considered to be major funds. Data from the nonmajor 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 is legally obligated to adopt an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided for these major funds to demonstrate compliance with this budget.

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Delinquent Tax funds, the Unrestricted Treasurer's Fund, and other nonmajor enterprise fund activities. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management and employee benefit programs. One internal service fund, that more significantly benefits governmental rather than business-type functions, is included within governmental activities in the government-wide financial statements.

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the 2021 Delinquent Tax, 2022 Delinquent Tax and Unrestricted Treasurer's funds, each of which are considered to be major proprietary funds of the County. The County's internal service fund is presented in the proprietary fund financial statements in the Internal Service Funds column.

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management discussion and analysis and the schedules for the County pension plan.

Government-Wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,800,399 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 25,863,947	\$ 23,671,860	\$ 11,704,391	\$ 11,657,503	\$ 37,568,338	\$ 35,329,363
Capital assets, net	24,665,268	20,984,029	1,284,827	1,332,400	25,950,095	22,316,429
Total assets	50,529,215	44,655,889	12,989,218	12,989,903	63,518,433	57,645,792
Deferred outflows of resources	3,282,982	4,915,191	-	-	3,282,982	4,915,191
Long-term liabilities	27,945,185	29,233,038	313,500	300,000	28,258,685	29,533,038
Other liabilities	5,556,819	6,776,316	580,713	663,155	6,137,532	7,439,471
Total liabilities	33,502,004	36,009,354	894,213	963,155	34,396,217	36,972,509
Deferred inflows of resources	3,604,799	3,439,078	-	-	3,604,799	3,439,078
Net position:						
Net investment in capital assets	10,869,775	6,890,775	1,284,827	1,332,400	12,154,602	8,223,175
Restricted	4,811,742	3,947,368	1,111,276	1,065,558	5,923,018	5,012,926
Unrestricted (deficit)	1,023,877	(715,495)	9,698,902	9,628,790	10,722,779	8,913,295
Total net position	\$ 16,705,394	\$ 10,122,648	\$ 12,095,005	\$ 12,026,748	\$ 28,800,399	\$ 22,149,396

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

A substantial portion of the County's net position, \$12,154,602 (42.2 percent), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$5,923,018 (20.6 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net position of \$10,722,779 (37.2 percent) to meet its ongoing obligations to citizens and creditors.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 4,741,396	\$ 4,321,577	\$ 568,464	\$ 528,867	\$ 5,309,860	\$ 4,850,444
Operating grants	4,660,499	4,302,944	323,716	94,001	4,984,215	4,396,945
Capital grants	3,730,967	-	-	-	3,730,967	-
General revenues:						
Property taxes	11,490,371	10,865,974	-	-	11,490,371	10,865,974
State shared revenue	766,297	729,357	-	-	766,297	729,357
Grants and contributions not restricted to specific programs	1,777,022	960,588	-	-	1,777,022	960,588
Unrestricted investment earnings (loss)	126,473	(9,795)	-	-	126,473	(9,795)
Rental income	89,923	101,672	-	-	89,923	101,672
Other	590,355	868,876	-	-	590,355	868,876
Total revenues	27,973,303	22,141,193	892,180	622,868	28,865,483	22,764,061
Expenses:						
Legislative	123,610	75,850	-	-	123,610	75,850
Judicial	4,859,722	4,532,980	-	-	4,859,722	4,532,980
General government	5,712,631	5,966,998	-	-	5,712,631	5,966,998
Public safety	8,089,564	7,659,059	-	-	8,089,564	7,659,059
Public works	60,132	70,462	-	-	60,132	70,462
Health and welfare	2,556,886	2,464,207	-	-	2,556,886	2,464,207
Recreation and culture	154,774	6,493	-	-	154,774	6,493
Community and economic development	38,550	8,661	-	-	38,550	8,661
Interest and fiscal charges	362,238	379,349	-	-	362,238	379,349
Tax collection	-	-	89,324	92,616	89,324	92,616
Landfill	-	-	13,500	(489,900)	13,500	(489,900)
Water and wastewater	-	-	108,730	161,315	108,730	161,315
Other	-	-	44,819	46,613	44,819	46,613
Total expenses	21,958,107	21,164,059	256,373	(189,356)	22,214,480	20,974,703

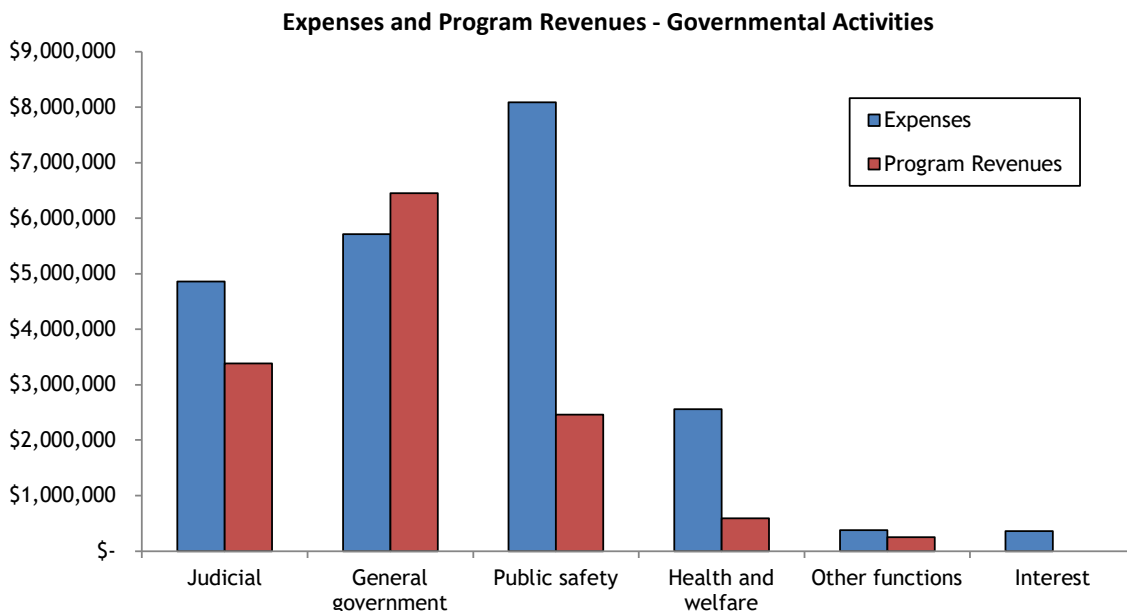
COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Change in net position before transfers	\$ 6,015,196	\$ 977,134	\$ 635,807	\$ 812,224	\$ 6,651,003	\$ 1,789,358
Transfers	567,550	573,133	(567,550)	(573,133)	-	-
Change in net position	6,582,746	1,550,267	68,257	239,091	6,651,003	1,789,358
Net position:						
Beginning of year	10,122,648	8,572,381	12,026,748	11,787,657	22,149,396	20,360,038
End of year	\$ 16,705,394	\$ 10,122,648	\$ 12,095,005	\$ 12,026,748	\$ 28,800,399	\$ 22,149,396

Governmental Activities. Governmental activities increased the County's net position by \$6,582,746. Key components of the current year activity are as follows:

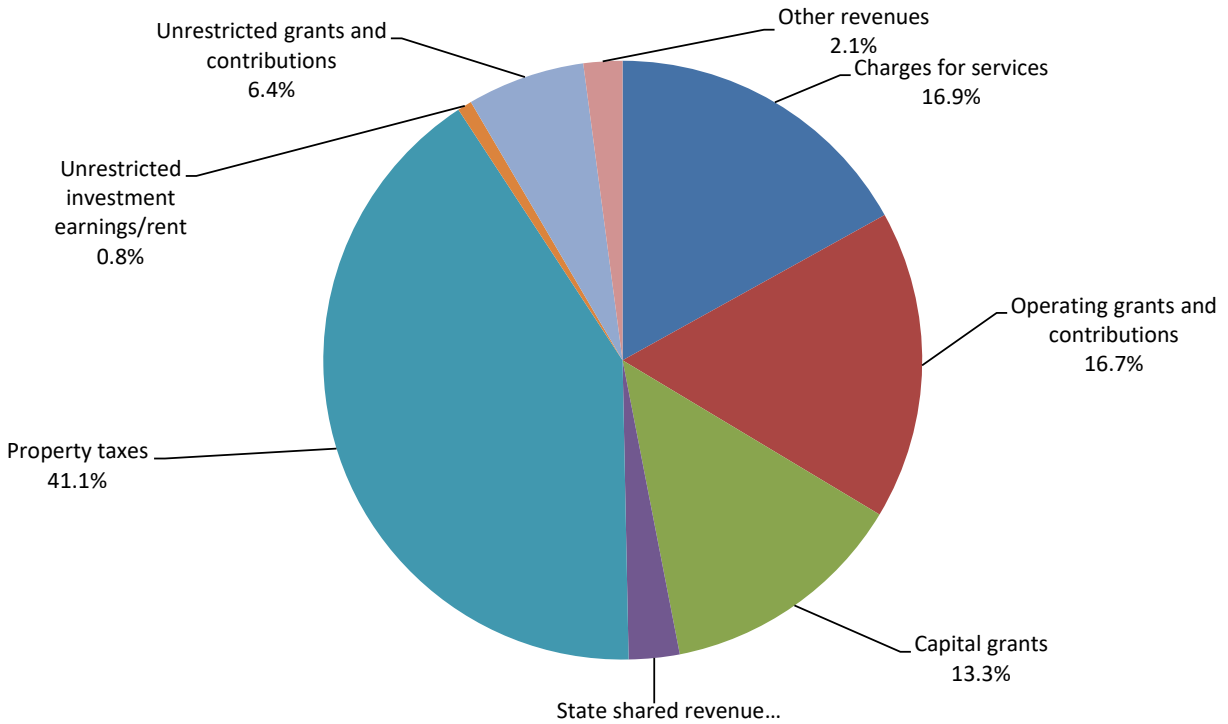
- Total revenue increased by \$5,832,110. Capital grants increased by \$3,730,967 due to the donation of the district 10 health department building. Grants and contributions not restricted to specific programs increased by \$816,434 due to American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) funding, which was recognized as revenue with the related expenses incurred. Property tax revenue increased \$624,397 due to an increase in property tax values.
- Total expenses increased by \$794,048, primarily as a result of an increase in judicial expenses of \$326,742 and public safety expenses of \$430,505. Increases in judicial expenses is due mostly to increased utilization of Indigent services. Public safety increases were due to increased staffing for housing inmates from other counties.



COUNTY OF WEXFORD, MICHIGAN

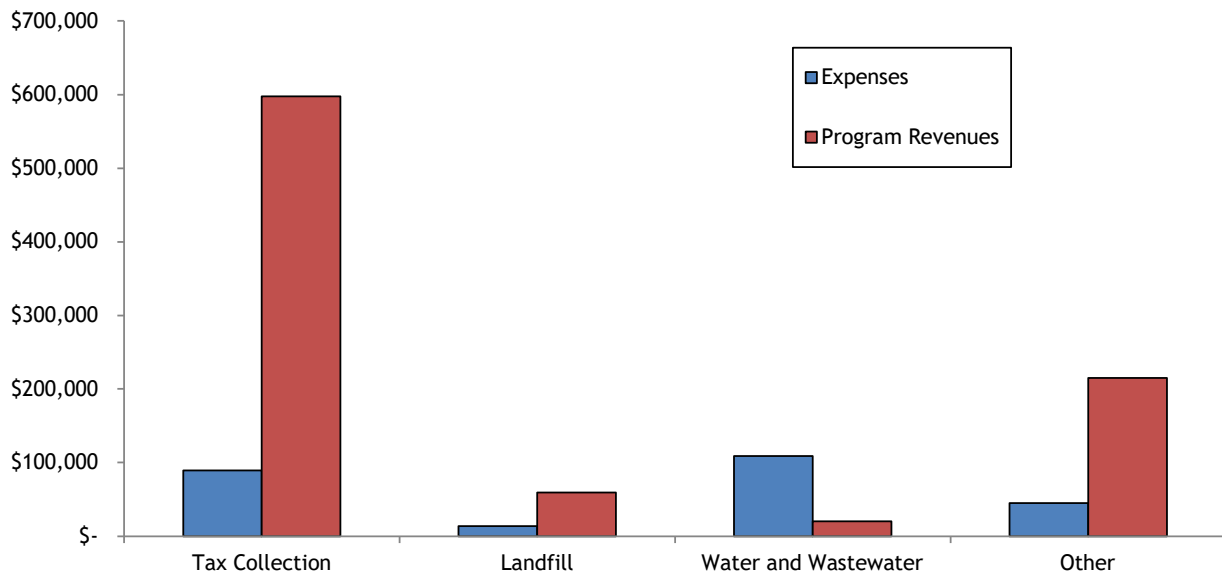
Management's Discussion and Analysis

Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities increased the County’s net position by \$68,257. The primary reason for the change in net position as compared to the prior year increase of \$239,091 is due to changes in remediation liabilities in the Landfill fund.

Expenses and Program Revenues - Business-type Activities



COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,761,026, an increase of \$2,537,108. Of this amount, 83.5 percent (\$11,488,424) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it is classified as one of the following: A) nonspendable (\$97,017); B) restricted for use per various external agreements (\$2,099,908); or C) committed for various purposes (\$75,677).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,488,424 while total fund balance amounted to \$11,597,179. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 71.9 percent of total General Fund expenditures, while total fund balance represents 72.6 percent of that same amount.

The fund balance of the County's General Fund increased by \$2,406,306 during the current fiscal year. Key factors in this change are as follows:

- Property taxes continue to trend upward, increasing by \$540,856.
- Intergovernmental revenues increased by \$910,862, which was due to recognizing revenue related to ARPA funding.

The fund balance of the Public Safety special revenue fund, which accounts for the proceeds from a voted millage that is to provide public safety services to County residents, increased by \$27,761 during the year, and ending fund balance totaled \$170,570.

The fund balance of the Community Development Block Grant special revenue fund, which accounts for the expenditure of grants received from HUD and the repayment of loans made to residents, increased by \$38,468 during the year, and ending fund balance totaled \$105,342.

The opioid settlement fund increased its fund balance by \$183,406, of which the full amount is restricted. The increase in the current year was a result of the County beginning to receive settlement payments from opioid manufacturers but not yet expending the revenue received.

The fund balance of the Commission on Aging special revenue fund, which accounts for the expenditures and revenues of the planning and coordinating services for senior citizens, decreased by \$26,694 during the year, and ending fund balance totaled \$5,954.

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

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

The net position of the 2021 Delinquent Tax fund, which accounts for the collection and remittance of delinquent property taxes levied in 2021, increased by \$158,696 during the year, and ending net position totaled \$441,491.

The net position of the 2022 Delinquent Tax fund, which accounts for the collection and remittance of delinquent property taxes levied in 2022, increased by \$306,764 during the year, and ending net position totaled \$307,750.

The net position of the Unrestricted Treasurer's fund, which accounts for the surplus accumulated through the collection, administration and operation of each delinquent tax fund, increased by \$36,499 during the year, and ending net position totaled \$7,282,358.

General Fund Budgetary Highlights

During the year, there was a \$974,685 increase in appropriations (including transfers out) between the original and final amended budget. Significant increases primarily related to general government (\$845,716). The budgeted increase was primarily due to special projects to be paid from ARPA funds. The actual expenditures for the year were \$521,290 less than the original budget and \$1,466,400 less than the amended budget.

The General Fund budgeted for a decrease in fund balance of \$241,073 and the actual increase in fund balance was \$2,406,306. Significant budgetary variances are as follows:

- The General fund received \$984,936 more revenues than budgeted due primarily to ARPA grant revenues, higher interest earnings and reimbursements for housing inmates from other counties.
- Overall, expenditures were under budget by \$1,466,400. Wages and benefit expenditures were significantly less due to various position vacancies during the year, impacting general government expenditures which were \$930,197 under budget and public safety expenditures which were \$654,888 under budget. Judicial expenditures were over budget by \$222,008 due to omission of amounts previously reported as fiduciary activities in the budget.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2023 amounted to \$25,950,095 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, motor vehicles, drains and utility systems and leased assets. The total increase of \$3,633,666 in the County's investment in capital assets for the current fiscal year was primarily a result of the donated district 10 health department building and replacement vehicles for County departments.

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 211,925	\$ 211,925	\$ -	\$ -	\$ 211,925	\$ 211,925
Construction in progress	398,025	363,385	-	-	398,025	363,385
Buildings and improvements	21,957,411	18,717,783	-	-	21,957,411	18,717,783
Land improvements	18,862	21,018	-	-	18,862	21,018
Equipment and furniture	866,524	680,184	-	-	866,524	680,184
Vehicles	994,894	742,090	-	-	994,894	742,090
Leased building	217,627	247,644	-	-	217,627	247,644
Water distribution system	-	-	1,284,827	1,332,400	1,284,827	1,332,400
Total capital assets, net	\$ 24,665,268	\$ 20,984,029	\$ 1,284,827	\$ 1,332,400	\$ 25,950,095	\$ 22,316,429

Long-term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$13,674,449.

	Long-Term Debt					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 3,156,394	\$ 3,425,725	\$ -	\$ -	\$ 3,156,394	\$ 3,425,725
USDA Community Facilities loans	10,270,000	10,459,000	-	-	10,270,000	10,459,000
Compensated absences	248,055	333,521	-	-	248,055	333,521
Total long-term debt	\$ 13,674,449	\$ 14,218,246	\$ -	\$ -	\$ 13,674,449	\$ 14,218,246

The County's total long-term debt decreased as a result of the County making its scheduled debt payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$122,573,957, which is significantly higher than the County's outstanding general obligation debt. Additional information regarding capital assets and long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- The County continues to contribute higher rates to the retirement plan in efforts to increase the pension plan funded ratio.

COUNTY OF WEXFORD, MICHIGAN

Management's Discussion and Analysis

- Health insurance continues to be a significant cost to the County and has been steadily increasing in recent years.
- The County continues to look for ways to improve the services it provides to its residents in a manner that is financially responsible.

The County considered these factors in preparing the County's budget for the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Wexford's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, may be addressed to the County Clerk, County Administration Building, 437 E. Division Street, Cadillac, Michigan 49601.

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BASIC FINANCIAL STATEMENTS

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COUNTY OF WEXFORD, MICHIGAN

Statement of Net Position

December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and short-term investments	\$ 17,831,418	\$ 8,828,500	\$ 26,659,918	\$ 10,991,528
Restricted cash and investments	-	1,424,776	1,424,776	-
Receivables	7,483,373	1,451,115	8,934,488	2,894,507
Inventories	-	-	-	2,003,545
Prepays	549,156	-	549,156	125,421
Net OPEB asset	-	-	-	114,080
Capital assets not being depreciated/amortized	609,950	-	609,950	9,626,259
Capital assets being depreciated/amortized, net	24,055,318	1,284,827	25,340,145	46,898,466
Total assets	50,529,215	12,989,218	63,518,433	72,653,806
Deferred outflows of resources				
Deferred charge on refunding	38,196	-	38,196	-
Deferred pension amounts	3,244,786	-	3,244,786	3,894,916
Deferred other postemployment benefits amounts	-	-	-	17,022
Total deferred outflows of resources	3,282,982	-	3,282,982	3,911,938
Liabilities				
Payables	1,526,610	580,713	2,107,323	1,128,621
Unearned revenue	4,030,209	-	4,030,209	55,260
Bonds, loans and other long-term liabilities:				
Due within one year	748,162	-	748,162	266,390
Due in more than one year	13,149,806	-	13,149,806	47,583
Landfill remediation liability (due in more than one year)	-	313,500	313,500	-
Net pension liability (due in more than one year)	14,047,217	-	14,047,217	1,588,349
Total liabilities	33,502,004	894,213	34,396,217	3,086,203
Deferred inflows of resources				
Deferred lease amounts	86,691	-	86,691	-
Property taxes levied for subsequent year	3,504,429	-	3,504,429	967,079
Deferred pension amounts	13,679	-	13,679	43,010
Total deferred inflows of resources	3,604,799	-	3,604,799	1,010,089
Net position				
Net investment in capital assets	10,869,775	1,284,827	12,154,602	56,524,725
Restricted for:				
OPEB	-	-	-	114,080
Public library	-	-	-	43,971
Public safety	1,244,528	-	1,244,528	-
Health and welfare	2,148,117	-	2,148,117	-
Community and economic development	1,419,097	-	1,419,097	-
Landfill	-	1,111,276	1,111,276	-
Unrestricted	1,023,877	9,698,902	10,722,779	15,786,676
Total net position	\$ 16,705,394	\$ 12,095,005	\$ 28,800,399	\$ 72,469,452

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 123,610	\$ -	\$ -	\$ -	\$ (123,610)
Judicial	4,859,722	1,004,177	2,381,704	-	(1,473,841)
General government	5,712,631	1,301,249	1,418,366	3,730,967	737,951
Public safety	8,089,564	1,934,388	522,091	-	(5,633,085)
Public works	60,132	220,369	-	-	160,237
Health and welfare	2,556,886	251,473	338,338	-	(1,967,075)
Recreation and culture	154,774	-	-	-	(154,774)
Community and economic development	38,550	29,740	-	-	(8,810)
Interest and fiscal charges	362,238	-	-	-	(362,238)
Total governmental activities	21,958,107	4,741,396	4,660,499	3,730,967	(8,825,245)
Business-type activities:					
Tax collection	89,324	540,557	57,064	-	508,297
Landfill	13,500	-	59,218	-	45,718
Water and wastewater	108,730	-	20,346	-	(88,384)
Other	44,819	27,907	187,088	-	170,176
Total business-type activities	256,373	568,464	323,716	-	635,807
Total primary government	\$ 22,214,480	\$ 5,309,860	\$ 4,984,215	\$ 3,730,967	\$ (8,189,438)
Component units					
Transit Authority	\$ 4,142,659	\$ 532,627	\$ 2,619,978	\$ 1,609,436	\$ 619,382
Airport Authority	677,973	351,057	83,000	45,000	(198,916)
Public Library	1,266,345	7,859	201,022	27,134	(1,030,330)
Road Commission	10,573,726	2,314,822	8,925,501	347,208	1,013,805
Total component units	\$ 16,660,703	\$ 3,206,365	\$ 11,829,501	\$ 2,028,778	\$ 403,941

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COUNTY OF WEXFORD, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenue (expense)	\$ (8,825,245)	\$ 635,807	\$ (8,189,438)	\$ 403,941
General revenues:				
Property taxes	11,490,371	-	11,490,371	1,556,918
State shared revenue	766,297	-	766,297	-
Grants and contributions not restricted to specific programs	1,777,022	-	1,777,022	105,312
Unrestricted investment earnings	126,473	-	126,473	297,317
Rental income	89,923	-	89,923	-
Gain on sale of capital assets	-	-	-	122,187
Other revenue	590,355	-	590,355	217,380
Transfers - internal activities	567,550	(567,550)	-	-
Total general revenues and transfers	15,407,991	(567,550)	14,840,441	2,299,114
Change in net position	6,582,746	68,257	6,651,003	2,703,055
Net position, beginning of year	10,122,648	12,026,748	22,149,396	69,766,397
Net position, end of year	<u>\$ 16,705,394</u>	<u>\$ 12,095,005</u>	<u>\$ 28,800,399</u>	<u>\$ 72,469,452</u>

concluded

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

COUNTY OF WEXFORD, MICHIGAN

Balance Sheet

Governmental Funds
December 31, 2023

	General Fund	Public Safety	Community Development Block Grant	Opioid Settlement	Commission on Aging
Assets					
Cash and short-term investments	\$ 15,009,730	\$ 346,027	\$ 105,342	\$ 183,406	\$ 126,957
Accounts receivable	278,872	-	-	1,459,231	-
Property taxes receivable	516,418	1,565,138	-	-	1,079,394
Interest receivable	14,560	-	-	-	-
Due from other governments	444,354	-	-	-	-
Leases receivable	82,348	-	-	-	-
Loans receivable	-	-	1,208,804	-	-
Prepays	53,218	-	-	-	-
Total assets	\$ 16,399,500	\$ 1,911,165	\$ 1,314,146	\$ 1,642,637	\$ 1,206,351
Liabilities					
Accounts payable	\$ 581,516	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	346,046	-	-	-	-
Unearned revenue	3,788,068	-	-	-	-
Total liabilities	4,715,630	-	-	-	-
Deferred inflows of resources					
Unavailable revenue - loans	-	-	1,208,804	-	-
Unavailable revenue - opioid settlement	-	-	-	1,459,231	-
Deferred lease amounts	86,691	-	-	-	-
Property taxes levied for subsequent year	-	1,740,595	-	-	1,200,397
Total deferred inflows of resources	86,691	1,740,595	1,208,804	1,459,231	1,200,397
Fund balances					
Nonspendable	53,218	-	-	-	-
Restricted	1,951	170,570	105,342	183,406	5,954
Committed	53,586	-	-	-	-
Unassigned	11,488,424	-	-	-	-
Total fund balances	11,597,179	170,570	105,342	183,406	5,954
Total liabilities, deferred inflows of resources and fund balances	\$ 16,399,500	\$ 1,911,165	\$ 1,314,146	\$ 1,642,637	\$ 1,206,351

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,773,363	\$ 17,544,825
256,838	1,994,941
506,644	3,667,594
-	14,560
70,772	515,126
-	82,348
-	1,208,804
43,799	97,017
<u>\$ 2,651,416</u>	<u>\$ 25,125,215</u>
\$ 73,314	\$ 654,830
73,949	419,995
242,141	4,030,209
<u>389,404</u>	<u>5,105,034</u>
-	1,208,804
-	1,459,231
-	86,691
563,437	3,504,429
<u>563,437</u>	<u>6,259,155</u>
43,799	97,017
1,632,685	2,099,908
22,091	75,677
-	11,488,424
<u>1,698,575</u>	<u>13,761,026</u>
<u>\$ 2,651,416</u>	<u>\$ 25,125,215</u>

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COUNTY OF WEXFORD, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
 To Net Position of Governmental Activities
 December 31, 2023

Fund balances - total governmental funds \$ 13,761,026

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated/amortized	609,950
Capital assets being depreciated/amortized, net	24,055,318

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.

Unavailable loans receivable	1,208,804
Unavailable opioid settlement receivable	1,459,231

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

Net position of governmental activities accounted for in internal service fund - self-insurance	430,571
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Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

Net pension liability	(14,047,217)
Deferred outflows related to the net pension liability	3,244,786
Deferred inflows related to the net pension liability	(13,679)

Certain liabilities, such as bonds and loans payable are not due and payable in the current period, and therefore are not reported in the funds.

Bonds, loans and other long-term liabilities	(13,649,913)
Compensated absences	(248,055)
Deferred charge on refunding	38,196
Accrued interest on long-term debt	(143,624)

Net position of governmental activities \$ 16,705,394

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2023

	General Fund	Public Safety	Community Development Block Grant	Opioid Settlement	Commission on Aging
Revenues					
Taxes	\$ 8,246,291	\$ 1,626,471	\$ -	\$ -	\$ 1,091,053
Licenses and permits	17,030	-	-	-	-
Intergovernmental	5,480,309	42,810	-	-	82,365
Charges for services	2,315,812	-	76,782	250,851	-
Fines and forfeitures	406,599	-	-	-	-
Interest and rent	216,408	1,366	236	317	63
Other	350,744	5,014	-	-	-
Total revenues	17,033,193	1,675,661	77,018	251,168	1,173,481
Expenditures					
Current:					
Legislative	123,610	-	-	-	-
Judicial	3,530,629	-	-	-	-
General government	5,221,432	-	-	-	-
Public safety	6,135,364	-	-	-	-
Public works	55,433	-	-	-	-
Health and welfare	602,801	-	-	67,762	1,200,175
Recreation and culture	55,812	-	-	-	-
Community and economic development	-	-	38,550	-	-
Capital outlay	248,294	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	15,973,375	-	38,550	67,762	1,200,175
Revenues over (under) expenditures	1,059,818	1,675,661	38,468	183,406	(26,694)
Other financing sources (uses)					
Transfers in	1,812,265	-	-	-	-
Transfers out	(465,777)	(1,647,900)	-	-	-
Total other financing sources (uses)	1,346,488	(1,647,900)	-	-	-
Net change in fund balances	2,406,306	27,761	38,468	183,406	(26,694)
Fund balances, beginning of year	9,190,873	142,809	66,874	-	32,648
Fund balances, end of year	\$ 11,597,179	\$ 170,570	\$ 105,342	\$ 183,406	\$ 5,954

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

Nonmajor Governmental Funds		Total Governmental Funds	
\$	526,556	\$	11,490,371
	14,433		31,463
	2,583,666		8,189,150
	383,741		3,027,186
	-		406,599
	4,397		222,787
	4,954		360,712
	<u>3,517,747</u>		<u>23,728,268</u>
	-		123,610
	1,170,731		4,701,360
	196,688		5,418,120
	1,466,546		7,601,910
	-		55,433
	685,539		2,556,277
	-		55,812
	-		38,550
	111,110		359,404
	485,781		485,781
	<u>362,453</u>		<u>362,453</u>
	<u>4,478,848</u>		<u>21,758,710</u>
	<u>(961,101)</u>		<u>1,969,558</u>
	979,615		2,791,880
	<u>(110,653)</u>		<u>(2,224,330)</u>
	<u>868,962</u>		<u>567,550</u>
	(92,139)		2,537,108
	<u>1,790,714</u>		<u>11,223,918</u>
\$	<u><u>1,698,575</u></u>	\$	<u><u>13,761,026</u></u>

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COUNTY OF WEXFORD, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
 To Change in Net Position of Governmental Activities
 For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds \$ 2,537,108

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

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

Purchase/construction of capital assets	768,581
Donated capital assets	3,730,967
Depreciation/amortization expense	(801,575)
Loss on disposal of capital assets	(16,734)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Net change in unavailable loans receivable	(76,782)
Net change in unavailable opioid settlement receivable	590,355

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

Principal payments on bonds, loans and other long-term liabilities	485,781
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	215
Change in the accrual for compensated absences	85,466
Change in the net pension liability and related deferred amounts	(870,200)

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

Investment earnings from internal service fund - self-insurance	495
Operating income from governmental activities in internal service fund - self-insurance	149,069

Change in net position of governmental activities \$ 6,582,746

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 8,222,817	\$ 8,222,817	\$ 8,246,291	\$ 23,474
Licenses and permits	16,475	16,475	17,030	555
Intergovernmental	4,528,085	5,271,001	5,480,309	209,308
Charges for services	2,161,495	2,161,495	2,315,812	154,317
Fines and forfeitures	38,600	38,600	406,599	367,999
Interest and rent	103,784	103,784	216,408	112,624
Other	212,850	234,085	350,744	116,659
Total revenues	15,284,106	16,048,257	17,033,193	984,936
Expenditures				
Current:				
Legislative	118,769	123,469	123,610	141
Judicial	3,288,351	3,308,621	3,530,629	222,008
General government	5,305,913	6,151,629	5,221,432	(930,197)
Public safety	6,725,403	6,790,252	6,135,364	(654,888)
Public works	66,600	66,600	55,433	(11,167)
Health and welfare	713,400	713,400	602,801	(110,599)
Recreation and culture	56,500	56,500	55,812	(688)
Capital outlay	219,729	229,304	248,294	18,990
Total expenditures	16,494,665	17,439,775	15,973,375	(1,466,400)
Revenues over (under) expenditures	(1,210,559)	(1,391,518)	1,059,818	2,451,336
Other financing sources (uses)				
Transfers in	1,817,647	1,827,222	1,812,265	(14,957)
Transfers out	(647,202)	(676,777)	(465,777)	(211,000)
Total other financing sources (uses)	1,170,445	1,150,445	1,346,488	196,043
Net change in fund balance	(40,114)	(241,073)	2,406,306	2,647,379
Fund balance, beginning of year	9,190,873	9,190,873	9,190,873	-
Fund balance, end of year	\$ 9,150,759	\$ 8,949,800	\$ 11,597,179	\$ 2,647,379

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,590,400	\$ 1,590,400	\$ 1,626,471	\$ 36,071
Intergovernmental	60,000	60,000	42,810	(17,190)
Interest and rent	-	-	1,366	1,366
Other	-	-	5,014	5,014
Total revenues	1,650,400	1,650,400	1,675,661	25,261
Other financing uses				
Transfers out	(1,647,900)	(1,647,900)	(1,647,900)	-
Net change in fund balance	2,500	2,500	27,761	25,261
Fund balance, beginning of year	142,809	142,809	142,809	-
Fund balance, end of year	\$ 145,309	\$ 145,309	\$ 170,570	\$ 25,261

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Development Block Grant Special Revenue Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 94,990	\$ 94,990	\$ 76,782	\$ (18,208)
Interest and rent	10	10	236	226
Total revenues	95,000	95,000	77,018	(17,982)
Expenditures				
Current:				
Community and economic development	95,000	95,000	38,550	(56,450)
Net change in fund balance	-	-	38,468	38,468
Fund balance, beginning of year	66,874	66,874	66,874	-
Fund balance, end of year	<u>\$ 66,874</u>	<u>\$ 66,874</u>	<u>\$ 105,342</u>	<u>\$ 38,468</u>

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Opioid Settlement Special Revenue Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ -	\$ 134,369	\$ 250,851	\$ 116,482
Interest and rent	-	-	317	317
Total revenues	-	134,369	251,168	116,799
Expenditures				
Current:				
Health and welfare	-	110,240	67,762	(42,478)
Net change in fund balance	-	24,129	183,406	159,277
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 24,129	\$ 183,406	\$ 159,277

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Special Revenue Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,113,900	\$ 1,113,900	\$ 1,091,053	\$ (22,847)
Intergovernmental	100,000	100,000	82,365	(17,635)
Interest and rent	-	-	63	63
Total revenues	1,213,900	1,213,900	1,173,481	(40,419)
Expenditures				
Current:				
Health and welfare	1,213,900	1,240,601	1,200,175	(40,426)
Net change in fund balance	-	(26,701)	(26,694)	7
Fund balance, beginning of year	32,648	32,648	32,648	-
Fund balance, end of year	\$ 32,648	\$ 5,947	\$ 5,954	\$ 7

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

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COUNTY OF WEXFORD, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds			
	2021 Delinquent Tax	2022 Delinquent Tax	Unrestricted Treasurer's Fund	Nonmajor Enterprise Funds
Assets				
Current assets:				
Cash and short-term investments	\$ 1,388,832	\$ 1,978,351	\$ 3,680,091	\$ 1,781,226
Accounts receivable	8,767	39,549	-	1,666
Taxes receivable	219,224	989,638	-	-
Accrued interest receivable	80,387	108,093	3,791	-
Prepays	-	-	-	-
Total current assets	1,697,210	3,115,631	3,683,882	1,782,892
Noncurrent assets:				
Restricted assets:				
Cash and short-term investments	-	-	-	119,944
Investments	-	-	-	1,304,832
Advance to other funds	-	-	3,598,476	465,124
Capital assets being depreciated, net	-	-	-	1,284,827
Total noncurrent assets	-	-	3,598,476	3,174,727
Total assets	1,697,210	3,115,631	7,282,358	4,957,619
Liabilities				
Current liabilities:				
Accounts payable	-	-	-	19,006
Accrued liabilities	-	-	-	-
Undistributed receipts	-	-	-	561,707
Total current liabilities	-	-	-	580,713
Noncurrent liabilities:				
Advance from other funds	1,255,719	2,807,881	-	-
Landfill remediation liability	-	-	-	313,500
Total noncurrent liabilities	1,255,719	2,807,881	-	313,500
Total liabilities	1,255,719	2,807,881	-	894,213
Net position				
Investment in capital assets	-	-	-	1,284,827
Restricted for landfill	-	-	-	1,111,276
Unrestricted	441,491	307,750	7,282,358	1,667,303
Total net position	\$ 441,491	\$ 307,750	\$ 7,282,358	\$ 4,063,406

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



Business-type Activities Enterprise Funds	Governmental Activities
Total	Internal Service Fund Self-Insurance

\$ 8,828,500	\$ 286,593
49,982	-
1,208,862	-
192,271	-
-	452,139
<u>10,279,615</u>	<u>738,732</u>

119,944	-
1,304,832	-
4,063,600	-
1,284,827	-
<u>6,773,203</u>	<u>-</u>
<u>17,052,818</u>	<u>738,732</u>

19,006	-
-	308,161
561,707	-
<u>580,713</u>	<u>308,161</u>

4,063,600	-
313,500	-
<u>4,377,100</u>	<u>-</u>
<u>4,957,813</u>	<u>308,161</u>

1,284,827	-
1,111,276	-
<u>9,698,902</u>	<u>430,571</u>
<u>\$ 12,095,005</u>	<u>\$ 430,571</u>

COUNTY OF WEXFORD, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			
	2021 Delinquent Tax	2022 Delinquent Tax	Unrestricted Treasurer's Fund	Nonmajor Enterprise Funds
Operating revenues				
Charges for services	\$ 37,928	\$ 111,892	\$ 10,267	\$ 56,928
Interest and penalties	94,204	173,827	-	78,607
Premiums - health insurance	-	-	-	-
Other	-	-	-	4,811
Total operating revenues	<u>132,132</u>	<u>285,719</u>	<u>10,267</u>	<u>140,346</u>
Operating expenses				
Contractual services	324	286	-	160,997
Employee health care and other insurance	-	-	-	-
Repairs and maintenance	-	-	-	293
Depreciation	-	-	-	47,573
Other services and charges	-	-	11,819	35,081
Total operating expenses	<u>324</u>	<u>286</u>	<u>11,819</u>	<u>243,944</u>
Operating income (loss)	131,808	285,433	(1,552)	(103,598)
Nonoperating revenues				
Investment earnings	26,888	21,331	157,102	118,395
Income before transfers	<u>158,696</u>	<u>306,764</u>	<u>155,550</u>	<u>14,797</u>
Transfers				
Transfers in	-	-	421,249	32,750
Transfers out	-	-	(540,300)	(481,249)
Total transfers	<u>-</u>	<u>-</u>	<u>(119,051)</u>	<u>(448,499)</u>
Change in net position	158,696	306,764	36,499	(433,702)
Net position, beginning of year	<u>282,795</u>	<u>986</u>	<u>7,245,859</u>	<u>4,497,108</u>
Net position, end of year	<u>\$ 441,491</u>	<u>\$ 307,750</u>	<u>\$ 7,282,358</u>	<u>\$ 4,063,406</u>

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



Business-type Activities Enterprise Funds	Governmental Activities
Total	Internal Service Fund Self-Insurance
\$ 217,015	\$ -
346,638	-
-	1,837,661
4,811	-
<hr/>	<hr/>
568,464	1,837,661
161,607	-
-	1,688,592
293	-
47,573	-
46,900	-
<hr/>	<hr/>
256,373	1,688,592
312,091	149,069
323,716	495
<hr/>	<hr/>
635,807	149,564
453,999	-
(1,021,549)	-
<hr/>	<hr/>
(567,550)	-
68,257	149,564
12,026,748	281,007
<hr/>	<hr/>
\$ 12,095,005	\$ 430,571

COUNTY OF WEXFORD, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			
	2021 Delinquent Tax	2022 Delinquent Tax	Unrestricted Treasurer's Fund	Nonmajor Enterprise Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 899,742	\$ 1,956,320	\$ 6,476	\$ 468,943
Receipts from internal services provided	-	-	-	-
Payments to vendors	(324)	(21,100)	(11,819)	(261,088)
Delinquent taxes purchased	-	(2,807,881)	-	-
Net cash provided by (used in) operating activities	<u>899,418</u>	<u>(872,661)</u>	<u>(5,343)</u>	<u>207,855</u>
Cash flows from noncapital financing activities				
Net borrowing (repayment) of advances	(1,500,000)	2,807,881	(107,881)	(1,200,000)
Transfers in	-	-	421,249	32,750
Transfers out	-	-	(540,300)	(481,249)
Net cash provided by (used in) noncapital financing activities	<u>(1,500,000)</u>	<u>2,807,881</u>	<u>(226,932)</u>	<u>(1,648,499)</u>
Cash flows from investing activities				
Interest received	<u>26,888</u>	<u>21,331</u>	<u>157,102</u>	<u>59,177</u>
Net change in cash and short-term investments	<u>(573,694)</u>	<u>1,956,551</u>	<u>(75,173)</u>	<u>(1,381,467)</u>
Cash and short-term investments, beginning of year	<u>1,962,526</u>	<u>21,800</u>	<u>3,755,264</u>	<u>3,282,637</u>
Cash and short-term investments, end of year	<u><u>\$ 1,388,832</u></u>	<u><u>\$ 1,978,351</u></u>	<u><u>\$ 3,680,091</u></u>	<u><u>\$ 1,901,170</u></u>
Classified on the statement of net position as:				
Cash and short-term investments	\$ 1,388,832	\$ 1,978,351	\$ 3,680,091	\$ 1,781,226
Restricted cash and short-term investments	-	-	-	119,944
	<u><u>\$ 1,388,832</u></u>	<u><u>\$ 1,978,351</u></u>	<u><u>\$ 3,680,091</u></u>	<u><u>\$ 1,901,170</u></u>



Business-type Activities Enterprise Funds	Governmental Activities
Total	Internal Service Fund Self-Insurance

\$ 3,331,481	\$ -
-	1,837,723
(294,331)	(1,832,570)
<u>(2,807,881)</u>	<u>-</u>

<u>229,269</u>	<u>5,153</u>
----------------	--------------

-	-
453,999	-
<u>(1,021,549)</u>	<u>-</u>

<u>(567,550)</u>	<u>-</u>
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<u>264,498</u>	<u>495</u>
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(73,783)	5,648
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<u>9,022,227</u>	<u>280,945</u>
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<u>\$ 8,948,444</u>	<u>\$ 286,593</u>
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\$ 8,828,500	\$ 286,593
119,944	-

<u>\$ 8,948,444</u>	<u>\$ 286,593</u>
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COUNTY OF WEXFORD, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			
	2021 Delinquent Tax	2022 Delinquent Tax	Unrestricted Treasurer's Fund	Nonmajor Enterprise Funds
Cash flows from operating activities				
Operating income (loss)	\$ 131,808	\$ 285,433	\$ (1,552)	\$ (103,598)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	47,573
Change in landfill remediation liability	-	-	-	13,500
Change in:				
Accounts receivable	28,626	(39,549)	-	8,693
Taxes receivable	725,597	(989,638)	-	226,508
Accrued interest receivable	13,387	(108,093)	(3,791)	76,807
Prepays	-	-	-	-
Accounts payable	-	(20,814)	-	15,391
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	(449)
Undistributed receipts	-	-	-	(76,570)
Net cash provided by (used in) operating activities	<u>\$ 899,418</u>	<u>\$ (872,661)</u>	<u>\$ (5,343)</u>	<u>\$ 207,855</u>

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



Business-type Activities Enterprise Funds	Governmental Activities
	Internal Service Fund Self-Insurance
Total	

\$ 312,091 \$ 149,069

47,573 -

13,500 -

(2,230) 62

(37,533) -

(21,690) -

- (452,139)

(5,423) -

- 308,161

(449) -

(76,570) -

\$ 229,269 \$ 5,153

concluded

COUNTY OF WEXFORD, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2023

Custodial Funds

Assets

Cash and short-term investments

\$ 501,633

Liabilities

Undistributed receipts

420,184

Net position

Restricted for individuals, organizations
and other governments

\$ 81,449

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

COUNTY OF WEXFORD, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2023

	Custodial Funds
Additions	
Taxes collected for other governments	\$ 10,643,775
County clerk collections	100,654
Inmate trust collections	389,606
Library penal fine collections	<u>192,205</u>
Total additions	<u>11,326,240</u>
Deductions	
Payments of taxes to other governments	10,643,775
County clerk distributions	100,654
Inmate trust distributions	370,804
Library penal fine distributions	<u>192,205</u>
Total deductions	<u>11,307,438</u>
Change in net position	18,802
Net position, beginning of year	<u>62,647</u>
Net position, end of year	<u><u>\$ 81,449</u></u>

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

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Net Position Discretely Presented Component Units

	September 30, 2023	December 31, 2023			Total
	Cadillac Wexford Transit Authority	Wexford County Airport Authority	Cadillac Wexford Public Library	Wexford County Road Commission	
Assets					
Cash and short-term investments	\$ 2,119,062	\$ 269,184	\$ 678,488	\$ 7,924,794	\$ 10,991,528
Accounts receivable	94,239	1,295	100	-	95,634
Taxes receivable	-	-	967,079	-	967,079
Due from other governments	-	-	-	1,831,794	1,831,794
Inventories	-	43,337	-	1,960,208	2,003,545
Prepays	109,517	7,116	8,788	-	125,421
Net OPEB asset	-	-	-	114,080	114,080
Capital assets not being depreciated	445,960	125,000	-	9,055,299	9,626,259
Capital assets being depreciated, net	3,857,012	2,722,846	962,072	39,356,536	46,898,466
Total assets	6,625,790	3,168,778	2,616,527	60,242,711	72,653,806
Deferred outflows of resources					
Deferred pension amounts	670,868	-	208,893	3,015,155	3,894,916
Deferred other postemployment benefits amounts	-	-	-	17,022	17,022
Total deferred outflows of resources	670,868	-	208,893	3,032,177	3,911,938
Liabilities					
Accounts payable	80,383	3,779	8,885	59,062	152,109
Accrued liabilities	50,879	2,050	12,434	36,480	101,843
Due to other governments	-	-	-	874,669	874,669
Unearned revenue	-	8,056	1,209	45,995	55,260
Bonds, loans and other long-term liabilities:					
Due within one year	59,751	-	-	206,639	266,390
Due in more than one year	-	-	47,583	-	47,583
Net pension liability (due in more than one year)	823,923	-	635,406	129,020	1,588,349
Total liabilities	1,014,936	13,885	705,517	1,351,865	3,086,203
Deferred inflows of resources					
Property taxes levied for subsequent year	-	-	967,079	-	967,079
Deferred pension amounts	-	-	43,010	-	43,010
Total deferred inflows of resources	-	-	1,010,089	-	1,010,089
Net position					
Investment in capital assets	4,302,972	2,847,846	962,072	48,411,835	56,524,725
Restricted for:					
OPEB	-	-	-	114,080	114,080
Public library	-	-	43,971	-	43,971
Unrestricted	1,978,750	307,047	103,771	13,397,108	15,786,676
Total net position	\$ 6,281,722	\$ 3,154,893	\$ 1,109,814	\$ 61,923,023	\$ 72,469,452

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

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units

	For the Year Ended				Total
	September 30, 2023	December 31, 2023			
		Cadillac Wexford Transit Authority	Wexford County Airport Authority	Cadillac Wexford Public Library	
Expenses					
Transit Authority	\$ 4,142,659	\$ -	\$ -	\$ -	\$ 4,142,659
Airport Authority	-	677,973	-	-	677,973
Public Library	-	-	1,266,345	-	1,266,345
Road Commission	-	-	-	10,573,726	10,573,726
Total expenses	<u>4,142,659</u>	<u>677,973</u>	<u>1,266,345</u>	<u>10,573,726</u>	<u>16,660,703</u>
Program revenues					
Charges for services	532,627	351,057	7,859	2,314,822	3,206,365
Operating grants and contributions	2,619,978	83,000	201,022	8,925,501	11,829,501
Capital grants and contributions	1,609,436	45,000	27,134	347,208	2,028,778
Total program revenues	<u>4,762,041</u>	<u>479,057</u>	<u>236,015</u>	<u>11,587,531</u>	<u>17,064,644</u>
Net revenue (expense)	<u>619,382</u>	<u>(198,916)</u>	<u>(1,030,330)</u>	<u>1,013,805</u>	<u>403,941</u>
General revenues					
Property taxes	672,402	-	884,516	-	1,556,918
Grants and contributions not restricted to specific programs	-	-	105,312	-	105,312
Unrestricted investment earnings	24,522	3,083	47,280	222,432	297,317
Gain on sale of capital assets	-	-	-	122,187	122,187
Other revenue	12,804	-	12,665	191,911	217,380
Total general revenues	<u>709,728</u>	<u>3,083</u>	<u>1,049,773</u>	<u>536,530</u>	<u>2,299,114</u>
Change in net position	<u>1,329,110</u>	<u>(195,833)</u>	<u>19,443</u>	<u>1,550,335</u>	<u>2,703,055</u>
Net position, beginning of year	<u>4,952,612</u>	<u>3,350,726</u>	<u>1,090,371</u>	<u>60,372,688</u>	<u>69,766,397</u>
Net position, end of year	<u>\$ 6,281,722</u>	<u>\$ 3,154,893</u>	<u>\$ 1,109,814</u>	<u>\$ 61,923,023</u>	<u>\$ 72,469,452</u>

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

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Blended Component Unit

Wexford County Building Authority – The Wexford County Building Authority is governed by a board which is appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the Debt Service and Capital Projects Funds and has a December 31 year-end. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Cadillac-Wexford Transit Authority (the "Transit Authority") – The Transit Authority's purpose is to provide public transportation services to the general public within the County. The County appoints the members of the Transit Authority Board. The Transit Authority is financed by Federal and State subsidies as well as a countywide voted millage. The Transit Authority's fiscal year ends on September 30. The Transit Authority is audited individually and complete financial statements can be obtained from the Transit Authority at 951 Casa Road, Cadillac, Michigan 49601.

Wexford County Airport Authority (the "Airport Authority") – The Airport Authority was organized to own and operate the Wexford County Airport in Cadillac, Michigan. The County is financially responsible for a portion of their activities. The Airport Authority Board is composed of seven members, four of whom are appointed by the County, with the remainder appointed by the City of Cadillac. Consequently, the County exercises effective control of its activities. The Airport Authority is audited individually and complete financial statements can be obtained from the Airport Authority at 8040 West 34 Road, Cadillac, Michigan 49601.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Cadillac-Wexford Public Library (the "Library") – The Library provides library services to the Wexford County area from its facilities located in Cadillac, as well as branches in Tustin and Mesick. The County appoints the members of the Library's Board and provides financial support. The Library Board is composed of ten members, six of whom are appointed by the County, with the remainder appointed by the City of Cadillac. The Library is audited individually and complete financial statements can be obtained from the Library at 411 South Lake Street, Cadillac, Michigan 49601.

Wexford County Road Commission (the "Road Commission") – The Road Commission is responsible for the maintenance and construction of the County road system. The County appoints the members of the Road Commission and is a direct beneficiary of the services provided. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The Road Commission is audited individually and complete financial statements can be obtained from the Road Commission at 85 West M-115, Boon, Michigan 49601.

Complete financial statements for these discretely presented component units may be obtained at the entity's administrative offices listed above. Accordingly, the County has elected to omit substantially all note disclosures related to these component units in these financial statements.

Jointly Governed Organizations

District #10 Health Department (the "Health Department") – The County, in conjunction with nine other counties, has created the Health Department. The Board of the Health Department is composed of twenty members from each of the boards of the participating governments. The County appropriated \$216,186 to the Health Department for the year ended December 31, 2023.

Northern Lakes Community Mental Health ("NLCMH") – The County, in conjunction with five other counties, has created NLCMH. The Board of the NLCMH is composed of sixteen members from each of the boards of the participating governments. The County appropriated \$76,543 to the NLCMH for the year ended December 31, 2023.

Wexford-Missaukee Department of Human Services (the "DHS") – The County participates jointly in the operation of the DHS. The financial operations of the DHS are reported as a special revenue fund in the financial report of the County.

Government-wide and Fund Financial Statements

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days or within one year for expenditure driven grants. For property taxes, "available" is defined as collected within the current period or expected to be purchased by the delinquent tax revolving fund in the subsequent year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

The County reports the following major governmental funds:

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

The *Public Safety Special Revenue Fund* accounts for the proceeds from a voted millage that is to provide public safety services to County residents.

The *Community Development Block Grant Special Revenue Fund* accounts for the expenditure of grants from the U.S. Department of Housing and Urban Development as well as the repayment of loans made to residents of the County with funds from the same source.

The *Opioid Settlement Special Revenue Fund* accounts for the revenues and expenditures of the national opioid settlements.

The *Commission on Aging Special Revenue Fund* accounts for the revenues and expenditures of the planning and coordinating services for senior citizens.

The County reports the following major proprietary funds:

The *2021 Delinquent Tax Fund* accounts for the collection and remittance of delinquent property taxes levied in 2021. The fund will be closed out after the collection process has been completed.

The *2022 Delinquent Tax Fund* accounts for the collection and remittance of delinquent property taxes levied in 2022. The fund will be closed out after the collection process has been completed.

The *Unrestricted Treasurer's Fund* accounts for the surplus accumulated through the collection, administration, and operation of each specific delinquent tax fund. Use of this fund is subject to guidelines set forth in County Resolution 3-20, which has established the following priorities for use of these funds: 1) self-fund the delinquent tax distributions to various local governmental units; and 2) elimination of obligations for County debt where possible.

Additionally, the County reports the following fund types:

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

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

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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.

The *Internal Service Fund* accounts for the insurance activity of the County provided to other departments and funds on a cost reimbursement basis.

Custodial Funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The General Fund provides certain central services to other funds of the County which are presented as program expenses in the funds receiving services. The related General Fund revenue has been netted against program expense in the government-wide statement of activities.

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

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

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

Cash and Short-term Investments

The government's cash and short-term investments include amounts in demand deposit accounts, certificates of deposit and investments with original maturities of three months or less from the date of acquisition. Short-term investments, exclusive of certificates of deposit, are stated at fair value. Certificates of deposit are carried at cost plus accrued interest, since the original maturity dates are less than one year or the certificates are non-participating (i.e., there is no available market for trade prior to maturity).

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

State statutes and County policy authorize the County to invest in:

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

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

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

Bankers' acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The 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.

Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

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

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Restricted Assets

Assets which are restricted for specified uses by bond debt requirements, grant provisions or other external requirements are classified as restricted assets.

Restricted assets in the Landfill enterprise fund relate to cash and investments required by the Michigan Department of Environment, Great Lakes and Energy for the continuing remediation obligations and groundwater contamination cleanup.

Leases

Lessee. The County is a lessee for a noncancellable lease of a building. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. 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. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

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

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

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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

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

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, buildings and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets having a useful life in excess of three years and whose costs exceed \$10,000. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, infrastructure, buildings and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Years
Building/improvements	10-60
Vehicles	5-10
Equipment and furniture	5-15
Leased building	10
Water distribution system	40

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to its pension and OPEB plans. In addition, the County reports deferred outflows of resources for the charge on advance bond refunding reported in the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price.

Compensated Absences

Eligible employees are permitted to accumulate earned but unused sick and vacation pay benefits in varying amounts based on length of service and certain other established criteria. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Sick pay that is eligible to be paid out when employees separate from service with the County is also accrued in these same statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

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

Landfill Remediation Liability

The Wexford County Landfill was sold to a private entity on September 30, 2011. The County was determined by the Michigan Department of Environment, Great Lakes and Energy to have continuing remediation obligations for groundwater contamination cleanup which are reflected in the landfill remediation liability of \$313,500.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from loans and other long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources in the government-wide and governmental fund financial statements for property taxes levied during the year that are intended to finance future periods. In addition, the County reports deferred inflows of resources in the government-wide financial statements related to its pension plan. Finally, the County reports deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB assets/liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balances

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

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds and component units, 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. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

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. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. BUDGETARY INFORMATION

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General Fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. Debt service funds are also included in the budgetary process; however, State statutes do not require legally adopted budgets for such funds. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Each September, after receiving input from individual departments, the Board of Commissioners prepares an operating budget for the fiscal year commencing the first day of the following fiscal year.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.
4. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budgets are adopted and are authorized by resolution at the department level within funds by the County Board of Commissioners. This is the local legal level of budgetary control. All unexpended and unobligated appropriations lapse at year-end.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

6. Adoption and amendments of all budgets used by the County are governed by Public Act 621, which was followed during the year. The appropriations resolution is based on the projected expenditures budget of the department heads of the County. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the County Board of Commissioners.

3. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the department level basis for all governmental funds, which is the legal level of control. During the year ended December 31, 2023 the County incurred expenditures which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General Fund:			
Legislative:			
County commission	\$ 123,469	\$ 123,610	\$ 141
Judicial:			
District court	702,559	1,045,654	343,095
Family counseling	65,055	65,196	141
General government:			
Building and grounds - maintenance	6,770	7,058	288
Capital outlay	229,304	248,294	18,990

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances for the primary government at year-end:

Statement of Net Position

Cash and short-term investments	\$ 26,659,918
Restricted cash and investments	1,424,776

Statement of Fiduciary Net Position

Cash and short-term investments	<u>501,633</u>
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Total deposits and investments	<u><u>\$ 28,586,327</u></u>
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COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Deposits and investments

Bank deposits:	
Checking and savings accounts	\$ 22,997,473
Certificates of deposit (due within one year)	1,496,611
Investments:	
Money market	1,304,832
Michigan CLASS government investment pool	2,785,743
Cash on hand	<u>1,668</u>
Total deposits and investments	<u>\$ 28,586,327</u>

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments do not have fixed maturity dates.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$23,241,126 of the primary government's combined bank balance of \$24,732,251 was exposed to custodial credit risk because it was uninsured and uncollateralized. The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

Custodial Credit Risk – Investments. Investments are exposed to custodial credit risk if the securities are unsecured, unregistered or held by a counterparty or its agency but not in the government's name. All investments are held in the name of the County, and thus are not exposed to custodial credit risk.

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Fair Value. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. These levels are determined by the County's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary. The County had the following recurring fair value measurements as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market	\$ 1,304,832	\$ -	\$ -	\$ 1,304,832
Investments carried at net asset value:				
Michigan CLASS government investment pool				2,785,743
Total investments				\$ 4,090,575

The following is a description of the valuation methodology used for assets recorded at fair value. There have been no changes from the prior year in the methodologies used.

The money market investment classified as Level 1 of the fair value hierarchy is valued based on quoted market prices in active markets.

The County holds shares in Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in Michigan CLASS government investment pool was \$2,785,743. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts	\$ 1,994,941	\$ 49,982
Taxes (current)	3,667,594	-
Taxes (delinquent)	-	1,208,862
Interest	14,560	192,271
Due from other governments	515,126	-
Leases	82,348	-
Loans	1,208,804	-
	<u>\$ 7,483,373</u>	<u>\$ 1,451,115</u>

Of the amounts reported for accounts, loans and leases receivable, \$1,179,648, \$1,206,204, and \$62,756, respectively, are not expected to be collected within one year. The amount not expected to be collected within one year from accounts receivable is related to the opioid settlement as discussed in Note 20.

6. PAYABLES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 654,830	\$ 19,006
Accrued liabilities	728,156	-
Undistributed receipts	-	561,707
Interest	143,624	-
	<u>\$ 1,526,610</u>	<u>\$ 580,713</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year-end was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/ amortized					
Land	\$ 211,925	\$ -	\$ -	\$ -	\$ 211,925
Construction in progress	363,385	88,450	-	(53,810)	398,025
	<u>575,310</u>	<u>88,450</u>	<u>-</u>	<u>(53,810)</u>	<u>609,950</u>
Capital assets, being depreciated/ amortized:					
Buildings/improvements	23,417,202	3,730,967	-	-	27,148,169
Land improvements	21,557	-	-	-	21,557
Equipment and furniture	1,924,575	297,773	(215,011)	53,810	2,061,147
Vehicles	1,638,730	382,358	(259,666)	-	1,761,422
Lease building (Note 9)	277,662	-	-	-	277,662
	<u>27,279,726</u>	<u>4,411,098</u>	<u>(474,677)</u>	<u>53,810</u>	<u>31,269,957</u>
Less accumulated depreciation/ amortization for:					
Buildings/improvements	(4,699,419)	(491,339)	-	-	(5,190,758)
Land improvements	(539)	(2,156)	-	-	(2,695)
Equipment and furniture	(1,244,391)	(165,243)	215,011	-	(1,194,623)
Vehicles	(896,640)	(112,820)	242,932	-	(766,528)
Lease building (Note 9)	(30,018)	(30,017)	-	-	(60,035)
	<u>(6,871,007)</u>	<u>(801,575)</u>	<u>457,943</u>	<u>-</u>	<u>(7,214,639)</u>
Total capital assets being depreciated/ amortized, net	<u>20,408,719</u>	<u>3,609,523</u>	<u>(16,734)</u>	<u>53,810</u>	<u>24,055,318</u>
Governmental activities capital assets, net	<u>\$ 20,984,029</u>	<u>\$ 3,697,973</u>	<u>\$ (16,734)</u>	<u>\$ -</u>	<u>\$ 24,665,268</u>
Business-type Activities					
Capital assets, being depreciated:					
Water distribution system	\$ 1,902,928	\$ -	\$ -	\$ -	\$ 1,902,928
Less accumulated depreciation for:					
Water distribution system	(570,528)	(47,573)	-	-	(618,101)
Business-type activities capital assets, net	<u>\$ 1,332,400</u>	<u>\$ (47,573)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,284,827</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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

Depreciation/amortization of governmental activities by function

General government	\$ 279,351
Public safety	393,245
Recreation and culture	98,962
Judicial	30,017
	<u>801,575</u>
	<u>\$ 801,575</u>

Depreciation of business-type activities by function

Enterprise funds:	
Water and wastewater	<u>\$ 47,573</u>

At December 31, 2023, the County's governmental activities had outstanding commitments through construction contracts of approximately \$44,000.

8. BONDS, LOANS AND OTHER LONG-TERM LIABILITIES

Bonds, loans and other long-term liabilities activity for the year-end was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Public placement					
2016 Limited Tax General Obligation					
Refunding Bonds, \$3,360,000, due in annual installments of \$180,000 to \$275,000 through February 1, 2032, interest at 2.38%, payable semi-annually	\$ 2,400,000	\$ -	\$ (210,000)	\$ 2,190,000	\$ 215,000
2019 Limited Tax General Obligation					
Bonds, \$1,200,000, due in annual installments of \$56,362 to \$72,855 through May 1, 2038, interest at 2.60%, payable semi-annually	1,025,725	-	(59,331)	966,394	60,873
	<u>3,425,725</u>	<u>-</u>	<u>(269,331)</u>	<u>3,156,394</u>	<u>275,873</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities (concluded)					
Direct placement					
2016 USDA Community Facilities Loan Series 2016A, \$9,000,000, due in annual installments of \$130,000 to \$364,000 through August 1, 2056, interest at 2.75%, payable semi-annually	\$ 8,185,000	\$ -	\$ (148,000)	\$ 8,037,000	\$ 153,000
2016 USDA Community Facilities Loan Series 2016B, \$2,000,000, due in annual installments of \$29,000 to \$81,000 through August 1, 2056, interest at 2.75%, payable semi-annually	1,819,000	-	(33,000)	1,786,000	34,000
2016 USDA Community Facilities Loan Series 2016C, \$500,000, due in annual installments of \$7,000 to \$20,000 through August 1, 2056, interest at 2.75%, payable semi-annually	455,000	-	(8,000)	447,000	9,000
	<u>10,459,000</u>	<u>-</u>	<u>(189,000)</u>	<u>10,270,000</u>	<u>196,000</u>
Total governmental activities installment debt	13,884,725	-	(458,331)	13,426,394	471,873
Lease liability (Note 9)	250,969	-	(27,450)	223,519	28,234
Compensated absences	333,521	248,055	(333,521)	248,055	248,055
Total governmental activities	<u>\$ 14,469,215</u>	<u>\$ 248,055</u>	<u>\$ (819,302)</u>	<u>\$ 13,897,968</u>	<u>\$ 748,162</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for primary government installment long-term debt are as follows:

Year Ended December 31,	Governmental Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 275,873	\$ 73,898	\$ 196,000	\$ 282,425
2025	282,456	67,119	201,000	277,035
2026	289,080	60,179	206,000	271,508
2027	300,746	53,016	212,000	265,843
2028	312,455	45,573	217,000	260,012
2029-2033	1,378,877	112,598	1,138,000	1,167,293
2034-2038	316,907	21,022	1,343,000	1,041,893
2039-2043	-	-	1,540,000	846,614
2044-2048	-	-	1,765,000	622,848
2049-2053	-	-	2,021,000	366,465
2054-2056	-	-	1,431,000	83,875
	<u>\$ 3,156,394</u>	<u>\$ 433,405</u>	<u>\$ 10,270,000</u>	<u>\$ 5,485,811</u>

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund and all special revenue funds.

9. LEASES

Lessee - The County is involved in an agreement as a lessee that qualifies as a long-term lease. Below is a summary of the nature of this agreement. The agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the County will not own the asset at the end of the contract term and the noncancelable term of the agreements surpasses one year.

The leased building and the related activity are included in Note 7, Capital Assets. The lease liability and related activity are presented in Note 8, Bonds, Loans and Other Long-term Liabilities.

Remaining Term of Agreement

Asset Type

Building

8 years

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of December 31, 2023 were as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2024	\$ 28,234	\$ 2,894
2025	29,041	4,578
2026	29,870	6,437
2027	30,724	8,488
2028	31,602	10,748
2029-2031	74,048	33,667
Totals	\$ 223,519	\$ 66,812

Lessor - The County is involved in one agreement as a lessor that qualifies as a long-term lease. Below is a summary of this agreement. The agreement qualifies as a long-term lease agreement as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended December 31, 2023 was \$27,305.

Remaining Term of Agreement

Asset Type
Building

5 years

10. LANDFILL REMEDIATION LIABILITY

The County entered into an agreement in 2007 with the Michigan Department of Environment, Great Lakes and Energy requiring remedial action and operation and maintenance over a 30-year period for the Wexford County Landfill. The County and the MDEQ negotiated a settlement on this issue in an amount of \$4,040,000. The total future liability under this agreement is \$313,500 at December 31, 2023, an increase of \$13,500 from the balance of \$300,000 at December 31, 2022. The liability for this action plan was not assumed by the purchaser of the landfill, but remains with the County. The MDEQ mandated that \$1,100,000 of the sales proceeds be set aside in escrow for future payments on this liability. The balance of the escrow is reported as restricted investments in the landfill fund.

11. RISK MANAGEMENT

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

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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

The County manages its risks internally and has set aside assets for claim settlement in its Self-Insurance Internal Service Fund. This fund accounts for and finances the County's uninsured risk of loss. All funds of the County participate in the program and make payments to the fund based on estimated amounts required to pay prior and current year claims and to establish a reserve for catastrophic losses. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophic losses.

Self-Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an accumulation of case estimates for losses reported prior to the close of the accounting period and estimates for claims that have been incurred but not reported (including future claim adjustment expenses) based on past loss experience and consideration of current claim trends, as well as prevailing social, economic and local conditions.

The County is an individual member of the Michigan Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage. The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs. Changes in the balances of claims liabilities are as follows:

	Year Ended December 31,	
	2023	2022
Estimated liability, beginning of year	\$ 290,826	\$ 270,317
Estimated claims incurred	78,724	66,402
Claim payments	(61,389)	(45,893)
Estimated liability, end of year	\$ 308,161	\$ 290,826

12. PROPERTY TAXES

County General Fund property taxes are levied on July 1 of each year (the lien date) and are due in full by September 14, though they do not become delinquent until March 1 of the following year. For levies other than the General Fund, the lien date is December 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50 percent of the current estimated market value.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

The net taxable value of real and personal property for 2023, for which revenue was recognized in the General Fund, was \$1,225,739,569. The general operating tax rate for this levy was 6.6615 mills. The taxable value of real and personal property for 2022, for which revenue was recognized in all other funds, was \$1,141,037,480. The tax rates for these voted levies were 1.4246, 0.1964, 0.0981, 0.9825 and 0.1669 mills assessed for public safety, animal control, services provided to veterans, senior citizens and MSU extension, respectively.

13. CONTINGENT LIABILITIES

From time to time the County may be a defendant in various lawsuits. Although the outcome of any potential lawsuits is not presently determinable, in the opinion of the County and its Corporate Counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

14. PENSION BENEFIT PLANS

Defined Benefit Pension Plan

General Information About the Plan

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

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.5% to 2.5%. Participants are considered to be fully vested in the plan after 6 or 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, or age 55 with 25 years of service, depending on division/bargaining unit.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Employees Covered by Benefit Terms. At the December 31, 2022 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	127
Inactive employees entitled to but not yet receiving benefits	59
Active employees	<u>125</u>
Total membership	<u><u>311</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended December 31, 2023:

Division/Bargaining Unit	Status	Employer	Employee
01 - General	Closed	\$ 7,271	5.00%
02 - Sheriff 312	Closed	19,229	4.00%
11 - Court Employees	Closed	6,908	5.00%
12 - DPW Landfill Employees	Closed	699	2.04%
14 - Tech and Prof Assoc.	Closed	5,527	5.00%
15 - Non-Union	Closed	15,250	5.00%
16 - Elected Officials	Closed	7,948	4.08%
17 - Animal Control	Closed	378	5.00%
19 - Building Dept B	Closed	2,343	5.00%
20 - Dispatch	Closed	4,168	4.00%
21 - Command Officers Assoc.	Closed	14,205	6.98%
23 - Sheriff Non 312	Closed	9,838	5.00%
24 - Comm Correction	Closed	4,631	5.00%
HA - New Hires after 4/1/11	Open	8.21%	0.00%

Net Pension Liability. The County's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.25%</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2022	\$ 37,951,564	\$ 23,187,741	\$ 14,763,823
Changes for the year:			
Service cost	598,035	-	598,035
Interest	2,691,311	-	2,691,311
Differences between expected and actual experience	335,845	-	335,845
Employer contributions	-	1,607,145	(1,607,145)
Employee contributions	-	115,902	(115,902)
Net investment income	-	2,554,709	(2,554,709)
Benefit payments, including refunds of employee contributions	(2,258,106)	(2,258,106)	-
Administrative expense	-	(54,191)	54,191
Other changes	(118,232)	-	(118,232)
Net changes	<u>1,248,853</u>	<u>1,965,459</u>	<u>(716,606)</u>
Balances at December 31, 2023	<u>\$ 39,200,417</u>	<u>\$ 25,153,200</u>	<u>\$ 14,047,217</u>

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	<u>\$ 18,584,899</u>	<u>\$ 14,047,217</u>	<u>\$ 10,239,399</u>

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

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

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

For the year ended December 31, 2023, the County recognized pension expense of \$2,477,345. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Pension Amounts
Difference between expected and actual experience	\$ 601,037	\$ 13,679	\$ 587,358
Changes in assumptions	1,398,784	-	1,398,784
Net difference between projected and actual earnings on pension plan investments	1,244,965	-	1,244,965
Total	\$ 3,244,786	\$ 13,679	\$ 3,231,107

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

Year Ended December 31,	Amount
2024	\$ 1,267,611
2025	1,310,034
2026	832,453
2027	(178,991)
Total	\$ 3,231,107

Payable to the Pension Plan. At December 31, 2023, the County had \$147,738 payable for contributions to the pension plan.

The net pension liability attributable to the governmental activities will be liquidated by the General Fund and all special revenue funds with eligible employees.

Defined Contribution Pension Plan

The County maintains a defined contribution plan, available for employees hired after April 1, 2011, administered by MERS as part of a hybrid pension plan. Participants are required to contribute between 1% and 15% of their annual salary into the plan based on percentage selected by participant. The County is not required to pay into the plan. Employee contributions are 100% vested immediately. Employer contributions (when made) are subject to a six year vesting schedule.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

15. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
2021 Delinquent Tax	\$ -	\$ 1,255,719
2022 Delinquent Tax	-	2,807,881
Unrestricted Treasurer's fund	3,598,476	-
Nonmajor enterprise funds	465,124	-
	<u>\$ 4,063,600</u>	<u>\$ 4,063,600</u>

Interfund advances are for the self-funding of the County's delinquent tax settlements. Instead of borrowing short-term tax anticipation notes, the County self-funds the annual settlement from the Unrestricted Treasurer's Fund. Advances are paid down as delinquent taxes are paid to the County.

For the year ended December 31, 2023, interfund transfers consisted of the following:

Transfers Out	Transfers in				Totals
	General Fund	Nonmajor Governmental Funds	Unrestricted Treasurer's Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 433,027	\$ -	\$ 32,750	\$ 465,777
Public safety	1,647,900	-	-	-	1,647,900
Nonmajor governmental funds	95,154	-	15,499	-	110,653
Unrestricted treasurer's fund	69,211	471,089	-	-	540,300
Nonmajor enterprise funds	-	75,499	405,750	-	481,249
	<u>\$ 1,812,265</u>	<u>\$ 979,615</u>	<u>\$ 421,249</u>	<u>\$ 32,750</u>	<u>\$ 3,245,879</u>

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

The transfer from the public safety fund to the general fund is used to support the public safety function for the County.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Public Safety	Community Development Block Grant	Opioid Settlement	Commission on Aging	Nonmajor Governmental Funds	Total
Nonspendable:							
Prepays	\$ 53,218	\$ -	\$ -	\$ -	\$ -	\$ 43,799	\$ 97,017
Restricted for:							
Friend of the court	-	-	-	-	-	9,360	9,360
Animal control	-	-	-	-	-	228,590	228,590
Senior services	-	-	-	-	5,954	-	5,954
Building inspection	-	-	-	-	-	281,391	281,391
Public safety	1,951	170,570	-	-	-	360,024	532,545
Officer training	-	-	-	-	-	21,036	21,036
Register of deeds automation	-	-	-	-	-	104,951	104,951
Community development	-	-	105,342	-	-	-	105,342
Homestead audit	-	-	-	-	-	18,837	18,837
SCAAP grant	-	-	-	-	-	12,343	12,343
Veterans services	-	-	-	-	-	316,891	316,891
Concealed pistol licenses	-	-	-	-	-	161,750	161,750
MSU extension	-	-	-	-	-	117,512	117,512
Opioid settlement	-	-	-	183,406	-	-	183,406
Total restricted	1,951	170,570	105,342	183,406	5,954	1,632,685	2,099,908
Committed for:							
Child care	-	-	-	-	-	21,341	21,341
Courthouse expansion	-	-	-	-	-	750	750
Public improvement	53,586	-	-	-	-	-	53,586
Total committed	53,586	-	-	-	-	22,091	75,677
Unassigned							
	11,488,424	-	-	-	-	-	11,488,424
Total fund balances, governmental funds	\$ 11,597,179	\$ 170,570	\$ 105,342	\$ 183,406	\$ 5,954	\$ 1,698,575	\$ 13,761,026

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

The County Board of Commissioners has adopted a resolution setting aside \$125,000 as a budget stabilization arrangement. The associated policy allows for appropriation from the fund for a variety of circumstances, subject to approval by a two thirds majority of the County Commissioners. This amount is included within the unassigned fund balance in accordance with GASB Statement No. 54, as the policy does not sufficiently limit the circumstances under which the stabilization funds may be accessed to qualify as committed fund balance.

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2023, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated/ amortized	\$ 609,950	\$ -
Capital assets being depreciated/ amortized, net	<u>24,055,318</u>	<u>1,284,827</u>
	<u>24,665,268</u>	<u>1,284,827</u>
Related debt:		
Total bonds, loans and other liabilities	13,649,913	-
Deferred charge on refunding	(38,196)	-
Capital related payables	<u>183,776</u>	<u>-</u>
	<u>13,795,493</u>	<u>-</u>
Net investment in capital assets	<u>\$ 10,869,775</u>	<u>\$ 1,284,827</u>

18. COMMITMENTS AND CONTINGENCIES

Letter of Credit

The State of Michigan under Public act 451, part 115, as amended, requires that bonds be established to cover the cost of closure and post-closure activities related to sanitary landfills, solid waste transfer facilities, incinerators and other. In compliance with this requirement, the County has available a letter of credit. The letter of credit totals \$313,500 to the benefit of the Michigan Department of Environment, Great Lakes and Energy as of August 25, 2023. There were no borrowings on the letter as of December 31, 2023.

COUNTY OF WEXFORD, MICHIGAN

Notes to Financial Statements

19. TAX ABATEMENTS

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2023 amounted to \$22,465 (\$15,703 related to the operating millage and \$6,762 related to special voted millages).

20. OPIOID SETTLEMENT

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the County expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 and the remaining installments expected to be made annually beginning in 2026. The County is currently allocated approximately 0.238% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$957,707 and \$218,712 from the Distributors and Janssen, respectively.

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva, and the associated state-subdivision agreement was finalized in 2023. In 2023, additional settlements with Mallinckrodt and Meijer were announced. The term of the settlement varies by pharmacy and manufacturer; however, the County expects to receive installment payments beginning in 2024. The total amount of these settlements is expected to be \$829,133. Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of December 31, 2023, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

The receivable for the various settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of December 31, 2023 is \$1,459,231.



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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF WEXFORD, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan - Primary Government
 Schedule of Changes in the County's Net Pension Liability and Related Ratios

	For the Year Ended December 31,		
	2023	2022	2021
Total pension liability			
Service cost	\$ 598,035	\$ 526,589	\$ 498,013
Interest	2,691,311	2,502,475	2,438,136
Changes in benefit terms	-	-	-
Differences between expected and actual experience	335,845	374,534	404,719
Changes in assumptions	-	1,368,758	1,318,998
Benefit payments, including refunds of employee contributions	(2,258,106)	(2,219,555)	(2,130,132)
Other changes	(118,232)	35,389	(63,150)
Net change in total pension liability	<u>1,248,853</u>	<u>2,588,190</u>	<u>2,466,584</u>
Total pension liability, beginning of year	<u>37,951,564</u>	<u>35,363,374</u>	<u>32,896,790</u>
Total pension liability, end of year	<u>39,200,417</u>	<u>37,951,564</u>	<u>35,363,374</u>
Plan fiduciary net position			
Employer contributions	1,607,145	1,624,775	1,844,914
Employee contributions	115,902	143,812	127,890
Net investment income (loss)	2,554,709	(2,739,576)	3,281,354
Benefit payments, including refunds of employee contributions	(2,258,106)	(2,219,555)	(2,130,132)
Administrative expense	(54,191)	(48,586)	(37,583)
Net change in plan fiduciary net position	<u>1,965,459</u>	<u>(3,239,130)</u>	<u>3,086,443</u>
Plan fiduciary net position, beginning of year	<u>23,187,741</u>	<u>26,426,871</u>	<u>23,340,428</u>
Plan fiduciary net position, end of year	<u>25,153,200</u>	<u>23,187,741</u>	<u>26,426,871</u>
County's net pension liability	<u>\$ 14,047,217</u>	<u>\$ 14,763,823</u>	<u>\$ 8,936,503</u>
Plan fiduciary net position as a percentage of total pension liability	64.2%	61.1%	74.7%
Covered payroll	\$ 7,462,609	\$ 6,222,462	\$ 6,544,818
County's net pension liability as a percentage of covered payroll	188.2%	237.3%	136.5%

See notes to required supplementary information.



For the Year Ended December 31,					
2020	2019	2018	2017	2016	2015
\$ 488,191	\$ 457,859	\$ 435,413	\$ 413,766	\$ 447,451	\$ 440,718
2,314,086	2,384,981	2,301,304	2,281,542	2,166,430	2,096,030
-	(32,569)	-	-	-	-
(68,403)	(137,386)	196,647	(648,837)	(6,784)	-
934,040	-	-	-	1,451,805	-
(2,027,363)	(1,893,020)	(1,782,707)	(1,738,878)	(1,656,133)	(1,511,095)
38,152	(91,617)	(60,760)	(49,488)	(85,030)	(103,166)
<u>1,678,703</u>	<u>688,248</u>	<u>1,089,897</u>	<u>258,105</u>	<u>2,317,739</u>	<u>922,487</u>
<u>31,218,087</u>	<u>30,529,839</u>	<u>29,439,942</u>	<u>29,181,837</u>	<u>26,864,098</u>	<u>25,941,611</u>
<u>32,896,790</u>	<u>31,218,087</u>	<u>30,529,839</u>	<u>29,439,942</u>	<u>29,181,837</u>	<u>26,864,098</u>
1,654,471	1,161,398	1,731,033	914,964	811,992	790,703
135,632	139,572	121,007	127,423	141,358	159,240
2,660,109	2,559,640	(795,709)	2,369,166	1,906,875	(264,296)
(2,027,363)	(1,893,020)	(1,782,707)	(1,738,878)	(1,656,133)	(1,511,095)
(41,879)	(44,098)	(38,461)	(37,551)	(37,656)	(38,748)
<u>2,380,970</u>	<u>1,923,492</u>	<u>(764,837)</u>	<u>1,635,124</u>	<u>1,166,436</u>	<u>(864,196)</u>
<u>20,959,458</u>	<u>19,035,966</u>	<u>19,800,803</u>	<u>18,165,679</u>	<u>16,999,243</u>	<u>17,863,439</u>
<u>23,340,428</u>	<u>20,959,458</u>	<u>19,035,966</u>	<u>19,800,803</u>	<u>18,165,679</u>	<u>16,999,243</u>
<u>\$ 9,556,362</u>	<u>\$ 10,258,629</u>	<u>\$ 11,493,873</u>	<u>\$ 9,639,139</u>	<u>\$ 11,016,158</u>	<u>\$ 9,864,855</u>
71.0%	67.1%	62.4%	67.3%	62.2%	63.3%
\$ 6,177,699	\$ 5,907,042	\$ 5,282,911	\$ 5,004,252	\$ 4,597,331	\$ 4,998,247
154.7%	173.7%	217.6%	192.6%	239.6%	197.4%

COUNTY OF WEXFORD, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan - Primary Government
 Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 790,703	\$ 790,703	\$ -	\$ 4,998,247	15.8%
2016	811,992	811,992	-	4,597,331	17.7%
2017	914,964	914,964	-	5,004,252	18.3%
2018	1,028,735	1,731,033	702,298	5,282,911	32.8%
2019	1,161,398	1,161,398	-	5,907,042	19.7%
2020	1,154,471	1,654,471	500,000	6,177,699	26.8%
2021	1,344,914	1,844,914	500,000	6,544,818	28.2%
2022	1,624,775	1,624,775	-	6,222,462	26.1%
2023	1,607,145	1,607,145	-	7,462,609	21.5%

See notes to required supplementary information.

COUNTY OF WEXFORD, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

Changes in Assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

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

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

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

Notes to Schedule of Contributions

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

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2023, based on the 12/31/2021 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	12-17 years for County divisions
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation
Normal retirement age	Age 60

COUNTY OF WEXFORD, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Mortality

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

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

COUNTY OF WEXFORD, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes - property	\$ 8,222,817	\$ 8,222,817	\$ 8,246,291	\$ 23,474
Licenses and permits	16,475	16,475	17,030	555
Intergovernmental	4,528,085	5,271,001	5,480,309	209,308
Charges for services:				
Court fees	724,244	724,244	641,175	(83,069)
Other fees	557,350	557,350	582,823	25,473
Other charges for services	879,901	879,901	1,091,814	211,913
Total charges for services	2,161,495	2,161,495	2,315,812	154,317
Fines and forfeitures	38,600	38,600	406,599	367,999
Interest and rents	103,784	103,784	216,408	112,624
Other revenues	212,850	234,085	350,744	116,659
Total revenues	15,284,106	16,048,257	17,033,193	984,936
Expenditures				
Current:				
Legislative:				
County commission	118,769	123,469	123,610	141
Judicial:				
Circuit court	359,679	359,679	337,334	(22,345)
District court	682,559	702,559	1,045,654	343,095
Friend of the court	1,061,553	1,061,553	1,041,505	(20,048)
Jury commission	5,300	5,300	3,305	(1,995)
Probate court	691,948	692,218	639,370	(52,848)
Probation and parole	2,700	2,700	2,036	(664)
Family counseling	65,055	65,055	65,196	141
Public defender	282,335	282,335	277,156	(5,179)
Court security	137,222	137,222	119,073	(18,149)
Total judicial	3,288,351	3,308,621	3,530,629	222,008

continued...

COUNTY OF WEXFORD, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Current (continued):				
General government:				
Administrator	\$ 137,351	\$ 137,351	\$ 114,349	\$ (23,002)
Elections	29,550	29,550	14,058	(15,492)
Clerk	380,095	380,095	333,875	(46,220)
Equalization	560,794	560,794	543,313	(17,481)
Prosecuting attorney	774,779	774,779	650,133	(124,646)
Prosecuting attorney cooperative reimbursement	73,544	73,544	71,045	(2,499)
Register of deeds	336,178	336,178	317,679	(18,499)
State survey and remonumentation	49,898	49,898	49,886	(12)
Treasurer	430,002	430,002	409,401	(20,601)
Building and grounds:				
Human services	130,000	130,000	122,859	(7,141)
District health	88,200	100,700	93,173	(7,527)
Jail	242,800	266,100	236,030	(30,070)
Maintenance	6,770	6,770	7,058	288
Building and grounds	491,380	491,380	451,269	(40,111)
Human Resources	76,389	80,389	79,513	(876)
Drain commission	89,514	105,980	49,530	(56,450)
Forest roads	120,000	120,000	112,897	(7,103)
American Rescue Plan	412,869	1,119,319	726,398	(392,921)
General services administration	817,800	900,800	794,364	(106,436)
Delinquent personal property tax administration	6,550	6,550	-	(6,550)
Law library	51,450	51,450	44,602	(6,848)
Total general government	5,305,913	6,151,629	5,221,432	(930,197)
Public safety:				
Sheriff	2,895,136	3,015,962	2,769,283	(246,679)
Secondary roads	129,353	129,353	83,572	(45,781)
Marine	33,360	33,360	9,642	(23,718)
Federal forest	4,000	12,614	5,272	(7,342)
Snowmobile	35,703	35,703	14,754	(20,949)
ORV grant	31,271	31,271	19,138	(12,133)
Jail	3,499,590	3,434,999	3,154,155	(280,844)
Emergency management	96,990	96,990	79,548	(17,442)
Total public safety	6,725,403	6,790,252	6,135,364	(654,888)
Public works:				
Sanitary landfill	66,600	66,600	55,433	(11,167)

continued...

COUNTY OF WEXFORD, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Special appropriations	\$ 603,000	\$ 603,000	\$ 494,004	\$ (108,996)
Contagious diseases	500	500	149	(351)
Medical examiner	99,900	99,900	98,748	(1,152)
Veteran's burial	10,000	10,000	9,900	(100)
Total health and welfare	<u>713,400</u>	<u>713,400</u>	<u>602,801</u>	<u>(110,599)</u>
Recreation and culture:				
Civic center	<u>56,500</u>	<u>56,500</u>	<u>55,812</u>	<u>(688)</u>
Capital outlay	<u>219,729</u>	<u>229,304</u>	<u>248,294</u>	<u>18,990</u>
Total expenditures	<u>16,494,665</u>	<u>17,439,775</u>	<u>15,973,375</u>	<u>(1,466,400)</u>
Revenues over (under) expenditures	<u>(1,210,559)</u>	<u>(1,391,518)</u>	<u>1,059,818</u>	<u>2,451,336</u>
Other financing sources (uses)				
Transfers in	1,817,647	1,827,222	1,812,265	(14,957)
Transfers out	<u>(647,202)</u>	<u>(676,777)</u>	<u>(465,777)</u>	<u>(211,000)</u>
Total other financing sources (uses)	<u>1,170,445</u>	<u>1,150,445</u>	<u>1,346,488</u>	<u>196,043</u>
Net change in fund balance	(40,114)	(241,073)	2,406,306	2,647,379
Fund balances, beginning of year	<u>9,190,873</u>	<u>9,190,873</u>	<u>9,190,873</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,150,759</u>	<u>\$ 8,949,800</u>	<u>\$ 11,597,179</u>	<u>\$ 2,647,379</u>

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COUNTY OF WEXFORD, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds				
	Friend of the Court	Animal Control	Building Inspection	Homestead Audit	Register of Deeds Automation
Assets					
Cash and short-term investments	\$ 8,736	\$ 259,527	\$ 289,253	\$ 18,837	\$ 104,536
Accounts receivable	624	110	-	-	490
Property taxes receivable	-	215,688	-	-	-
Due from other governments	-	-	-	-	-
Prepays	-	-	379	-	-
Total assets	<u>\$ 9,360</u>	<u>\$ 475,325</u>	<u>\$ 289,632</u>	<u>\$ 18,837</u>	<u>\$ 105,026</u>
Liabilities					
Accounts payable	\$ -	\$ 3,151	\$ 819	\$ -	\$ 75
Accrued liabilities	-	3,719	7,043	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>6,870</u>	<u>7,862</u>	<u>-</u>	<u>75</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	-	239,865	-	-	-
Fund balances					
Nonspendable	-	-	379	-	-
Restricted	9,360	228,590	281,391	18,837	104,951
Committed	-	-	-	-	-
Total fund balances	<u>9,360</u>	<u>228,590</u>	<u>281,770</u>	<u>18,837</u>	<u>104,951</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,360</u>	<u>\$ 475,325</u>	<u>\$ 289,632</u>	<u>\$ 18,837</u>	<u>\$ 105,026</u>



Special Revenue Funds

911 Wireless	Corrections Officer Training	Family Counseling Services	SCAAP Grant	Michigan Justice Training	Juvenile Justice	Child Care
\$ 109,834	\$ 15,940	\$ -	\$ 12,343	\$ 4,898	\$ 3,852	\$ 35,984
255,416	198	-	-	-	-	-
-	-	-	-	-	-	-
47,969	-	-	-	-	4,242	18,561
-	-	-	-	-	-	-
<u>\$ 413,219</u>	<u>\$ 16,138</u>	<u>\$ -</u>	<u>\$ 12,343</u>	<u>\$ 4,898</u>	<u>\$ 8,094</u>	<u>\$ 54,545</u>
\$ 26,647	\$ -	\$ -	\$ -	\$ -	\$ 4,344	\$ 33,204
30,298	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>56,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,344</u>	<u>33,204</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
356,274	16,138	-	12,343	4,898	3,750	-
-	-	-	-	-	-	21,341
<u>356,274</u>	<u>16,138</u>	<u>-</u>	<u>12,343</u>	<u>4,898</u>	<u>3,750</u>	<u>21,341</u>
<u>\$ 413,219</u>	<u>\$ 16,138</u>	<u>\$ -</u>	<u>\$ 12,343</u>	<u>\$ 4,898</u>	<u>\$ 8,094</u>	<u>\$ 54,545</u>

continued...

COUNTY OF WEXFORD, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds				Debt Service Funds
	Department of Veteran's Services	CPL Tech	MSU Extension	Indigent Defense	Courthouse Expansion
Assets					
Cash and short-term investments	\$ 331,422	\$ 162,021	\$ 138,057	\$ 277,373	\$ 750
Accounts receivable	-	-	-	-	-
Property taxes receivable	107,681	-	183,275	-	-
Due from other governments	-	-	-	-	-
Prepays	-	-	43,420	-	-
Total assets	<u>\$ 439,103</u>	<u>\$ 162,021</u>	<u>\$ 364,752</u>	<u>\$ 277,373</u>	<u>\$ 750</u>
Liabilities					
Accounts payable	\$ 320	\$ 271	\$ -	\$ 4,483	\$ -
Accrued liabilities	2,140	-	-	30,749	-
Unearned revenue	-	-	-	242,141	-
Total liabilities	<u>2,460</u>	<u>271</u>	<u>-</u>	<u>277,373</u>	<u>-</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	<u>119,752</u>	<u>-</u>	<u>203,820</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	43,420	-	-
Restricted	316,891	161,750	117,512	-	-
Committed	-	-	-	-	750
Total fund balances	<u>316,891</u>	<u>161,750</u>	<u>160,932</u>	<u>-</u>	<u>750</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 439,103</u>	<u>\$ 162,021</u>	<u>\$ 364,752</u>	<u>\$ 277,373</u>	<u>\$ 750</u>



Debt Service Funds		Capital Project Funds		
Jail Project	Dispatch Project	Jail Construction	Dispatch Building	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,773,363
-	-	-	-	256,838
-	-	-	-	506,644
-	-	-	-	70,772
-	-	-	-	43,799
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,651,416</u>
\$ -	\$ -	\$ -	\$ -	\$ 73,314
-	-	-	-	73,949
-	-	-	-	242,141
-	-	-	-	389,404
-	-	-	-	563,437
-	-	-	-	43,799
-	-	-	-	1,632,685
-	-	-	-	22,091
-	-	-	-	1,698,575
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,651,416</u>

concluded

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2023

	Special Revenue Funds				
	Friend of the Court	Animal Control	Building Inspection	Homestead Audit	Register of Deeds Automation
Revenues					
Taxes	\$ -	\$ 224,187	\$ -	\$ -	\$ -
Licenses and permits	-	11,193	-	-	-
Intergovernmental	4,404	26,438	-	-	-
Charges for services	12,921	4,280	302,875	1,040	31,955
Interest and rent	47	721	592	44	238
Other	-	4,954	-	-	-
Total revenues	<u>17,372</u>	<u>271,773</u>	<u>303,467</u>	<u>1,084</u>	<u>32,193</u>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	181	28,822
Public safety	-	307,642	190,490	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>307,642</u>	<u>190,490</u>	<u>181</u>	<u>28,822</u>
Revenues over (under) expenditures	<u>17,372</u>	<u>(35,869)</u>	<u>112,977</u>	<u>903</u>	<u>3,371</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	20,000
Transfers out	(22,100)	-	-	-	-
Total other financing sources (uses)	<u>(22,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	<u>(4,728)</u>	<u>(35,869)</u>	<u>112,977</u>	<u>903</u>	<u>23,371</u>
Fund balances, beginning of year	<u>14,088</u>	<u>264,459</u>	<u>168,793</u>	<u>17,934</u>	<u>81,580</u>
Fund balances, end of year	<u>\$ 9,360</u>	<u>\$ 228,590</u>	<u>\$ 281,770</u>	<u>\$ 18,837</u>	<u>\$ 104,951</u>

Special Revenue Funds						
911 Wireless	Corrections Officer Training	Family Counseling Services	SCAAP Grant	Michigan Justice Training	Juvenile Justice	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,240	-	-	-	-
1,081,632	-	-	-	3,799	36,964	229,647
-	8,342	-	-	-	-	555
464	-	3	-	-	-	209
-	-	-	-	-	-	-
<u>1,082,096</u>	<u>8,342</u>	<u>3,243</u>	<u>-</u>	<u>3,799</u>	<u>36,964</u>	<u>230,411</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
952,370	9,881	-	-	2,142	-	-
-	-	-	-	-	37,362	500,410
111,110	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,063,480</u>	<u>9,881</u>	<u>-</u>	<u>-</u>	<u>2,142</u>	<u>37,362</u>	<u>500,410</u>
18,616	(1,539)	3,243	-	1,657	(398)	(269,999)
-	-	-	-	-	-	50,000
(85,074)	-	(3,479)	-	-	-	-
<u>(85,074)</u>	<u>-</u>	<u>(3,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
(66,458)	(1,539)	(236)	-	1,657	(398)	(219,999)
422,732	17,677	236	12,343	3,241	4,148	241,340
<u>\$ 356,274</u>	<u>\$ 16,138</u>	<u>\$ -</u>	<u>\$ 12,343</u>	<u>\$ 4,898</u>	<u>\$ 3,750</u>	<u>\$ 21,341</u>

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COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2023

	Special Revenue Funds				Debt Service Funds
	Department of Veteran's Services	CPL Tech	MSU Extension	Indigent Defense	Courthouse Expansion
Revenues					
Taxes	\$ 111,921	\$ -	\$ 190,448	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	77,994	-	13,994	1,108,794	-
Charges for services	-	21,773	-	-	-
Interest and rent	723	368	432	556	-
Other	-	-	-	-	-
Total revenues	190,638	22,141	204,874	1,109,350	-
Expenditures					
Current:					
Judicial	-	-	-	1,170,731	-
General government	-	-	167,685	-	-
Public safety	-	4,021	-	-	-
Health and welfare	147,767	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	27,450	210,000
Interest and fiscal charges	-	-	-	-	54,621
Total expenditures	147,767	4,021	167,685	1,198,181	264,621
Revenues over (under) expenditures	42,871	18,120	37,189	(88,831)	(264,621)
Other financing sources (uses)					
Transfers in	-	-	-	88,831	264,621
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	88,831	264,621
Net change in fund balances	42,871	18,120	37,189	-	-
Fund balances, beginning of year	274,020	143,630	123,743	-	750
Fund balances, end of year	\$ 316,891	\$ 161,750	\$ 160,932	\$ -	\$ 750



Debt Service Funds		Capital Project Funds		
Jail Project	Dispatch Project	Jail Construction	Dispatch Building	Total
\$ -	\$ -	\$ -	\$ -	\$ 526,556
-	-	-	-	14,433
-	-	-	-	2,583,666
-	-	-	-	383,741
-	-	-	-	4,397
-	-	-	-	4,954
-	-	-	-	3,517,747
-	-	-	-	1,170,731
-	-	-	-	196,688
-	-	-	-	1,466,546
-	-	-	-	685,539
-	-	-	-	111,110
189,000	59,331	-	-	485,781
282,089	25,743	-	-	362,453
471,089	85,074	-	-	4,478,848
(471,089)	(85,074)	-	-	(961,101)
471,089	85,074	-	-	979,615
-	-	-	-	(110,653)
471,089	85,074	-	-	868,962
-	-	-	-	(92,139)
-	-	-	-	1,790,714
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,698,575</u>

concluded

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2023

	Land Reutilization	Cedar Creek Water	2019 Delinquent Tax	2020 Delinquent Tax
Assets				
Current assets:				
Cash and short-term investments	\$ 1,530,492	\$ 148,735	\$ -	\$ -
Accounts receivable	1,666	-	-	-
Total current assets	1,532,158	148,735	-	-
Noncurrent assets:				
Restricted assets:				
Cash and short-term investments	-	-	-	-
Investments	-	-	-	-
Advances to other funds	-	-	427,074	38,050
Capital assets being depreciated, net	-	1,284,827	-	-
Total noncurrent assets	-	1,284,827	427,074	38,050
Total assets	1,532,158	1,433,562	427,074	38,050
Liabilities				
Current liabilities:				
Accounts payable	-	2,103	-	-
Undistributed receipts	561,707	-	-	-
Total current liabilities	561,707	2,103	-	-
Noncurrent liabilities:				
Landfill remediation liability	-	-	-	-
Total liabilities	561,707	2,103	-	-
Net position				
Investment in capital assets	-	1,284,827	-	-
Restricted for landfill	-	-	-	-
Unrestricted	970,451	146,632	427,074	38,050
Total net position	\$ 970,451	\$ 1,431,459	\$ 427,074	\$ 38,050



2023 Delinquent Tax	Landfill	Recycling	Jail Commissary	Total
\$ 17,749	\$ -	\$ 46,965	\$ 37,285	\$ 1,781,226
-	-	-	-	1,666
<u>17,749</u>	<u>-</u>	<u>46,965</u>	<u>37,285</u>	<u>1,782,892</u>
-	119,944	-	-	119,944
-	1,304,832	-	-	1,304,832
-	-	-	-	465,124
-	-	-	-	1,284,827
-	<u>1,424,776</u>	<u>-</u>	<u>-</u>	<u>3,174,727</u>
<u>17,749</u>	<u>1,424,776</u>	<u>46,965</u>	<u>37,285</u>	<u>4,957,619</u>
16,589	-	-	314	19,006
-	-	-	-	561,707
<u>16,589</u>	<u>-</u>	<u>-</u>	<u>314</u>	<u>580,713</u>
-	<u>313,500</u>	<u>-</u>	<u>-</u>	<u>313,500</u>
<u>16,589</u>	<u>313,500</u>	<u>-</u>	<u>314</u>	<u>894,213</u>
-	-	-	-	1,284,827
-	1,111,276	-	-	1,111,276
<u>1,160</u>	<u>-</u>	<u>46,965</u>	<u>36,971</u>	<u>1,667,303</u>
<u>\$ 1,160</u>	<u>\$ 1,111,276</u>	<u>\$ 46,965</u>	<u>\$ 36,971</u>	<u>\$ 4,063,406</u>

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Revenues, Expenses

and Changes in Fund Net Position - Nonmajor Enterprise Funds

For the Year Ended December 31, 2023

	Land Reutilization	Cedar Creek Water	2019 Delinquent Tax	2020 Delinquent Tax
Operating revenues				
Charges for services	\$ 12,829	\$ -	\$ -	\$ 43,417
Interest and penalties	-	-	-	78,188
Other	-	4,811	-	-
Total operating revenues	<u>12,829</u>	<u>4,811</u>	<u>-</u>	<u>121,605</u>
Operating expenses				
Contractual services	-	58,783	-	88,714
Repairs and maintenance	293	-	-	-
Depreciation	-	47,573	-	-
Other services and charges	30,389	2,374	-	-
Total operating expenses	<u>30,682</u>	<u>108,730</u>	<u>-</u>	<u>88,714</u>
Operating income (loss)	(17,853)	(103,919)	-	32,891
Nonoperating revenues				
Investment earnings	29,786	20,346	-	8,786
Income (loss) before transfers	<u>11,933</u>	<u>(83,573)</u>	<u>-</u>	<u>41,677</u>
Transfers				
Transfers in	-	32,750	-	-
Transfers out	(60,000)	-	-	(421,249)
Total transfers	<u>(60,000)</u>	<u>32,750</u>	<u>-</u>	<u>(421,249)</u>
Change in net position	<u>(48,067)</u>	<u>(50,823)</u>	<u>-</u>	<u>(379,572)</u>
Net position, beginning of year	<u>1,018,518</u>	<u>1,482,282</u>	<u>427,074</u>	<u>417,622</u>
Net position, end of year	<u>\$ 970,451</u>	<u>\$ 1,431,459</u>	<u>\$ 427,074</u>	<u>\$ 38,050</u>



2023 Delinquent Tax	Landfill	Recycling	Jail Commissary	Total
\$ 682	\$ -	\$ -	\$ -	\$ 56,928
419	-	-	-	78,607
-	-	-	-	4,811
<u>1,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,346</u>
-	13,500	-	-	160,997
-	-	-	-	293
-	-	-	-	47,573
-	-	-	2,318	35,081
<u>-</u>	<u>13,500</u>	<u>-</u>	<u>2,318</u>	<u>243,944</u>
1,101	(13,500)	-	(2,318)	(103,598)
<u>59</u>	<u>59,218</u>	<u>110</u>	<u>90</u>	<u>118,395</u>
<u>1,160</u>	<u>45,718</u>	<u>110</u>	<u>(2,228)</u>	<u>14,797</u>
-	-	-	-	32,750
-	-	-	-	(481,249)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(448,499)</u>
1,160	45,718	110	(2,228)	(433,702)
<u>-</u>	<u>1,065,558</u>	<u>46,855</u>	<u>39,199</u>	<u>4,497,108</u>
<u>\$ 1,160</u>	<u>\$ 1,111,276</u>	<u>\$ 46,965</u>	<u>\$ 36,971</u>	<u>\$ 4,063,406</u>

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2023

	Land Reutilization	Cedar Creek Water	2019 Delinquent Tax	2020 Delinquent Tax
Cash flows from operating activities				
Receipts from customers and users	\$ 12,829	\$ 4,811	\$ -	\$ 433,613
Payments to vendors	(107,252)	(62,520)	-	(89,163)
Net cash provided by (used in) operating activities	<u>(94,423)</u>	<u>(57,709)</u>	<u>-</u>	<u>344,450</u>
Cash flows from noncapital financing activities				
Net borrowing (repayment) of advances	-	-	-	(1,200,000)
Transfers in	-	32,750	-	-
Transfers out	(60,000)	-	-	(421,249)
Net cash provided by (used in) noncapital financing activities	<u>(60,000)</u>	<u>32,750</u>	<u>-</u>	<u>(1,621,249)</u>
Cash flows from investing activities				
Interest received	29,786	20,346	-	8,786
Net change in cash and short-term investments	<u>(124,637)</u>	<u>(4,613)</u>	<u>-</u>	<u>(1,268,013)</u>
Cash and short-term investments, beginning of year	<u>1,655,129</u>	<u>153,348</u>	<u>-</u>	<u>1,268,013</u>
Cash and short-term investments, end of year	<u>\$ 1,530,492</u>	<u>\$ 148,735</u>	<u>\$ -</u>	<u>\$ -</u>
Classified on the statement of net assets as:				
Cash and short-term investments	\$ 1,530,492	\$ 148,735	\$ -	\$ -
Restricted cash and short-term investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,530,492</u>	<u>\$ 148,735</u>	<u>\$ -</u>	<u>\$ -</u>



2023 Delinquent Tax	Landfill	Recycling	Jail Commissary	Total
\$ 17,690	\$ -	\$ -	\$ -	\$ 468,943
-	-	-	(2,153)	(261,088)
<u>17,690</u>	<u>-</u>	<u>-</u>	<u>(2,153)</u>	<u>207,855</u>
-	-	-	-	(1,200,000)
-	-	-	-	32,750
-	-	-	-	(481,249)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,648,499)</u>
59	-	110	90	59,177
<u>17,749</u>	<u>-</u>	<u>110</u>	<u>(2,063)</u>	<u>(1,381,467)</u>
-	119,944	46,855	39,348	3,282,637
<u>\$ 17,749</u>	<u>\$ 119,944</u>	<u>\$ 46,965</u>	<u>\$ 37,285</u>	<u>\$ 1,901,170</u>
\$ 17,749	\$ -	\$ 46,965	\$ 37,285	\$ 1,781,226
-	119,944	-	-	119,944
<u>\$ 17,749</u>	<u>\$ 119,944</u>	<u>\$ 46,965</u>	<u>\$ 37,285</u>	<u>\$ 1,901,170</u>

continued...

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2023

	Land Reutilization	Cedar Creek Water	2019 Delinquent Tax	2020 Delinquent Tax
Cash flows from operating activities				
Operating income (loss)	\$ (17,853)	\$ (103,919)	\$ -	\$ 32,891
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	47,573	-	-
Change in landfill remediation liability	-	-	-	-
Change in:				
Accounts receivable	-	-	-	8,693
Taxes receivable	-	-	-	226,508
Accrued interest receivable	-	-	-	76,807
Accounts payable	-	(1,363)	-	-
Due to other governments	-	-	-	(449)
Undistributed receipts	(76,570)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (94,423)</u>	<u>\$ (57,709)</u>	<u>\$ -</u>	<u>\$ 344,450</u>



2023 Delinquent Tax	Landfill	Recycling	Jail Commissary	Total
\$ 1,101	\$ (13,500)	\$ -	\$ (2,318)	\$ (103,598)
-	-	-	-	47,573
-	13,500	-	-	13,500
-	-	-	-	8,693
-	-	-	-	226,508
-	-	-	-	76,807
16,589	-	-	165	15,391
-	-	-	-	(449)
-	-	-	-	(76,570)
<u>\$ 17,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,153)</u>	<u>\$ 207,855</u>

concluded

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds
December 31, 2023

	Trust And Agency	Estate Fund	Inmate Trust	Library Penal Fine	Total
Assets					
Cash and short-term investments	\$ 310,572	\$ 7,943	\$ 81,449	\$ 101,669	\$ 501,633
Liabilities					
Undistributed receipts	<u>310,572</u>	<u>7,943</u>	<u>-</u>	<u>101,669</u>	<u>420,184</u>
Net position					
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,449</u>	<u>\$ -</u>	<u>\$ 81,449</u>

COUNTY OF WEXFORD, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2023

	Trust And Agency	Estate Fund	Inmate Trust	Library Penal Fine	Total
Additions					
Taxes collected for other governments	\$ 10,643,775	\$ -	\$ -	\$ -	\$ 10,643,775
County clerk collections	100,654	-	-	-	100,654
Inmate trust collections	-	-	389,606	-	389,606
Library penal fine collections	-	-	-	192,205	192,205
Total additions	10,744,429	-	389,606	192,205	11,326,240
Deductions					
Payments of taxes to other governments	10,643,775	-	-	-	10,643,775
County clerk distributions	100,654	-	-	-	100,654
Inmate trust distributions	-	-	370,804	-	370,804
Library penal fine distributions	-	-	-	192,205	192,205
Total deductions	10,744,429	-	370,804	192,205	11,307,438
Change in net position	-	-	18,802	-	18,802
Net position, beginning of year	-	-	62,647	-	62,647
Net position, end of year	\$ -	\$ -	\$ 81,449	\$ -	\$ 81,449

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SINGLE AUDIT ACT COMPLIANCE

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**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

June 27, 2024

Honorable Members of the
Board of Commissioners
County of Wexford, Michigan
Cadillac, 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 the **County of Wexford, Michigan** (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 27, 2024, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Lobman LLC



COUNTY OF WEXFORD, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Forest Service Schools and Roads Cluster:					
Schools and Roads - Grants to States	10.665	MDNR	-n/a-	\$ -	\$ 112,733
Community Facilities Loans and Grants Cluster	10.766	Direct	-n/a-	-	10,459,000
Total U.S. Department of Agriculture				-	10,571,733
U.S. Department of the Interior					
Payments in Lieu of Taxes	15.226	Direct	-n/a-	-	143,976
U.S. Department of the Treasury					
COVID-19 State and Local Fiscal Recovery Funds	21.027	Direct	-n/a-	-	1,777,022
U.S. Department of Health and Human Services					
Child Support Enforcement:					
AFDC Maintenance (FY 2022-23)	93.563	MDHHS	CSFOC-17-83001	-	56,577
AFDC Maintenance (FY 2023-24)	93.563	MDHHS	CSFOC-24-83001	-	18,062
PA CRP Title IV-D (FY 2022-23)	93.563	MDHHS	CSPA-17-83002	-	61,779
PA CRP Title IV-D (FY 2023-24)	93.563	MDHHS	CSPA-24-83002	-	17,722
PFOC CRP Title IV-D (FY 2022-23)	93.563	MDHHS	CSFOC-17-83001	-	281,705
PFOC CRP Title IV-D (FY 2023-24)	93.563	MDHHS	CSFOC-24-83001	-	91,012
FOC CRP Title IV-D (Missaukee County) (FY 2022-23)	93.563	MDHHS	CSFOC-17-83001	139,379	139,379
FOC CRP Title IV-D (Missaukee County) (FY 2023-24)	93.563	MDHHS	CSFOC-24-83001	45,030	45,030
				<u>184,409</u>	<u>711,266</u>
Foster Care, Title IV E:					
Child and Parent Legal Representation	93.658	MDHHS	E20222631	-	12,195
Child and Parent Legal Representation	93.658	MDHHS	E20231192	-	5,145
				-	<u>17,340</u>
Total U.S Department of Health and Human Services				<u>184,409</u>	<u>728,606</u>
U.S. Department of Homeland Security					
Boating Safety Financial Assistance	97.012	MDNR	-n/a-	-	6,570
Total Expenditures of Federal Awards				<u>\$ 184,409</u>	<u>\$ 13,227,907</u>

See notes to schedule of expenditures of federal awards.

COUNTY OF WEXFORD, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the **County of Wexford, Michigan** (the "County") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's financial statements. The County's financial statements include the operations of four component units that are not included in this report as discussed in Note 4 below.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal expenditures from the Schedule reconcile to federal grant revenues, a component of intergovernmental grant revenue in the December 31, 2023 basic financial statements.

2. 10% DE MINIMIS COST RATE

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

3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MDNR	Michigan Department of Natural Resources
MDHHS	Michigan Department of Health and Human Services

COUNTY OF WEXFORD, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. COMPONENT UNITS NOT INCLUDED IN THIS REPORT

The basic financial statements of the County include four discretely presented component units that have engaged other auditors to perform the audits of their financial statements. The Cadillac-Wexford Transit Authority, Wexford County Airport Authority, Cadillac-Wexford Public Library and Wexford County Road Commission reported federal revenue of \$2,597,928, \$45,000, \$0 and \$347,208, respectively. These amounts are not included on the Schedule, as those organizations were separately audited.

5. COMMUNITY FACILITIES LOAN

The outstanding balance on the Community Facilities Loan was \$10,270,000 as of December 31, 2023.



**INDEPENDENT AUDITORS' 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**

June 27, 2024

Honorable Members of the
Board of Commissioners
County of Wexford, Michigan
Cadillac, 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 **County of Wexford, Michigan** (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the Cadillac-Wexford Transit Authority, Wexford County Airport Authority, Cadillac-Wexford Public Library and Wexford County Road Commission discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Wexford County Road Commission were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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



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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

June 27, 2024

Honorable Members of the
Board of Commissioners
County of Wexford, Michigan
Cadillac, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the ***County of Wexford, Michigan*** (the "County") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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



Other Matter – Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Cadillac-Wexford Transit Authority, Wexford County Airport Authority, Cadillac-Wexford Public Library and Wexford County Road Commission, which received \$2,597,928, \$45,000, \$0, and \$347,208, in federal awards, respectively, which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Cadillac-Wexford Transit Authority, Wexford County Airport Authority, Cadillac-Wexford Public Library and Wexford County Road Commission because these entities arranged for separate audits.

Responsibilities of Management for Compliance

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

Independent Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Rehmann Lobson LLC

COUNTY OF WEXFORD, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major programs and report issued on compliance for each major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
10.766	Community Facilities Loans and Grants Cluster	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

COUNTY OF WEXFORD, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

COUNTY OF WEXFORD, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 – Suspension and Debarment (Repeat Comment)

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Procurement, Suspension and Debarment).

Program. Coronavirus State and Local Fiscal Recovery Funds (SLFRF); U.S. Department of Treasury; Assistance Listing Number 21.027.

Criteria. A recipient of federal awards is required to determine that vendors being paid with federal funds are not suspended or debarred from doing business with the County. Such procedures are required whenever the amount disbursed to a single vendor in a given year is expected to be at least \$25,000.

Condition. Although the County did indicate that they verified that their vendors over \$25,000 were not suspended or debarred, they did not retain documentation of the process.

Cause. Management has indicated that it was not aware of the requirement to retain documentation of the check for vendors participating in federal award programs for active exclusions from federal award work.

Effect. As a result of this condition, the County did not fully comply with the requirements of the Uniform Guidance.

Questioned Costs. No costs have been questioned as a result of this finding inasmuch as no vendors were determined to have been suspended or debarred.

Recommendation. We recommend that the County verify that any of their vendors over \$25,000 spent with federal funds were not suspended or debarred and that they retain documentation of the procedures performed.

View of Responsible Officials. Management agrees with the finding and has prepared a corrective action plan.

COUNTY OF WEXFORD, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2023

2022-001 – Suspension and Debarment - ALN 21.027 - Coronavirus State and Local Fiscal Recovery Funds

The County did not verify that any of their vendors over \$25,000 were not suspended or debarred from doing business with the County. Although the County made progress on this issue in 2023, this finding is repeated as finding 2023-001.

2022-002 – Report Reconciliation - ALN 21.027 - Coronavirus State and Local Fiscal Recovery Funds

Annual reporting was neither in agreement, nor could be reconciled to, the amounts reported on the SEFA or the County's general ledger. This matter was resolved in 2023.





CORRECTIVE ACTION PLAN

Certain matters were brought to our attention as a result of the audit process. These are described more fully in the Schedule of Findings and Questioned Costs. We evaluated the matters as noted below and have described our planned actions as a result.

2023-001 – Suspension and Debarment

Auditor Description of Condition and Effect: Although the County did indicate that they verified that their vendors over \$25,000 were not suspended or debarred, they did not retain documentation of the process. As a result of this condition, the County did not fully comply with the requirements of the Uniform Guidance.

Auditor Recommendation: We recommend that the County verify that any of their vendors over \$25,000 spent with federal funds were not suspended or debarred and that they retain documentation of the procedures performed.

Management Assessment. Management agrees with the finding and has prepared a corrective action plan.

Planned Corrective Action. We will retain documentation of all checks of vendors for suspension and debarment.

Responsible Party. Joe Porterfield, County Administrator

Date of Planned Corrective Action. Immediately