

IRON COUNTY, MICHIGAN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022



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INDEPENDENT AUDITORS' REPORT

County Board
Iron County, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Iron County, Michigan (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Iron County Road Commission and the Iron County Medical Care Facility which represent 75%, 73% and 74% respectively, of the assets, net position and revenues, of the aggregate discretely presented component units as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Iron County Road Commission and the Iron County Medical Care Facility, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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 on pages 5 through 11, the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 91 through 115 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 budgetary comparison schedule for the 2012 refunding bond debt service fund, the combining fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the 2012 refunding bond debt service fund, the combining fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**IRON COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

As management of the County of Iron, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows or resources as of December 31, 2022, by \$8,418,713. The County's *unrestricted net position* was \$6,704,496.
- The County's total net position increased by \$2,854,338, with business-type activities increasing \$287,184 and governmental activities increasing \$2,567,154.
- As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$7,655,611. Approximately \$6,152,469 is *available for spending* at the County's discretion (*committed and unassigned fund balance*). The unassigned general fund balance was \$3,751,661 or approximately 70% of 2022 general fund expenditures.

Overview of the Basic 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental 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, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highway and transportation, health and welfare, culture and recreation, and community development. The business-type activities of the County include the collection of delinquent taxes and the construction code department.

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

The government-wide financial statements can be found on pages 13 - 15 of this report.

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 the County's near-term financing requirements.

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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Maintenance of Effort – Medicare, Central Dispatch, the 2012 Refunding Debt Service Fund and the American Rescue Plan Act, all of which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and the major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16 - 21 of this report.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Tax Revolving and Construction Code Enterprise Funds, both of which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 22 - 24 of this report.

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 statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The fiduciary fund financial statements can be found on pages 25 - 26 of this report.

Component units. Iron County Road Commission, Dickinson-Iron Health Department, and Iron County Medical Care Facility are reported as component units of Iron County.

The component units financial statements can be found on pages 27 - 29 of this report.

Notes to the basic 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. The notes to the basic financial statements can be found on pages 30 - 90 of this report.

Other information. The required supplementary information and the combining statements referred to earlier in connection with nonmajor governmental funds, detailed comparisons of general fund budgeted and actual revenues and expenditures are presented immediately following the notes to the basic financial statements. These statements and schedules can be found on pages 91 - 133.

Government-Wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's total net position was \$12,015,426 at the close of 2022, as summarized below.

IRON COUNTY, MICHIGAN						
Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 11,920,387	\$ 10,828,739	\$ 3,617,689	\$ 3,332,349	\$ 15,538,076	\$ 14,161,088
Capital Assets	4,928,205	3,720,151	89,878	87,132	5,018,083	3,807,283
Total Assets	<u>16,848,592</u>	<u>14,548,890</u>	<u>3,707,567</u>	<u>3,419,481</u>	<u>20,556,159</u>	<u>17,968,371</u>
Deferred Outflows of Resources	669,525	149,466	-	-	669,525	149,466
Long-Term Liabilities Outstanding	5,015,212	4,657,803	-	-	5,015,212	4,657,803
Other Liabilities	1,276,551	954,477	110,854	109,952	1,387,405	1,064,429
Total Liabilities	<u>6,291,763</u>	<u>5,612,280</u>	<u>110,854</u>	<u>109,952</u>	<u>6,402,617</u>	<u>5,722,232</u>
Deferred Inflows of Resources	2,807,641	3,234,517	-	-	2,807,641	3,234,517
Net Position:						
Net Investment in Capital Assets	3,871,230	2,402,205	89,878	87,132	3,961,108	2,489,337
Restricted	1,349,822	1,336,382	-	-	1,349,822	1,336,382
Unrestricted (Deficit)	3,197,661	2,112,972	3,506,835	3,222,397	6,704,496	5,335,369
Total Net Position	<u>\$ 8,418,713</u>	<u>\$ 5,851,559</u>	<u>\$ 3,596,713</u>	<u>\$ 3,309,529</u>	<u>\$ 12,015,426</u>	<u>\$ 9,161,088</u>

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

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a balance of \$6,704,496.

Change in net position. Governmental activities increased the County's net position by \$2,567,154 and business-type activities increased \$287,184. Key elements of this increase are as follows:

IRON COUNTY, MICHIGAN						
Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,335,754	\$ 1,275,321	\$ 576,406	\$ 703,261	\$ 1,912,160	\$ 1,978,582
Operating Grants and Contributions	1,151,345	1,122,973	-	-	1,151,345	1,122,973
Capital Grants and Contributions	155,033	12,961	-	-	155,033	12,961
General Revenues:						
Property Taxes	6,357,818	6,214,509	-	-	6,357,818	6,214,509
Other Taxes	951,718	877,305	-	-	951,718	877,305
Grants and Contributions not Restricted to Specific Programs	1,543,773	749,421	-	-	1,543,773	749,421
Other	136,722	87,156	4,216	7,101	140,938	94,257
Total Revenues	11,632,163	10,339,646	580,622	710,362	12,212,785	11,050,008
Expenses:						
General Government	3,866,202	3,240,253	253,438	656,621	4,119,640	3,896,874
Public Safety	3,264,483	3,045,857	-	-	3,264,483	3,045,857
Highway and Transportation	11,420	10,284	-	-	11,420	10,284
Health and Welfare	1,166,028	1,253,644	-	-	1,166,028	1,253,644
Culture and Recreation	669,895	384,971	-	-	669,895	384,971
Community Development	39,839	70,028	-	-	39,839	70,028
Interest and Fiscal Charges	87,142	117,702	-	-	87,142	117,702
Total Expenses	9,105,009	8,122,739	253,438	656,621	9,358,447	8,779,360
Change in Net Position Before						
Transfers	2,527,154	2,216,907	327,184	53,741	2,854,338	2,270,648
Transfers	40,000	42,000	(40,000)	(42,000)	-	-
Change in Net Position	2,567,154	2,258,907	287,184	11,741	2,854,338	2,270,648
Net Position - Beginning of Year	5,851,559	3,592,652	3,309,529	3,297,788	9,161,088	6,890,440
Net Position - End of Year	\$ 8,418,713	\$ 5,851,559	\$ 3,596,713	\$ 3,309,529	\$ 12,015,426	\$ 9,161,088

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 the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2022, the County's governmental funds (consisting of the general fund, special revenue, debt service, and capital project funds as detailed on pages 16 - 21 reported combined ending fund balances of \$7,655,611, an increase of \$655,845 in comparison with the prior year. Of this amount, \$3,751,661 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. \$2,400,808 of fund balance is committed. Fund balance of \$1,359,003 is *restricted* to indicate that it is not available for new spending because it has already been restricted for specific spending. The remainder of fund balance of \$144,139 is nonspendable as it is not in spendable form (inventory and prepaid items).

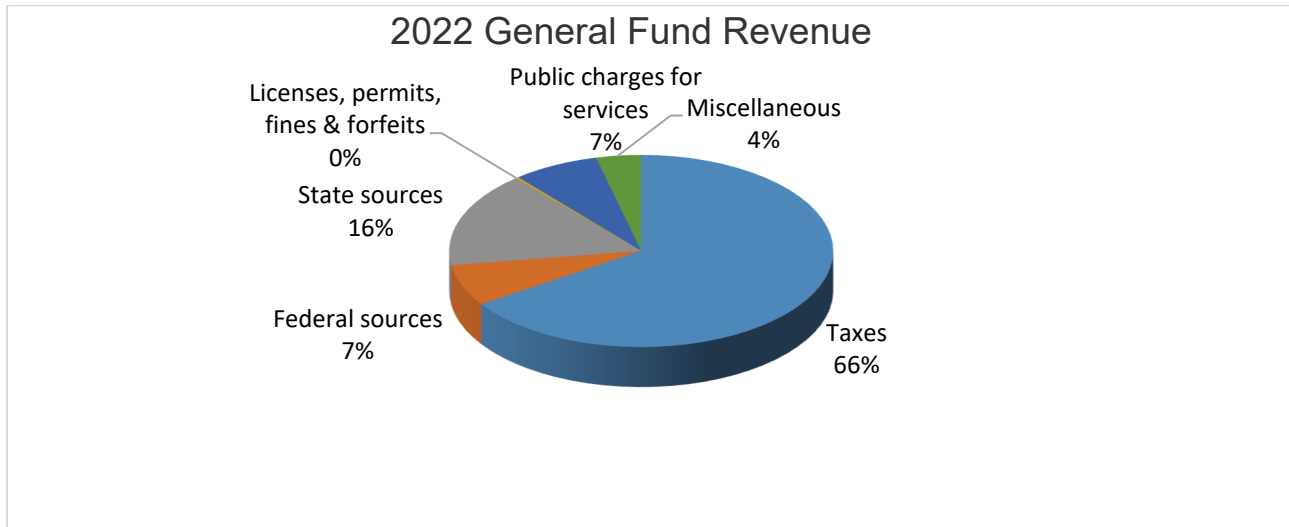
General Fund

The General Fund is the main operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$3,751,661. 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 70% of total general fund expenditures. Committed fund balance of the general fund is \$739,643 which is committed for budget stabilization.

The County's general fund balance increased \$695,545.

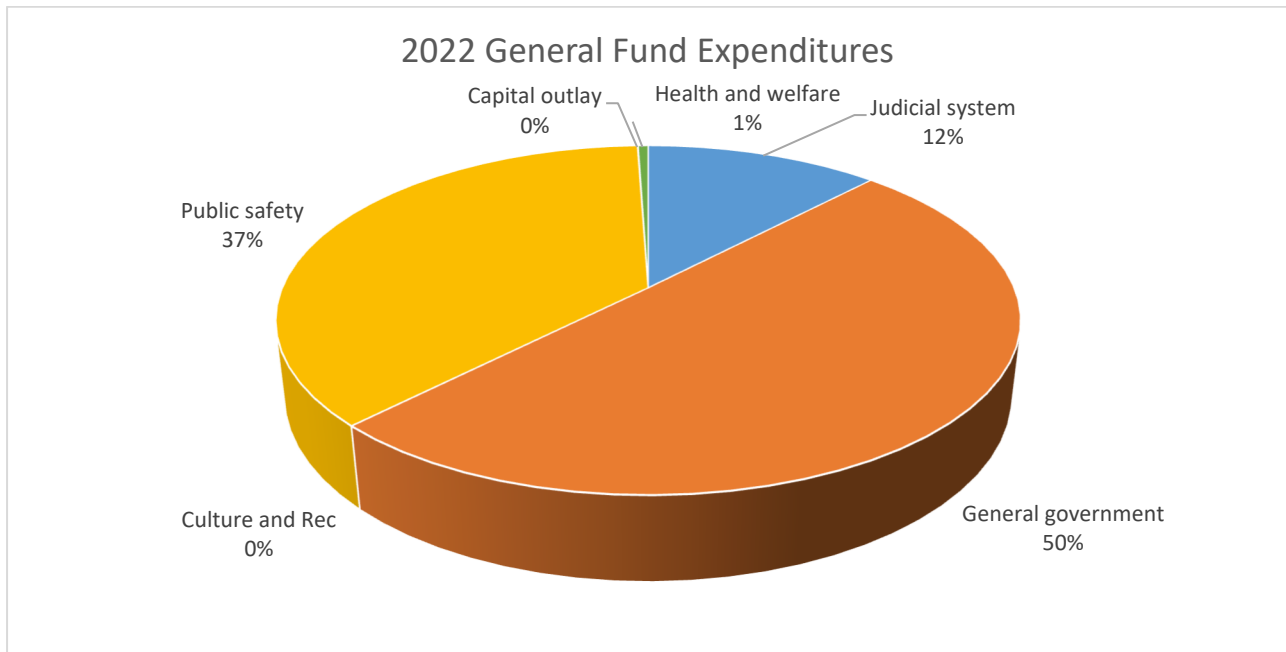
Actual revenue including transfers in was \$6,344,017 as compared with final budgeted revenue of \$6,201,147 resulted in a positive variance of \$142,870 or 2.3%.

Below is a graph illustrating the sources of revenues for the general fund:



The final expenditures including transfers out were \$5,648,472 compared with final budgeted expenditures of \$6,868,897 resulting in a positive variance of \$1,220,425 or 22%.

Below is a graph illustrating the classifications of expenditures for the general fund:



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

Unrestricted net position of Tax Revolving Fund at the end of the year was \$3,310,300. The total increase in net position was \$269,325.

Unrestricted net position of the Construction Code Fund at the end of the year amounted to \$196,535. The total increase in net position was \$17,859.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$5,018,083 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. The County's investment in capital assets increased \$1,469,025 for the year.

IRON COUNTY, MICHIGAN (net of accumulated depreciation)						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
	Land	\$ 189,118	\$ 189,118	\$ -	\$ -	\$ 189,118
Construction in Progress	188,750	76,004	-	-	188,750	76,004
Buildings	8,232,783	7,154,909	-	-	8,232,783	7,154,909
Machinery and Equipment	2,587,085	2,303,943	134,603	111,725	2,721,688	2,415,668
Infrastructure	593,811	575,191	-	-	593,811	575,191
Subtotal	11,791,547	10,299,165	134,603	111,725	11,926,150	10,410,890
Less: Accumulated Depreciation	6,863,342	6,579,014	44,725	24,593	6,908,067	6,603,607
Net Capital Assets	<u>\$ 4,928,205</u>	<u>\$ 3,720,151</u>	<u>\$ 89,878</u>	<u>\$ 87,132</u>	<u>\$ 5,018,083</u>	<u>\$ 3,807,283</u>

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$2,098,000.

IRON COUNTY, MICHIGAN General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
	General Obligation Debt:					
2003 Limited Tax Bond	\$ 208,000	\$ 223,000	\$ -	\$ -	\$ 208,000	\$ 223,000
2015 Unlimited Tax Refunding Bond	1,480,000	2,225,000	-	-	1,480,000	2,225,000
2017 Limited Tax Special Assessment Bonds	410,000	435,000	-	-	410,000	435,000
Total	<u>\$ 2,098,000</u>	<u>\$ 2,883,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,098,000</u>	<u>\$ 2,883,000</u>

The County's total debt decreased by \$785,000 (27%) during the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the County has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, and retail activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2023 fiscal year.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to County Board of Commissioners, County of Iron, 2 South Sixth Street, Suite 7, Crystal Falls, Michigan 49920-1413.

BASIC FINANCIAL STATEMENTS

**IRON COUNTY, MICHIGAN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Investments	\$ 8,163,542	\$ 2,945,372	\$ 11,108,914	\$ 5,940,993
Receivables:				
Property Taxes	3,034,754	-	3,034,754	240,364
Delinquent Taxes	-	589,385	589,385	-
Accounts, Net	53,941	-	53,941	1,711,219
Special Assessments	189,765	-	189,765	-
Other	-	82,559	82,559	4,989,368
Due from Other Governments	425,344	-	425,344	1,018,098
Inventories and Prepaid Items	144,139	373	144,512	932,676
Assets Limited as to Use	-	-	-	3,256,028
Other Current Assets:	-	-	-	424,351
Net Pension Asset	-	-	-	373,445
Capital Assets, Nondepreciable	377,868	-	377,868	78,247
Capital Assets, Depreciable / Amorizable	4,550,337	89,878	4,640,215	42,550,602
Total Assets	<u>16,939,690</u>	<u>3,707,567</u>	<u>20,647,257</u>	<u>61,515,391</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	669,525	-	669,525	4,961,069
Other Postemployment Related Amounts	-	-	-	340,863
Total Deferred Outflows of Resources	<u>669,525</u>	<u>-</u>	<u>669,525</u>	<u>5,301,932</u>
LIABILITIES				
Accounts Payable	264,407	17,580	281,987	1,808,762
Accrued and Other Current Liabilities	179,359	1,898	181,257	697,197
Due to Other Governments	-	91,376	91,376	1,229
Accrued Interest Payable	9,181	-	9,181	105,935
Special Deposits	-	-	-	101,335
Unearned Revenues	914,702	-	914,702	213,419
Advance from the State	-	-	-	709,909
Long-Term Obligations:				
Due Within One Year:				
Bonds and Notes Payable	155,000	-	155,000	881,080
Compensated Absences	-	-	-	1,133,686
Due in More Than One Year:				
Bonds and Notes Payable	1,943,000	-	1,943,000	10,554,401
Compensated Absences	197,012	-	197,012	384,496
Net Pension Liability	2,720,200	-	2,720,200	10,107,100
Other Postemployment Benefits	-	-	-	1,943,306
Total Liabilities	<u>6,382,861</u>	<u>110,854</u>	<u>6,493,715</u>	<u>28,641,855</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	2,807,641	-	2,807,641	240,364
Pension Related Amounts	-	-	-	4,043,178
Other Postemployment Related Amounts	-	-	-	1,598,626
Total Deferred Inflows of Resources	<u>2,807,641</u>	<u>-</u>	<u>2,807,641</u>	<u>5,882,168</u>
NET POSITION				
Net Investment in Capital Assets	3,871,230	89,878	3,961,108	36,443,485
Restricted:				
Long-Term Care Facility	531,698	-	531,698	-
Public Safety and Corrections	41,143	-	41,143	-
Economic and Community Development	182,467	-	182,467	-
Friend of the Court and Indigent Defense	419,592	-	419,592	-
Debt Service	173,286	-	173,286	1,626,325
Senior Citizens	1,415	-	1,415	-
Public Act 302	221	-	221	-
Unrestricted	3,197,661	3,506,835	6,704,496	(5,776,510)
Total Net Position	<u>\$ 8,418,713</u>	<u>\$ 3,596,713</u>	<u>\$ 12,015,426</u>	<u>\$ 32,293,300</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 3,866,202	\$ 543,094	\$ 495,938	\$ -
Public Safety	3,264,483	213,305	595,756	-
Highway and Transportation	11,420	6,413	-	-
Health and Welfare	1,166,028	131,729	56,514	-
Culture and Recreation	669,895	404,523	3,137	155,033
Community Development	39,839	36,690	-	-
Interest and Fiscal Charges	87,142	-	-	-
Total Governmental Activities	<u>9,105,009</u>	<u>1,335,754</u>	<u>1,151,345</u>	<u>155,033</u>
BUSINESS-TYPE ACTIVITIES				
Tax Revolving	117,222	422,331	-	-
Construction Code	136,216	154,075	-	-
Total Business-Type Activities	<u>253,438</u>	<u>576,406</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 9,358,447</u>	<u>\$ 1,912,160</u>	<u>\$ 1,151,345</u>	<u>\$ 155,033</u>
COMPONENT UNITS	<u>\$ 31,109,513</u>	<u>\$ 19,027,046</u>	<u>\$ 13,522,470</u>	<u>\$ 1,948,851</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-Type Activities	Total	Component Units
GOVERNMENTAL ACTIVITIES				
General Government	\$ (2,827,170)	\$ -	\$ (2,827,170)	\$ -
Public Safety	(2,455,422)	-	(2,455,422)	-
Highway and Transportation	(5,007)	-	(5,007)	-
Health and Welfare	(977,785)	-	(977,785)	-
Culture and Recreation	(107,202)	-	(107,202)	-
Community Development	(3,149)	-	(3,149)	-
Interest and Fiscal Charges	(87,142)	-	(87,142)	-
Total Governmental Activities	(6,462,877)	-	(6,462,877)	-
BUSINESS-TYPE ACTIVITIES				
Tax Revolving	-	305,109	305,109	-
Construction Code	-	17,859	17,859	-
Total Business-Type Activities	-	322,968	322,968	-
Total Primary Government	(6,462,877)	322,968	(6,139,909)	-
COMPONENT UNITS	-	-	-	3,388,854
GENERAL REVENUES				
Taxes:				
Property Taxes	6,357,818	-	6,357,818	966,926
Other Taxes	366,629	-	366,629	-
Federal and State Grants and Other:				
Contributions not Restricted to				
Specific Functions	2,128,862	-	2,128,862	-
Interest and Investment Earnings	61,186	-	61,186	197,201
Forest Timber Sales	36,171	-	36,171	-
Miscellaneous	34,550	4,216	38,766	9,817
Gain (Loss) on Sale of Capital Assets	4,815	-	4,815	-
Transfers	40,000	(40,000)	-	-
Total General Revenues and Transfers	9,030,031	(35,784)	8,994,247	1,173,944
CHANGE IN NET POSITION	2,567,154	287,184	2,854,338	4,562,798
Net Position - Beginning of Year	5,851,559	3,309,529	9,161,088	27,766,590
Change in Accounting Principle	-	-	-	(36,088)
Net Position - Beginning of Year, as Restated	5,851,559	3,309,529	9,161,088	27,730,502
NET POSITION - END OF YEAR	<u>\$ 8,418,713</u>	<u>\$ 3,596,713</u>	<u>\$ 12,015,426</u>	<u>\$ 32,293,300</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Maintenance of Effort	Central Dispatch
ASSETS			
Cash and Investments	\$ 4,686,568	\$ 566,858	\$ 135,502
Receivables:			
Property Taxes	227,113	870,783	580,561
Accounts, Net	35,886	-	-
Special Assessments	-	-	-
Due from Other Governments	311,175	-	38,581
Prepaid Items	112,428	-	8,928
Total Assets	\$ 5,373,170	\$ 1,437,641	\$ 763,572
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 130,557	\$ 35,160	\$ 26,539
Accrued and Other Current Liabilities	158,991	-	13,005
Unearned Revenues	479,890	-	-
Total Liabilities	769,438	35,160	39,544
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	870,783	580,561
Special Assessments	-	-	-
Total Deferred Inflows of Resources	-	870,783	580,561
 FUND BALANCES			
Nonspendable	112,428	-	8,928
Restricted	-	531,698	-
Committed	739,643	-	134,539
Unassigned	3,751,661	-	-
Total Fund Balances	4,603,732	531,698	143,467
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 5,373,170	 \$ 1,437,641	 \$ 763,572

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Ambulance	American Rescue Plan Act	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 28,690	\$ 434,812	\$ 2,311,112	\$ 8,163,542
Receivables:				
Property Taxes	586,188	-	770,109	3,034,754
Accounts, Net	-	-	18,055	53,941
Special Assessments	-	-	189,765	189,765
Due from Other Governments	-	-	75,588	425,344
Prepaid Items	-	-	22,783	144,139
Total Assets	\$ 614,878	\$ 434,812	\$ 3,387,412	\$ 12,011,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 213	\$ -	\$ 71,938	\$ 264,407
Accrued and Other Current Liabilities	-	-	7,363	179,359
Unearned Revenues	-	434,812	-	914,702
Total Liabilities	213	434,812	79,301	1,358,468
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	586,188	-	770,109	2,807,641
Special Assessments	-	-	189,765	189,765
Total Deferred Inflows of Resources	586,188	-	959,874	2,997,406
FUND BALANCES				
Nonspendable	-	-	22,783	144,139
Restricted	-	-	798,828	1,330,526
Committed	28,477	-	1,526,626	2,429,285
Unassigned	-	-	-	3,751,661
Total Fund Balances	28,477	-	2,348,237	7,655,611
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 614,878	\$ 434,812	\$ 3,387,412	\$ 12,011,485

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 7,655,611
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements.	4,928,205
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the fund financial statements.	189,765
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund financial statements.	
Deferred Outflows Related to Pensions	669,525
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
Bonds and Notes Payable	(2,098,000)
Compensated Absences	(197,012)
Net Pension Liability	(2,720,200)
Accrued Interest on Long-Term Obligations	<u>(9,181)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 8,418,713</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Maintenance of Effort</u>	<u>Central Dispatch</u>
REVENUES			
Taxes	\$ 4,061,926	\$ 861,262	\$ 571,893
Special Assessments	-	-	-
Federal Sources	432,098	-	-
State Sources	994,476	1,258	11,716
Intergovernmental	-	-	-
Licenses and Permits	11,530	-	-
Fines and Forfeits	1,679	-	-
Public Charges for Services	451,722	-	133,744
Miscellaneous	234,782	4,033	8,631
Total Revenues	<u>6,188,213</u>	<u>866,553</u>	<u>725,984</u>
EXPENDITURES			
Current:			
Judicial System	645,418	-	-
General Government	2,678,410	-	-
Public Safety	1,972,268	-	678,299
Highway and Transportation	-	-	-
Health and Welfare	27,759	725,043	-
Culture and Recreation	416	-	-
Community Development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	1,821	-	3,862
Total Expenditures	<u>5,326,092</u>	<u>725,043</u>	<u>682,161</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	862,121	141,510	43,823
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	5,637	-	-
Transfers In	150,167	-	40,000
Transfers Out	(322,380)	-	(76,403)
Total Other Financing Sources (Uses)	<u>(166,576)</u>	<u>-</u>	<u>(36,403)</u>
NET CHANGE IN FUND BALANCES	695,545	141,510	7,420
Fund Balances - Beginning of Year	<u>3,908,187</u>	<u>390,188</u>	<u>136,047</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,603,732</u>	<u>\$ 531,698</u>	<u>\$ 143,467</u>

See accompanying Notes to Basic Financial Statements.

IRON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Ambulance	American Rescue Plan Act	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 90,004	\$ -	\$ 1,233,377	\$ 6,818,462
Special Assessments	-	-	49,988	49,988
Federal Sources	-	1,249,966	116,472	1,798,536
State Sources	-	-	467,812	1,475,262
Intergovernmental	-	-	1,380	1,380
Licenses and Permits	-	-	8,766	20,296
Fines and Forfeits	-	-	3,520	5,199
Public Charges for Services	-	-	483,772	1,069,238
Miscellaneous	433	867	110,861	359,607
Total Revenues	<u>90,437</u>	<u>1,250,833</u>	<u>2,475,948</u>	<u>11,597,968</u>
EXPENDITURES				
Current:				
Judicial System	-	-	-	645,418
General Government	-	930,965	584,272	4,193,647
Public Safety	82,771	153,435	144,718	3,031,491
Highway and Transportation	-	-	11,420	11,420
Health and Welfare	-	-	418,497	1,171,299
Culture and Recreation	-	131,433	607,557	739,406
Community Development	-	35,000	23,793	58,793
Debt Service:				
Principal	-	-	785,000	785,000
Interest and Fiscal Charges	-	-	89,974	89,974
Capital Outlay	-	-	276,103	281,786
Total Expenditures	<u>82,771</u>	<u>1,250,833</u>	<u>2,941,334</u>	<u>11,008,234</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	7,666	-	(465,386)	589,734
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	-	5,637
Transfers In	-	-	330,401	520,568
Transfers Out	-	-	(61,311)	(460,094)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>269,090</u>	<u>66,111</u>
NET CHANGE IN FUND BALANCES				
	7,666	-	(196,296)	655,845
Fund Balances - Beginning of Year	<u>20,811</u>	<u>-</u>	<u>2,544,533</u>	<u>6,999,766</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,477</u>	<u>\$ -</u>	<u>\$ 2,348,237</u>	<u>\$ 7,655,611</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 655,845

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 expense.

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	1,552,369
Depreciation Expense Reported in the Statement of Activities	(337,946)
Net Book Value of Disposals	(6,369)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

(39,025)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position.

Principal Repaid	785,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	2,832
Compensated Absences	24,850
Net Pension Liability	(1,167,259)
Deferred Outflows of Resources Related to Pensions	520,059
Deferred Inflows of Resources Related to Pensions	576,798

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 2,567,154

**IRON COUNTY, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Tax Revolving	Construction Code	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,745,213	\$ 200,159	\$ 2,945,372
Receivables:			
Other	82,559	-	82,559
Inventories and Prepaid Items	-	373	373
Total Current Assets	2,827,772	200,532	3,028,304
Noncurrent Assets:			
Delinquent Taxes Receivable	589,385	-	589,385
Capital Assets:			
Depreciable	18,537	71,341	89,878
Total Assets	3,435,694	271,873	3,707,567
LIABILITIES			
Current Liabilities:			
Accounts Payable	15,481	2,099	17,580
Accrued and Other Current Liabilities	-	1,898	1,898
Due to Other Governments	91,376	-	91,376
Total Liabilities	106,857	3,997	110,854
NET POSITION			
Investment in Capital Assets	18,537	71,341	89,878
Unrestricted	3,310,300	196,535	3,506,835
Total Net Position	\$ 3,328,837	\$ 267,876	\$ 3,596,713

See accompanying Notes to Basic Financial Statements.

IRON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Tax Revolving	Construction Code	Total
OPERATING REVENUES			
Charges for Services	\$ 303,077	\$ 154,046	\$ 457,123
Penalties and Interest on Taxes	131,422	-	131,422
Total Operating Revenues	<u>434,499</u>	<u>154,046</u>	<u>588,545</u>
OPERATING EXPENSES			
Operation and Maintenance	123,380	121,906	245,286
Depreciation	5,822	14,310	20,132
Total Operating Expenses	<u>129,202</u>	<u>136,216</u>	<u>265,418</u>
OPERATING INCOME	305,297	17,830	323,127
NONOPERATING REVENUES			
Interest Income	4,028	-	4,028
Other Nonoperating Revenues	-	29	29
Total Nonoperating Revenues	<u>4,028</u>	<u>29</u>	<u>4,057</u>
INCOME BEFORE TRANSFERS	309,325	17,859	327,184
Transfers Out	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
CHANGE IN NET POSITION	269,325	17,859	287,184
Net Position - Beginning of Year	<u>3,059,512</u>	<u>250,017</u>	<u>3,309,529</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,328,837</u></u>	<u><u>\$ 267,876</u></u>	<u><u>\$ 3,596,713</u></u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Tax Revolving	Construction Code	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 440,662	\$ 154,046	\$ 594,708
Cash Paid for Employee Wages and Benefits	-	(60,448)	(60,448)
Cash Paid to Suppliers and Service Providers	(125,030)	(58,901)	(183,931)
Net Cash Provided by Operating Activities	<u>315,632</u>	<u>34,697</u>	<u>350,329</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other Income	-	29	29
Transfers Out	(40,000)	-	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(40,000)</u>	<u>29</u>	<u>(39,971)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	(22,878)	(22,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>4,028</u>	<u>-</u>	<u>4,028</u>
CHANGE IN CASH AND CASH EQUIVALENTS	279,660	11,848	291,508
Cash and Cash Equivalents - Beginning of Year	<u>2,465,553</u>	<u>188,311</u>	<u>2,653,864</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,745,213</u>	<u>\$ 200,159</u>	<u>\$ 2,945,372</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 305,297	\$ 17,830	\$ 323,127
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	5,822	14,310	20,132
Effect of Changes In Operating Assets and Liabilities:			
Other Accounts Receivable	2,186	-	2,186
Delinquent Taxes Receivable	3,977	-	3,977
Inventories and Prepaid Items	-	5	5
Accounts Payable	9,618	1,815	11,433
Accrued and Other Current Liabilities	(11,268)	737	(10,531)
Net Cash Provided by Operating Activities	<u>\$ 315,632</u>	<u>\$ 34,697</u>	<u>\$ 350,329</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Private Purpose Trust Fund Youth Camp	Custodial Funds
ASSETS		
Cash and Investments	\$ 2,700	\$ 386,688
LIABILITIES		
Accounts Payable	-	35,512
Due to Other Governments	-	297,638
Total Liabilities	-	333,150
FIDUCIARY NET POSITION		
Restricted for Scholarships	2,700	-
Restricted for Individuals, Organizations, and Other Governments	-	53,538
Total Fiduciary Net Position	\$ 2,700	\$ 53,538

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Private Purpose Trust Fund Youth Camp	Custodial Funds
ADDITIONS		
Interest on Investments	\$ 27	\$ -
Library Fees	-	39,991
Taxes and Special Charges Collected	-	7,526,919
Fees Collected	-	882,427
Payments Collected	-	138,053
Total Additions	27	8,587,390
DEDUCTIONS		
Payments to Library	-	36,326
Payments to Other Districts	-	7,526,919
Payments to Other Governments	-	882,427
Other Payments	-	132,517
Total Deductions	-	8,578,189
CHANGE IN NET POSITION	27	9,201
Fiduciary Net Position - Beginning of Year	2,673	44,337
FIDUCIARY NET POSITION - END OF YEAR	\$ 2,700	\$ 53,538

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2022**

	Road Commission	District Health	Medical Care Facility	Totals
ASSETS				
Cash and Investments	\$ 1,592,653	\$ 1,480,553	\$ 2,867,787	\$ 5,940,993
Receivables:				
Property Taxes	240,364	-	-	240,364
Accounts	-	116,677	1,594,542	1,711,219
Other	-	-	4,989,368	4,989,368
Due from Other Governments	1,018,098	-	-	1,018,098
Inventories and Prepaid Items	932,676	-	-	932,676
Assets Limited as to Use	-	-	3,256,028	3,256,028
Other Current Assets	6,304	-	418,047	424,351
Net Pension Asset	-	-	373,445	373,445
Capital Assets, Nondepreciable	52,977	11,371	13,899	78,247
Capital Assets, Depreciable / Amortizable	24,900,480	527,150	17,122,972	42,550,602
Total Assets	<u>28,743,552</u>	<u>2,135,751</u>	<u>30,636,088</u>	<u>61,515,391</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	1,178,646	691,608	3,090,815	4,961,069
Other Postemployment Related Amounts	97,935	-	242,928	340,863
Total Deferred Outflows of Resources	<u>1,276,581</u>	<u>691,608</u>	<u>3,333,743</u>	<u>5,301,932</u>
LIABILITIES				
Accounts Payable	455,426	84,173	1,269,163	1,808,762
Accrued and Other Current Liabilities	117,640	60,410	519,147	697,197
Due to Other Governments	1,229	-	-	1,229
Accrued Interest Payable	-	-	105,935	105,935
Special Deposits	-	-	101,335	101,335
Unearned Revenues	213,419	-	-	213,419
Advances from the State	316,405	393,504	-	709,909
Long-Term Obligations:				
Due Within One Year:				
Bonds and Leases Payable	253,080	-	628,000	881,080
Compensated Absences	65,000	2,371	1,066,315	1,133,686
Due In More Than One Year:				
Bonds and Notes Payable	1,426,284	-	9,128,117	10,554,401
Compensated Absences	197,256	187,240	-	384,496
Net Pension Liability	6,287,788	3,819,312	-	10,107,100
Other Postemployment Benefits	1,845,527	-	97,779	1,943,306
Total Liabilities	<u>11,179,054</u>	<u>4,547,010</u>	<u>12,915,791</u>	<u>28,641,855</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	240,364	-	-	240,364
Pension Related Amounts	86,824	-	3,956,354	4,043,178
Other Postemployment Related Amounts	753,933	-	844,693	1,598,626
Total Deferred Inflows of Resources	<u>1,081,121</u>	<u>-</u>	<u>4,801,047</u>	<u>5,882,168</u>
NET POSITION				
Net Investment in Capital Assets	23,274,093	538,521	12,630,871	36,443,485
Restricted for Debt Service	-	-	1,626,325	1,626,325
Unrestricted	(5,514,135)	(2,258,172)	1,995,797	(5,776,510)
Total Net Position	<u>\$ 17,759,958</u>	<u>\$ (1,719,651)</u>	<u>\$ 16,252,993</u>	<u>\$ 32,293,300</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Road Commission	\$ 7,509,606	\$ 1,514,180	\$ 4,297,743	\$ 1,948,851
District Health	2,894,508	660,860	1,552,974	-
Medical Care Facility	20,705,399	16,852,006	7,671,753	-
Total Component Units	<u>\$ 31,109,513</u>	<u>\$ 19,027,046</u>	<u>\$ 13,522,470</u>	<u>\$ 1,948,851</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES (CONTINUED)
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022**

	Net (Expense) Revenue and Changes in Net Position			
	Road Commission	District Health	Medical Care Facility	Totals
Road Commission	\$ 251,168	\$ -	\$ -	\$ 251,168
District Health	-	(680,674)	-	(680,674)
Medical Care Facility	-	-	3,818,360	3,818,360
	251,168	(680,674)	3,818,360	3,388,854
GENERAL REVENUES				
Property Taxes	237,966	728,960	-	966,926
Interest and Investment Earnings	18,090	9,042	170,069	197,201
Miscellaneous	-	9,817	-	9,817
Total General Revenues	256,056	747,819	170,069	1,173,944
CHANGE IN NET POSITION	507,224	67,145	3,988,429	4,562,798
Net Position - Beginning of Year - as Originally Reported	17,288,822	(1,786,796)	12,264,564	27,766,590
Change in Accounting Principle	(36,088)	-	-	(36,088)
Net Position - Beginning of Year, Restated	17,252,734	(1,786,796)	12,264,564	27,730,502
NET POSITION - END OF YEAR	\$ 17,759,958	\$ (1,719,651)	\$ 16,252,993	\$ 32,293,300

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Iron County, Michigan (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

A. Reporting Entity

The County is a municipal corporation governed by an elected five-member board. In accordance with U.S. GAAP, the basic financial statements are required to include the County and any separate component units that have a significant operational or financial relationship with the County. The County has identified the following component units that are required to be included in the basic financial statements.

Iron County Road Commission

Iron County Road Commission (the Commission), which was established pursuant to the County Road Law, (MCL 224.1), is governed by an elected five-member Board of County Road Commissioners. The Commission may not issue debt without the approval of the Iron County Board of Commissioners. Property taxes, as approved by the county electors, would be levied under the taxing authority of the County. Complete financial statements of the Commission can be obtained directly from the Commission's administrative office at 800 West Franklin Street, Iron River, MI 49935.

Dickinson-Iron District Health Department

The Dickinson-Iron District Health Department (the District) is governed by an appointed 6-member Board of Health, jointly appointed by the Iron County Board of Commissioners and the Dickinson County Board of Commissioners. The District's operations and capital budgets are approved by both of the County Board of Commissioners. Separate financial statements of the District are not issued.

Iron County Medical Care Facility

Iron County Medical Care Facility (the Facility) is a 200-bed, long-term medical care unit owned and operated by Iron County, Michigan. The Facility also operates a 25-bed assisted living unit. It is governed by the Iron County Department of Human Services Board. This Board consists of three members, two of whom are appointed by the Iron County Board of Commissioners, and one appointed by the Michigan governor. Further, the Iron County Board of Commissioners approves the budget for the Facility. Complete financial statements of the Facility can be obtained directly from the Facility's administrator's office at 1523 U.S. Highway 2, Crystal Falls, MI 49920.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Jointly Governed Organizations

Northpointe Behavioral Healthcare Systems Authority

Iron County entered into an inter-local agreement with Dickinson and Menominee Counties on October 26, 1994 for the purpose of establishing an Authority to govern community mental health programs. The Northpointe Behavioral Healthcare Systems Authority was established pursuant to the Michigan Constitution of 1963, Article 7, Section 28, the Mental Health Code, 1974 PA 258, as amended, and the Urban Cooperation Act, 1967 PA 7 and is governed by a 12-member board. The board is made up of five members each from Menominee and Dickinson Counties and two members from Iron County. The County does not have an ongoing financial interest, or an ongoing financial responsibility in Northpointe, but did make an appropriation in the amount of \$44,113. Complete financial statements of Northpointe Behavioral Healthcare Systems Authority can be obtained directly from their administrative office at 715 Pyle Drive, Kingsford, MI 49802.

C. 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 County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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. 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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. The County has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The County reports the following major funds:

General Fund

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Maintenance of Effort Special Revenue Fund

This fund accounts for the maintenance of effort activities of the Medical Care Facility. The primary revenue source is property taxes.

Central Dispatch Special Revenue Fund

This fund accounts for the operations of the Public Safety Dispatching for the County. The primary revenue source is property taxes and public charges of services.

American Rescue Plan Act Special Revenue Fund

This fund accounts for recording the funds received and spent from the American Rescue Plan Act. The primary revenue source of the fund is federal aid.

Ambulance Fund

This fund accounts for the operations of the operation of ambulance and rescue services of the County. The primary revenue source is property taxes.

The County reports the following major enterprise funds:

Tax Revolving Proprietary Fund

This fund accounts for the purchase and collection of delinquent property taxes from cities and townships of the County.

Construction Code Proprietary Fund

This fund accounts for inspections for municipalities within Iron County.

Additionally, the County reports the following fund types:

- Custodial funds are used to account for assets held by the or as an agent for individuals, private organizations, other governments.
- The County uses a private purpose trust fund to account for assets held under a trust agreement.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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 revenues 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes

The County General Fund property tax is levied on each July 1st and other County approved millage are levied on December 1st on the taxable valuation of the property located in the County as of the preceding March 31st and December 31st, respectively. The extra voted millage of the County's 2022 ad valorem taxes are levied and collectible on December 1, 2021. It is the County policy to recognize revenues from the current tax levy in the subsequent fiscal year when the proceeds from this levy are budgeted and made available for the financing of the extra voted millage purposes. The County also levies all of its operating millage on July 1st, these amounts are recognized as revenue when collected as well as the amount the County expects to receive as part of the tax settlement which is usually within 180 days of the end of the County's fiscal year-end.

The 2021 taxable valuation of Iron County amounted to \$557,092,117 on which ad valorem taxes of .4967 mills were levied for Youth Camp; 1.4902 mills for MCF Operations; .2682 mills for Senior Citizens, .4172 mills for Health Department; .4967 mills for County Road Commission; 1.10 mills for 2012 Refunding Bond Debt, .0745 for Veterans, .1490 mills for County Ambulance, .9935 for Dispatch, .0993 for Meals on Wheels, and .0993 for Healthcare Assistance. The 2022 taxable valuation of Iron County amounted to \$586,188,388 on which the County levied 6.3882 mills as part of the July 1st levy.

For fiscal year 2022, the December 2021 tax levy raised approximately \$276,710 for Youth Camp; \$830,200 for MCF Operations; \$149,400 for Senior Citizens; \$232,420 for Health Department; \$276,710 for County Road Commission, including amounts remitted to other municipalities; \$612,800 for 2012 Refunding Bond Debt; \$41,500 for Veterans; \$83,000 for County Ambulance; \$553,470 for Dispatch; \$55,320 for Meals on Wheels, and \$55,320 for Healthcare Assistance. The July 2022 tax levy raised approximately \$3,733,000 for general fund operations.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes (Continued)

The December 1, 2022 tax levy for all of the County's extra voted millage will be recorded as taxes receivable and deferred inflows of resources and is anticipated to raise the following tax revenue for fiscal year 2023: Youth Camp \$290,223; MCF Operations \$870,780; Senior Citizens \$156,700; Health Department \$243,800; County Road Commission \$290,220; 2012 Refunded Bond Retirement \$164,100; Veterans \$43,500; County Ambulance \$586,200; 911 Dispatch \$580,560; Meals on Wheels \$58,000 and Healthcare Assistance \$58,000.

3. Special Assessments

In 2017, the County assessed property owners who benefited from improvements made at Indian Lake. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are collected on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are due and collectible within the period of availability.

4. Loans Receivable

The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized.

5. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances, if any, represents the residual balance outstanding between the governmental and business-type activities.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

6. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the period benefiting.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Assets	Governmental Activities	Business-Type Activities
	Years	
Buildings and Improvements	20 to 50	-
Machinery and Equipment	3 to 20	3 to 20
Infrastructure	40	-

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

11. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Pensions

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

13. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the County Board of Commissioners. These constraints can only be removed or changed by the County Board using the same action that was used to create them.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of County management. The County Board has authorized the County Board of Commissioners to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. In mid-year, a proposed operating budget for the fiscal year commencing the following January 1st is submitted to the County Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
2. Numerous opportunities exist for public comment during the budget process including at least one formal public hearing conducted at the Courthouse to obtain taxpayer comment.
3. Pursuant to statute, prior to commencement of a year, the budget for the ensuing year is legally enacted through adoption by the County Board of Commissioners.
4. The general statute governing County budgetary activity is the Uniform Budgeting and Accounting Act.
5. Iron County adopts its annual budget on a line item basis. The budget structure consists of level of detail as follows:
 - a. Resources
 - b. General appropriation and functional groups
 - c. Departmental appropriations

At each level of detail, governmental operations are summarized into revenue or expenditure account groups. Budgetary control exists at the level adopted by the Board of Commissioners. Accounting classification controls, reside at the line item detail level.

6. Annual budgets are adopted on a basis consistent with generally accepted accounts principles for the general and special revenue funds. All annual appropriations lapse at year-end. The legal level of budgetary control is the activity level in the general fund and the functional level for special revenue funds. The County did not adopt a budget for the American Rescue Plan Act for 2022.
7. Budgets of certain funds reflect utilization of a portion of beginning fund balance. Only the appropriated beginning fund balance amount is reflected in the budgets under the caption Fund Balance, beginning of year.
8. Budgets have been amended during 2022. All budget amendments are presented to the Finance Committee. In December, the Board of Commissioners approved the final amendments to the annual budget.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Iron County treasurer maintains bank deposits for the County and its component units. The carrying amount of the bank deposits held by the County treasurer totaled \$20,234,514 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 3,085
Deposits with Financial Institutions	20,231,428
Total	\$ 20,234,513
Government-Wide Statement of Net Position:	
Cash and Investments	\$ 11,108,914
Fiduciary Fund Statement of Net Position:	
Cash and Investments	389,387
Subtotal	11,498,301
Component Units:	
Road Commission	1,562,709
Dickinson-Iron Health District	1,480,553
Medical Care Facility	5,692,950
Total	\$ 20,234,513

The amounts reflected above for the Component Units includes cash and assets limited as to use for the Medical Care Facility are held by the County.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. 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 observable inputs; Level 3 inputs are significant unobservable inputs. The County currently has no investments that are subject to fair value.

Deposits and investments of the County and its component units are subject to various risks. Component units maintain additional deposit accounts in addition to the cash held by the County treasurer. Presented below and included with component unit disclosures is a discussion of the County and its component units' cash and investments and related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County does not have an additional custodial credit policy.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Deposits with financial institutions within the state of Michigan are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Michigan are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member.

As of December 31, 2022, \$15,751,106 of the County and its component units' deposits with financial institutions were in excess of federal depository insurance limits. No amounts were collateralized.

B. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 189,118	\$ -	\$ -	\$ 189,118
Construction in Progress	76,004	164,159	51,413	188,750
Total Capital Assets, Nondepreciable	265,122	164,159	51,413	377,868
Capital Assets, Depreciable:				
Buildings and Improvements	7,154,909	1,077,874	-	8,232,783
Machinery and Equipment	2,303,943	343,129	59,987	2,587,085
Infrastructure	575,191	18,620	-	593,811
Subtotals	10,034,043	1,439,623	59,987	11,413,679
Less Accumulated Depreciation for:				
Buildings and Improvements	4,731,016	143,056	-	4,874,072
Machinery and Equipment	1,596,811	171,801	53,618	1,714,994
Infrastructure	251,187	23,089	-	274,276
Subtotals	6,579,014	337,946	53,618	6,863,342
Total Capital Assets, Depreciable, Net	3,455,029	1,101,677	6,369	4,550,337
Governmental Activities Capital Assets, Net	<u>\$ 3,720,151</u>	<u>\$ 1,265,836</u>	<u>\$ 57,782</u>	4,928,205
Less: Capital Related Debt				<u>1,056,975</u>
Net Investment in Capital Assets				<u>\$ 3,871,230</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Depreciable:				
Machinery and Equipment	\$ 111,725	\$ 22,878	\$ -	\$ 134,603
Less Accumulated Depreciation for:				
Machinery and Equipment	24,593	20,132	-	44,725
Total Capital Assets, Depreciable, Net	87,132	2,746	-	89,878
Business-Type Activities Capital Assets, Net	\$ 87,132	\$ 2,746	\$ -	\$ 89,878

Depreciation expense was charged to functions of the County as follows:

Governmental Activities:	
General Government	\$ 189,811
Public Safety	103,924
Culture and Recreation	44,211
Total Depreciation Expense - Governmental Activities	\$ 337,946
 Business-Type Activities:	
Tax Revolving	\$ 5,822
Construction Code	14,310
Total Depreciation Expense - Business-Type Activities	\$ 20,132

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivable, Payables, and Transfers

Interfund transfers for the year ended December 31, 2022 were as follows:

Funds	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 150,167	\$ 322,380
Other Governmental Funds:		
Special Revenue Funds:		
911 Equipment	-	3,290
Friend of the Court Incentive	34,425	-
CDBG	-	20,474
Central Dispatch	40,000	76,403
Law Library	10,000	-
Drug Court Grant Program	7,500	-
Alcohol Assessment	-	12,500
Child Care	84,720	-
Soldiers Relief	51,400	-
Plat Book Fund	-	5,000
Airport	5,000	-
Michigan Indigent Defense	72,357	-
Capital Projects Fund:		
Indian Lake Capital Projects	-	40,521
Debt Service Funds:		
2003 Courthouse Debt Retirement	24,478	-
2017 Indian Lake Debt Retirement	40,521	-
Enterprise Funds:		
Tax Revolving	-	40,000
Totals	\$ 520,568	520,568
Less: Interfund Eliminations		480,568
Transfers Per Statement of Activities		\$ 40,000

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers were made for the following purposes:

Quarterly Apportionments from the General Fund to Central Dispatch, Friend of the Court Incentive, Law Library, Soldiers Relief, and Airport Fund	\$ 175,545
Cover General Fund Operational Expenditures for Central Dispatch, Forestry, Alcohol Assessment, and Plat Book	86,403
Cover Operation Expenditures for Indigent Defense Fund that Was Originally Budgeted for in the General Fund	72,357
Move Funds for 911 Equipment	3,290
Move Funds to Drug Court from Alcohol Assessment	7,500
Payment on GO Debt from the General Fund	24,478
Payment for Indian Lake Bond	40,521
CDBG Program Income Transfer	20,474
Move general fund money to Courthouse Repair Fund	50,000
Delinquent Tax Revolving Fund Recovered Payment to General Fund	40,000
Total	<u><u>\$ 520,568</u></u>

D. Long-Term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 2,883,000	\$ -	\$ 785,000	\$ 2,098,000	\$ 155,000
Compensated Absences	221,862	2,305	27,155	197,012	-
Governmental Activities Long-Term Obligations	<u>\$ 3,104,862</u>	<u>\$ 2,305</u>	<u>\$ 812,155</u>	<u>\$ 2,295,012</u>	<u>\$ 155,000</u>

Total interest paid during the year on long-term debt totaled \$89,136.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Bonds	08/19/03	08/01/33	4.25%	\$ 400,000	\$ 208,000
General Obligation Tax Refunding Bonds	03/08/12	06/01/33	2.75	7,285,000	1,480,000
General Obligation Bonds	12/21/17	06/01/37	2.65%-4.30%	510,000	410,000
Total					<u>\$ 2,098,000</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$2,098,000 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 155,000	\$ 71,211	\$ 226,211
2024	156,000	66,344	222,344
2025	161,000	61,326	222,326
2026	162,000	56,041	218,041
2027	173,000	50,401	223,401
2028-2032	957,000	155,284	1,112,284
2033-2037	334,000	19,125	353,125
Total	<u>\$ 2,098,000</u>	<u>\$ 479,732</u>	<u>\$ 2,577,732</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

E. Pension Plan – General County

1. Plan Description

The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com or in writing at 1134 Municipal Way, Lansing, Michigan 48917.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

2. Benefits Provided

Benefit provisions used in the December 31, 2022 valuation were as follows:

	01-General Closed	02-Sheriff Closed	10-AFSCME Courthouse EE Closed	11-911 Dispatchers Closed	20-Sheriff & Undersheriff Closed
	2.25%	2.25%	2.25%	2.25%	2.25%
	(80% Max)	(80% Max)	(80% Max)	(80% Max)	(80% Max)
Benefit Multiplier					
Normal Retirement Age	60	60	60	60	60
Vesting	6 years	6 years	6 years	6 years	6 years
Early Retirement (Unreduced)	55/15	55/15	55/15	55/15	55/15
Early Retirement (Reduced)	50/25	50/25	50/25	50/25	50/25
Final Average Compensation	5 years	5 years	5 years	5 years	5 years
Employee Contributions	0%	0%	0%	0%	0%
Act 88	Yes	Yes	Yes	Yes	Yes

3. Employees Covered by Benefit Terms

At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	67
Inactive Employees Entitled to but not Yet Receiving Benefits	11
Active Employees	8
Total	86

4. Contributions

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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

4. Contributions (Continued)

The required monthly contributions for the year ended December 31, 2022 for closed divisions is shown as a monthly dollar contribution as follows:

01 - General	\$	9,419
02 - Sheriff		1,233
10 - AFSCME Courthouse EE		20,584
11 - 911 Dispatchers		336
20 - Sheriff and Undersheriff		730

During the year ended December 31, 2022, the County's contributions to MERS totaled \$740,000.

5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net position liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Changes in net pension liability during the measurement year ended December 31, 2022 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 9,376,281	\$ 7,823,340	\$ 1,552,941
Changes for the Year:			
Service Cost	40,899	-	40,899
Interest on Total Pension Liability	654,465	-	654,465
Difference Between Expected and Actual Experience	109,363	-	109,363
Contributions - Employer	-	740,000	(740,000)
Net Investment Income	-	(810,918)	810,918
Benefit Payments, Including Refunds	(739,241)	(739,241)	-
Administrative Expenses	-	(14,513)	14,513
Other Changes	277,101	-	277,101
Net Changes	<u>342,587</u>	<u>(824,672)</u>	<u>1,167,259</u>
Balances - End of Year	<u>\$ 9,718,868</u>	<u>\$ 6,998,668</u>	<u>\$ 2,720,200</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2022 the County recognized pension expense of \$810,403.

At December 31, 2022, the County reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 54,681	\$ -
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	614,844	-
Total	\$ 669,525	\$ -

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

Year Ended December 31,	Expense
2023	\$ 104,511
2024	112,031
2025	177,461
2026	275,522
Total	\$ 669,525

6. 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	2.5% In the Long-Term
Salary Increases	3.00% Average, Including Inflation
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation

Mortality rates were based on the Pub-2010 and full generational MP-2019 Healthy based upon the experience study dated February 14, 2020

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

6. Actuarial Assumptions (Continued)

The actuarial assumptions used in the December 31, 2022 actuarial valuation were based on the results of the most recent actuarial experience study dated February 14, 2020.

Long-Term Expected Return on Plan Assets

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.00%
Private Investments	20.00%	7.00%

Discount Rate

The discount rate used to measure the total pension liability is 7.25% for 2022. 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 total pension liability.

Sensitivity of the County's Net Pension Liability (Asset) 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 Commission's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net Pension Liability	\$ 3,666,157	\$ 2,720,200	\$ 1,911,106

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

7. Payables to the Pension Plan

At December 31, 2022, the County reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

F. Defined Contribution Plan Description

Iron County participates in a defined contribution plan administered by the Municipal Employee's Retirement System (MERS). The retirement plan covers regular full-time and part-time employees hired after April 1, 2004.

For full-time employees, the County agrees to fund 6% of the gross employee earnings per pay period into a Section 401(a) Defined contribution individual retirement account. To encourage full-time employees to participate, the County agrees to match individual pre-tax contributions into a section 457 Deferred Compensation Program, 50% employer and 50% employee, up to an additional 6% (3% employer and 3% employee) for a total of 12% (9% employer and 3% employee).

For part-time employees, the County agrees to fund 4% of the gross employee earnings per pay period into a Section 401(a) defined contribution individual retirement account. To encourage part-time employees to participate, the County agrees to match individual pre-tax contributions into a section 457 Deferred Compensation Program, 50% employer and 50% employee, up to an additional 6% (3% employer and 3% employee) for a total of 10% (7% employer and 3% employee).

Both full-time and part-time employees have the option of providing additional unmatched pre-tax contributions to their individual Section 457 retirement account as authorized by the plan. A vesting schedule gives employees 20% vesting per year and at the end of the fifth year employees will be 100% vested on the employer's contribution portion. Employees are always 100% vested on the employee contribution portion.

During the 2022 fiscal year, employer contributions relating to the defined contribution plan were \$207,137. The County received \$23,555 from MERS in forfeitures that occurred during the year.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

General Fund:		
Prepaid Items	\$	112,428
Central Dispatch:		
Prepaid Items		8,928
Other Non-Major Governmental Funds:		
Prepaid Items		<u>22,783</u>
Total Nonspendable Fund Balance	\$	<u><u>144,139</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

Maintenance of Effort:		
Restricted for:		
Maintenance of Effort of Long-Term Care Facility	\$	531,698
Other Governmental Funds:		
Restricted for:		
Probation and Correction Holds		12,666
Friend of The Court		48,334
Economic Development Loans		82,553
Community Development		99,914
Senior Citizen Centers		1,415
Public Act 302		221
Michigan Indigent Defense		371,258
Debt Service		<u>182,467</u>
Subtotal		<u>798,828</u>
Total Restricted Fund Balance	\$	<u><u>1,330,526</u></u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2022, government fund balance was committed as follows:

General Fund:	
Committed for:	
Budget Stabilization	\$ 739,643
Capital Projects Funds:	
Indian Lake	225,375
Special Revenue Funds:	
Committed for:	
County Youth Camp	187,474
Family Counseling	16,887
County Parks	157,098
Register of Deeds Automation	140,533
Central Dispatch	134,539
Correction Officer Training	17,364
Concealed Weapon Permits	42,137
Drug Forfeiture	1,529
Law Library	2,068
Drug Court	27,615
Alcohol Assessment	30,787
Child Care	81,523
Soldiers Relief	1,613
Veterans Trust	500
Plat Books	29,655
Sheriff Equipment	79,452
Courthouse Repairs	133,430
Airport	12,531
Forest Management	330,618
Ambulance	28,477
Health Care Assistance	3,938
Meals on Wheels	3,938
Invasive Species	561
Subtotal	<u>1,464,267</u>
 Total Committed Fund Balance	 <u><u>\$ 2,429,285</u></u>

Minimum General Fund Balance Policy

With the implementation of GASB 54, budget stabilization funds are required to be reported within the General Fund, and beginning and ending fund balances are reflected within the fund balances of the General Fund as of year-end.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Minimum General Fund Balance Policy (Continued)

The County has a minimum fund balance policy whereas the unassigned balance should exceed 17% of the current year's general fund budgeted expenditures. See the current year's minimum fund balance below:

Current 2022 General Fund Budgeted Expenditures	\$ 5,326,092
Minimum Fund Balance %	(x) 17%
Minimum Fund Balance Amount	<u>\$ 905,436</u>

The general fund's unassigned balance as of December 31, 2022 is \$3,751,661, which is greater than the minimum required.

NOTE 4 OTHER INFORMATION

A. Component Units

This report contains the Iron County Road Commission (the Commission), the Dickinson-Iron Health District (the District), and the Iron County Medical Care Facility (the Facility) which are included as discretely presented component units. Financial information for the year ended December 31, 2022 is presented aggregately in the statement of net position and the statement of activities. Additional disclosures for each component unit follows:

Iron County Road Commission

1. Cash and Investments

The Commission's investment policy, adopted by the Board, follows Michigan law with respect to the authorized cash and investments. The Commission's investment policy does not contain specific provisions to limit the Commission's exposure to interest rate risk or impose limitations on the amount that can be invested in any one issuer. The Commission's deposits and investment policy are in accordance with statutory authority.

As of December 31, 2022, the carrying amount of the Commission's cash and investments totaled \$1,592,653 and consisted of bank deposits of \$1,592,453 and petty cash of \$200.

The bank balance of the Commission's deposits is \$1,182,151, of which \$500,305 is covered by Federal depository insurance. The remaining \$681,846 is uncollateralized. The Commission's investment policy contains asset diversification requirements that limit, to some extent, exposure to custodial credit risk for deposits.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

2. Capital Assets

A summary of changes in the Commission's capital assets for the year ended December 31, 2022 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 26,568	\$ 26,409	\$ -	\$ 52,977
Construction in Progress	83,289	-	83,289	-
Total Capital Assets, Nondepreciable	109,857	26,409	83,289	52,977
Capital Assets, Depreciable/Amortizable:				
Buildings and Improvements	3,486,052	-	-	3,486,052
Equipment	5,467,647	418,097	3,870	5,881,874
Right-to-Use Equipment	533,460	297,707	-	831,167
Infrastructure	36,607,117	2,441,134	-	39,048,251
Total Capital Assets, Depreciable / Amortizable	46,094,276	3,156,938	3,870	49,247,344
Less Accumulated Depreciation / Amortization for:				
Buildings and Improvements	1,989,588	112,634	-	2,102,222
Equipment	4,644,408	363,793	3,870	5,004,331
Right-to-Use Equipment	91,588	107,353	-	198,941
Infrastructure	15,165,639	1,875,731	-	17,041,370
Subtotals	21,891,223	2,459,511	3,870	24,346,864
Total Capital Assets, Depreciable / Amortizable, Net	24,203,053	697,427	-	24,900,480
Capital Assets, Net	<u>\$ 24,312,910</u>	<u>\$ 723,836</u>	<u>\$ 83,289</u>	24,953,457
Less: Capital Related Debt				<u>1,679,364</u>
Net Investment in Capital Assets				<u>\$ 23,274,093</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

3. Long-Term Obligations

A summary of changes in the Commission's long-term obligations for the year ended December 31, 2022 follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Total Long-Term Obligations:					
Michigan Transportation Fund:					
Refunding Bonds	\$ 1,160,000	\$ -	\$ 90,000	\$ 1,070,000	\$ 95,000
Leases	477,960	297,707	166,303	609,364	158,080
Installment Notes	122,514	-	122,514	-	-
Compensated Absences	251,214	149,144	138,102	262,256	65,000
Total Long-Term Obligations	<u>\$ 2,011,688</u>	<u>\$ 446,851</u>	<u>\$ 516,919</u>	<u>\$ 1,941,620</u>	<u>\$ 318,080</u>

Long-term debt outstanding as of December 31, 2022 follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Michigan Transportation Fund Refunding Bonds	04/03/12	08/01/32	1.20% - 3.25%	\$ 1,880,000	<u>\$ 1,070,000</u>

Annual principal and interest maturities of the outstanding debt of \$1,679,364 on December 31, 2022 are detailed below:

Year Ended December 31,	Bonds Payable		Leases - Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 95,000	\$ 32,988	\$ 158,080	\$ 25,496	\$ 253,080	\$ 58,484
2024	100,000	30,137	164,354	19,222	264,354	49,359
2025	95,000	27,138	170,906	12,671	265,906	39,809
2026	100,000	24,287	116,024	5,824	216,024	30,111
2027	105,000	21,287	-	-	105,000	21,287
2028-2032	575,000	56,363	-	-	575,000	56,363
Total	<u>\$ 1,070,000</u>	<u>\$ 192,200</u>	<u>\$ 609,364</u>	<u>\$ 63,213</u>	<u>\$ 1,679,364</u>	<u>\$ 255,413</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

4. Pension Plan

Plan Description

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

Benefits Provided

Benefit provisions used in the December 31, 2021 valuation were as follows:

	01-Commissioner Non-Union Closed	10-Union Closed	11-Hourly Non-Union Closed	12-Non-Union after 10-14 & Union after 10/11 Open
Benefit Multiplier	2.50% (80% Max)	2.50% (80% Max)	2.50% (80% Max)	1.70% (No Max)
Normal Retirement Age	60	60	60	60
Vesting	10 years	10 years	10 years	10 years
Early Retirement (Unreduced)	55/20	-	55/20	-
Early Retirement (Reduced)	50/25; 55/15	50/25; 55/15	50/25; 55/15	50/25; 55/15
Final Average Compensation	3 years	5 years	3 years	5 years
COLA for Future Retirees	2.5% (Non-Compound)	2.5% (Non-Compound)	2.5% (Non-Compound)	-
COLA for Current Retirees	2.5% (Non-Compound)	2.5% (Non-Compound)	2.5% (Non-Compound)	-
Employee Contributions	0%	0%	0%	0%
Act 88	Yes	Yes	Yes	Yes

Employees Covered by Benefit Terms

At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	43
Inactive Employees Entitled to but not Yet Receiving Benefits	2
Active Employees	22
Total	67

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

4. Pension Plan (Continued)

Contributions

The Commission is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The required employer contribution for the year ended December 31, 2022 for open divisions is shown as a percent of pay contribution and for closed divisions is shown as a monthly contribution as follows.

01 - Comm/Sal/Non-Union	\$	6,963
10 - Union		32,485
11 - Hourly Non-Union		24,562
12 - Non-Union after 10/14: Union after 10/11		8.81%

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

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Update procedures were used to roll forward the total pension liability to the measurement date of December 31, 2022.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

4. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Changes in net pension liability during the measurement year ended December 31, 2022 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 13,745,416	\$ 8,604,983	\$ 5,140,433
Changes for the Year:			
Service Cost	123,053	-	123,053
Interest on Total Pension Liability	1,012,780	-	1,012,780
Difference Between Expected and Actual Experience	2,054	-	2,054
Changes in Assumptions	439,828	-	439,828
Contributions - Employer	-	1,313,391	(1,313,391)
Net Investment Income	-	(887,368)	887,368
Benefit Payments, Including Employee Refunds	(961,776)	(961,776)	-
Administrative Expenses	-	(16,137)	16,137
Other Changes	(20,474)	-	(20,474)
Net Changes	<u>595,465</u>	<u>(551,890)</u>	<u>1,147,355</u>
Balances - End of Year	<u>\$ 14,340,881</u>	<u>\$ 8,053,093</u>	<u>\$ 6,287,788</u>

For the year ended December 31, 2022, the Commission recognized pension expense of \$948,012.

At December 31, 2022, the Commission reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,370	\$ 86,824
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	769,729	-
Changes in Assumptions	407,547	-
Total	<u>\$ 1,178,646</u>	<u>\$ 86,824</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

4. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 266,700
2024	297,961
2025	216,343
2026	310,818
Total	<u>\$ 1,091,822</u>

Actuarial Assumptions

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

Inflation:	2.5%
Salary Increases:	3.00% In the Long-Term
Investment Rate of Return:	7.00%, Net of Investment and Administrative Expenses Including Inflation

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

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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

4. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	2.70%
Global Fixed Income	20.00%	0.40%
Private Investments	20.00%	1.40%

Discount Rate. The discount rate used to measure the total pension liability is 7.25% for the valuation on December 31, 2021. 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 total pension liability.

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

	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net Pension Liability	\$ 7,684,105	\$ 6,287,788	\$ 5,090,161

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits

Plan Description

The Iron County Road Commission Retiree Medical Plan is a single employer plan administered by Iron County Road Commission and can be amended at its discretion. The plan provides postemployment health care benefits and life insurance benefits, in accordance with the provision of Article 50, Section 9, and Article 51, Section 2 of the union agreement, to specified retired employees and/or their spouse.

Health care benefits are provided upon retirement as follows: Medical is provided from age 60 with 10 years of service or age 55 with 15 years of service. Employees hired prior to February 1, 1986 will receive benefits for the retiree’s lifetime. Employees hired after February 1, 1986 will receive fully paid pre-65 benefits for one year. Life insurance will be provided from age 60 and 10 years of service and hired prior to September 13, 2011. The Commission will provide Blue Cross/Blue Shield pre 65 insurance coverage, plan coverage complementary to Medicare and life insurance of \$8,000. No coverage is offered for spouses. If retiring at or after age 60, no retiree contribution is required. If hired prior to February 1, 1986 and retiring prior to age 60, employee contribution shall be ½ of 1% for every month of retirement prior to age 60; for those who retire prior to age 60, coverage and contributions commence at age 60 and end when the retiree reaches age 70.

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Active Plan Members	23
Total	45

Contributions

The Iron County Road Commission Retiree Medical Plan was established and is being funded under the authority of the Commission and under agreements with the unions representing various classes of employees. The plan’s funding policy is to pay expected plan benefits from general operating funds on a “pay-as-you-go” basis. Active participants do not make contributions to pre-fund the Plan. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves. During the year, the Commission contributed \$118,604 for the benefit.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits (Continued)

Total OPEB Liability

The Commission's total OPEB liability was measured as of December 31, 2022. The December 31, 2022 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022 and the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	N/A; Plan is not Pre-funded
Salary Increases	3.00%
Investment Rate of Return	N/A; Plan is not Pre-funded
20-Year Aa Municipal bond Rate	4.31%
Mortality	2010 Public General Employees and Health Retirees, Headcount Weighted
Investment Scale	MP-2021

As the plan is not pre-funded, no long-term expected rate of return on plan investments was determined.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.31%. Because the plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefits payments were not projected to be covered by the projected assets (the depletion date), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. The discount rate used for the December 31, 2021 actuarial valuation was 2.25%.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits (Continued)

Changes in OPEB Liability

	Total OPEB Liability
Balance - Beginning of Year	\$ 2,224,423
Changes for the Year:	
Service Cost	27,081
Interest on Total OPEB Liability	49,325
Difference Between Expected and Actual Experience	31,079
Changes in Assumptions	(367,777)
Benefit Payments, Including Employee Refunds	(118,604)
Net Changes	(378,896)
Balance - End of Year	\$ 1,845,527

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Commission, calculated using the discount rate of 4.31%, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease to Discount Rate (3.31%)	Current Discount Rate (4.31%)	1% Increase to Discount Rate (5.31%)
Total OPEB Liability	\$ 2,021,266	\$ 1,845,527	\$ 1,695,118

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits (Continued)

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the OPEB liability of the Commission, calculated using the healthcare cost trend rate of 1%, as well as what the Commission's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 1,697,305	\$ 1,845,527	\$ 2,017,855

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

For the year ended December 31, 2022, the Commission recognized OPEB expense of (\$195,465). At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 23,572	\$ 412,880
Changes in Assumptions	74,363	341,053
Total	\$ 97,935	\$ 753,933

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

Year Ending December 31,	Expense
2023	\$ (275,343)
2024	(270,984)
2025	(98,285)
2026	(11,386)
Total	\$ (655,998)

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

6. Risk Management

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefits claims and participates in the Michigan County Road Commission Self-Insurance Pool (Pool) for claims relating to general liability, excess liability, auto liability, trunkline liability, errors and omissions, physical damage (equipment, buildings and contents) and workers' compensation. The Road Commission's maximum deductible for property and liability coverage, and automobile coverage is \$1,000 per occurrence. The maximum liability for the property and liability coverage is \$10,500,000 per occurrence. The automobile coverage provides for limits of liability of \$250,000 per person, \$500,000 per accident and \$1,000,000 in total. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 years.

The county road commissions in the state of Michigan established and created a trust fund, known as the Pool pursuant to the provisions of Public Act 138 of 1982. The Pool is to provide for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection.

Membership is restricted to road commissions and related road commission activities with the State. The Road Commission became a member of the Pool for liability and property coverage in 1991 and for workers' compensation coverage in 1993. The Pool program operates as a common risk-sharing management program for road commissions in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department

1. Cash and Investments

As of December 31, 2022, the carrying amount of the District's cash and investments totaled \$1,480,553 and consisted of bank deposits of \$1,479,392 and petty cash of \$1,161.

The bank balance of the District's deposits is \$1,511,480, of which \$523,748 is covered by Federal depository insurance. The remaining \$987,732 is uninsured and uncollateralized.

2. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Construction in Progress	\$ -	\$ 11,371	\$ -	\$ 11,371
Capital Assets, Depreciable:				
Buildings and Improvements	406,280	-	-	406,280
Machinery and Equipment	466,600	13,283	-	479,883
Subtotals	872,880	13,283	-	886,163
Less Accumulated Depreciation	320,616	38,397	-	359,013
Capital Assets, Depreciable, Net	552,264	(25,114)	-	527,150
Total Capital Assets, Net	<u>\$ 552,264</u>	<u>\$ (13,743)</u>	<u>\$ -</u>	<u>538,521</u>
Net Investment in Capital Assets				<u>\$ 538,521</u>

3. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended December 31, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 228,290</u>	<u>\$ -</u>	<u>\$ 38,679</u>	<u>\$ 189,611</u>	<u>\$ 2,371</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan

Plan Description

The District's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmichigan.com or in writing at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

Benefit provisions used in the December 31, 2022 valuation were as follows:

	01-MNA Open	10-AFSCME Closed	11-Non-Union Closed	13-Medical Director Closed
Benefit Multiplier	2.50% (80% Max)	2.50% (80% Max)	2.50% (80% Max)	2.50% (80% Max)
Normal Retirement Age	60	60	60	60
Vesting	8 years	8 years	8 years	8 years
Early Retirement (Unreduced)	-	-	-	-
Early Retirement (Reduced)	50/25; 55/15	50/25; 55/15	50/25; 55/15	50/25; 55/15
Final Average Compensation	5 years	5 years	5 years	5 years
Employee Contributions	1%	1%	1%	1%
Act 88	Yes	Yes	Yes	Yes

Employees Covered by Benefit Terms

At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	59
Inactive Employees Entitled to but not Yet Receiving Benefits	14
Active Employees	13
Total	86

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan (Continued)

Contributions

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

The required employer contribution at December 31, 2022 for open divisions is shown as a percent of pay contribution and for closed divisions is shown as a monthly contribution as follows:

01 - MNA Employee	\$	12,292
10 - AFSCME		11,616
11 - Non-Union		39,278
20 - Medical Director		69

During the year ended December 31, 2022, the District's contributions to MERS totaled \$829,156.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan (Continued)

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

The net position liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Changes in net pension liability during the measurement year ended December 31, 2022 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance - Beginning of Year	\$ 11,507,757	\$ 8,716,553	\$ 2,791,204
Changes for the Year::			
Service Cost	78,787	-	78,787
Interest on Total Pension Liability	809,272	-	809,272
Difference Between Expected and Actual Experience	58,128	-	58,128
Contributions - Employer	-	829,156	(829,156)
Contributions - Employee	-	8,989	(8,989)
Net Investment Income	-	(903,855)	903,855
Benefit Payments, Including Employee Refunds	(769,566)	(769,566)	-
Administrative Expenses	-	(16,211)	16,211
Net Changes	176,621	(851,487)	1,028,108
Balance - End of Year	<u>\$ 11,684,378</u>	<u>\$ 7,865,066</u>	<u>\$ 3,819,312</u>

For the year ended December 31, 2022 the District recognized pension expense of \$529,836. The District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	<u>\$ 691,608</u>	<u>\$ -</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 58,785
2024	126,351
2025	198,932
2026	307,540
Total	<u>\$ 691,608</u>

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	2.5% In the Long-Term
Salary Increases	3.00% Average, Including Inflation
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation

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

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

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets (Continued). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.00%
Private Investments	20.00%	7.00%

Single Discount Rate. The discount rate used to measure the total pension liability is 7.25% for 2021. 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 total pension liability.

Sensitivity of the District's Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Net Pension Liability of the Health Department, calculated using the discount rate of 7.25%, as well as what the District's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net Pension Liability	\$ 15,018,099	\$ 3,819,312	\$ 2,794,741

Payables to the Pension Plan

At December 31, 2022, the District reported a payable of \$69,739 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

5. Defined Contribution Plan

Effective January 1, 2006, the Dickinson-Iron District Health Department adopted a Defined Contribution Plan administered by the Municipal Employees Retirement System (MERS). AFSCME (Division #10) and Non-Union (Division #11) employees and eligible employees for MERS memberships hired after January 1, 2006, or who have previously not participated in MERS eligible to participate in the plan. Normal retirement age under the plan shall be age 60 (not to exceed age 65).

Defined contribution plan contribution provisions are as follows:

Employer Contributions	Required Employee Contributions
5%	0%
6%	1%
7%	2%

Defined contribution plan vesting provisions are as follows:

Years of Service Completed	Specified Vesting Requirements
0	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

During the 2022 fiscal year, employer and employee contributions relating to the defined contribution plan were \$40,580 and \$10,971, respectively. Forfeiture of nonvested amounts is used to reduce future employer contributions. There were no forfeitures in 2022; however, there were forfeiture balances available for use by the Department in the amount of \$5,693.

6. Subsequent Event

On February 24, 2023, the District borrowed \$290,000 with a Promissory Note with an interest rate of 3.9%.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility

1. Cash and Investments

As of December 31, 2022, the Facility had the following cash and cash equivalents and assets limited as to use:

	<u>Cash and Cash Equivalents</u>	<u>Assets Limited as to Use</u>
Deposits:		
County Treasurer	\$ 2,296,397	\$ 1,660,720
Bank	569,740	341,560
Petty Cash	1,650	-
Money Market Funds	-	1,253,748
Total	<u>\$ 2,867,787</u>	<u>\$ 3,256,028</u>

The Facility does not have a deposit policy for custodial credit risk and the Facility's investment policy does not restrict investment maturities. At December 31, 2022, the Facility had approximately \$2,296,000 of funds not commingled with other county deposits that were uninsured and uncollateralized. The Facility believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Facility evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Assets limited as to use include assets held by trustees under indenture agreements and designated assets set aside by the board for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

2. Capital Assets

A summary of changes in the Facility's capital assets for the year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Construction in Progress	\$ 44,039	\$ 79,897	\$ 110,037	\$ 13,899
Capital Assets, Depreciable:				
Land Improvements	949,296	-	-	949,296
Buildings	27,009,529	163,321	-	27,172,850
Fixed Equipment	4,833,709	167,103	-	5,000,812
Moveable Equipment	2,695,337	-	-	2,695,337
Subtotals	35,487,871	330,424	-	35,818,295
Less: Accumulated Depreciation for:				
Land Improvements	573,565	59,611	-	633,176
Buildings	12,895,740	774,430	-	13,670,170
Fixed Equipment	1,956,017	283,383	-	2,239,400
Moveable Equipment	1,993,250	159,327	-	2,152,577
Subtotals	17,418,572	1,276,751	-	18,695,323
Total Capital Assets, Depreciable, Net	18,069,299	(946,327)	-	17,122,972
Capital Assets, Net	\$ 18,113,338	\$ (866,430)	\$ 110,037	17,136,871
Less: Capital Related Debt				4,506,000
Net Investment in Capital Assets				\$ 12,630,871

3. Long-Term Debt

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds Payable:	\$ 10,310,101	\$ 4,506,000	\$ 5,035,101	\$ 9,781,000	\$ 628,000
Debt Discount	(26,264)	-	(1,381)	(24,883)	-
Total Long-Term Debt	\$ 10,283,837	\$ 4,506,000	\$ 5,033,720	\$ 9,756,117	\$ 628,000

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

3. Long-Term Debt (Continued)

Bonds payable currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Series 2022 Bonds Payable	08/01/22	02/01/32	2.66%	\$ 4,506,000	\$ 4,506,000
Series 2018 Pension Bonds	12/20/18	10/01/40	3.17% - 3.45%	6,000,000	5,275,000
Total Outstanding General Obligation Debt					<u>\$ 9,781,000</u>

Annual principal and interest maturities of the outstanding bonds payable of \$9,781,000 on December 31, 2022 are detailed below:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 628,000	\$ 341,044	\$ 969,044
2024	645,000	322,948	967,948
2025	665,000	304,065	969,065
2026	687,000	284,140	971,140
2027	705,000	263,532	968,532
Thereafter	6,451,000	1,570,741	8,021,741
Total	<u>\$ 9,781,000</u>	<u>\$ 3,086,470</u>	<u>\$ 12,867,470</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan

Plan Description

The Facility's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmichigan.com or in writing at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covered substantially all employees of the Facility through March 1, 2017 when certain divisions were closed to new entrants. All remaining divisions of the Facility's plan were closed to new entrants starting on September 1, 2018.

Retirement benefits for employees are calculated ranging from 1.7 percent to 2.5 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 25 years of service. The vesting period is 6 to 10 years. Employees are eligible for nonduty disability benefits after meeting the vesting requirement and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits to the surviving spouse are the greater of a lifetime benefit of at least 85 percent of the defined benefit formula or the survivor benefit payment option. If the employee does not have a surviving spouse, unmarried children under 21 would be eligible to receive 50 percent of the straight-line benefit. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date, limited to increases in the Consumer Price Index.

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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	168
Inactive Employees Entitled to but not Yet Receiving Benefits	43
Active Employees	184
Total	<u><u>395</u></u>

Contributions

Article 9, Section 24 of the state of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rates as established by the MERS retirement board. The actuarially determined rate is the estimated amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2022, the average active employee contribution rate ranged from 0.00% to 5.84%. For the year ended December 31, 2022, the Facility's overall contribution rate was 4.25%.

The Facility's required and actual contributions to the plan for the year ended December 31, 2022 was \$1,067,054.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan (Continued)

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

The net pension asset reported at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of December 31, 2020. Update procedures were used to roll forward the total pension liability to the measurement date of December 31, 2021.

Changes in net pension liability during the measurement year ended December 31, 2021 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance - Beginning of Year	\$ 41,610,750	\$ 40,436,996	\$ 1,173,754
Changes for the Year:			
Service Cost	786,062	-	786,062
Interest	2,964,937	-	2,964,937
Changes in Benefits	49,003	-	49,003
Difference Between Expected and Actual Experience	(317,059)	-	(317,059)
Changes in Assumptions	1,763,108	-	1,763,108
Contributions - Employer	-	931,595	(931,595)
Contributions - Employee	-	484,498	(484,498)
Net Investment Income	-	5,441,558	(5,441,558)
Benefit Payments, Including Refunds	(2,216,193)	(2,216,193)	-
Administrative Expenses	-	(64,401)	64,401
Other Changes	-	-	-
Net Changes	<u>3,029,858</u>	<u>4,577,057</u>	<u>(1,547,199)</u>
Balance - End of Year	<u>\$ 44,640,608</u>	<u>\$ 45,014,053</u>	<u>\$ (373,445)</u>

For the year ended December 31, 2022 the Facility recognized pension expense of \$900,067.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2022, the Facility reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 469,467	\$ 470,051
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	3,486,303
Changes in Assumptions	1,554,294	-
Employer Contributions Subsequent to the Measurement Date	<u>1,067,054</u>	<u>-</u>
Total	<u><u>\$ 3,090,815</u></u>	<u><u>\$ 3,956,354</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date of \$1,067,054 which will impact the net pension plan liability for the year ended December 31, 2023, rather than pension expense.

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 459,413
2024	(929,761)
2025	(961,563)
2026	<u>(500,682)</u>
Total	<u><u>\$ (1,932,593)</u></u>

Actuarial Assumptions

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

Inflation	2.5% In the Long-Term
Salary Increases	3.00% Average, Including Inflation
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

In the December 31, 2021 actuary report, the mortality rates were based on a blend of the Pub-2010 Mortality Tables.

These assumptions were applied to all periods included in the measurement periods and are based on an experience study dated February 14, 2020 for the period from January 1, 2014 to December 31, 2018.

The changes in assumptions for the December 31, 2021 actuary reports were a result of changes in the investment rate of return.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future 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 as of the December 31, 2021 measurement date for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.00%
Private Investments	20.00%	7.00%

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

4. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.25% for the measurement period ended December 31, 2021. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at the rates equal to the difference between actuarially determined contribution rates and the employee rate.

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 total pension liability.

Sensitivity of the Facilities Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Net Pension Liability of the Facility, calculated using the discount rate of 7.25%, as well as what the Facilities Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net Pension Liability (Asset)	\$ 5,392,333	\$ (337,445)	\$ (5,119,722)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Other Postemployment Benefits

The Facility participates in a single employer, defined benefit other postemployment benefits plan (OPEB). Substantially all employees hired before January 15, 2017 may become eligible for benefits if they reach retirement age while working at the Facility. All investments are held in the MERS of Michigan Retiree Health Funding Vehicle, MERS issues a publicly available financial report. This report can be obtained at www.mersofmichigan.com, or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The OPEB plan provides medical, dental, and vision benefits for eligible retirees. Benefits are provided through the Facility’s self-insurance program, and 60% of the cost are paid by the Facility.

Employees Covered by Benefit Terms

At the December 31, 2022 measurement date, the following employees were covered by the OPEB plan:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Active Plan Members	140
Total	151

Contributions

Retiree health care costs are paid by the Facility on a “pay-as-you-go” basis. For the year ended December 31, 2020, the Facility paid postemployment health care premiums of \$148,689; plus, it contributed \$195,000 into a prefunded retiree healthcare fund held with MERS.

Net OPEB Liability

The Facility has chosen December 31 as its measurement date for the net OPEB liability. The December 31, 2022 fiscal year-end reported net OPEB liability was determined using a measure of the total OPEB liability and OPEB net position as of the December 31, 2022 measurement date. The December 31, 2022 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020, which used updated procedures to roll forward the estimated liability to December 31, 2022.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

Changes to the net OPEB liability during the measurement year were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - Beginning of Year	\$ 1,098,099	\$ 915,393	\$ 182,706
Changes for the Year:			
Service Cost	17,270	-	17,270
Interest	72,267	-	72,267
Difference Between Expected and Actual Experience	69,196	-	69,196
Changes in Assumptions	-	-	-
Contributions - Employer	-	343,689	(343,689)
Net Investment Loss	-	(100,029)	100,029
Benefit Payments, Including Refunds	(148,689)	(148,689)	-
Net Changes	<u>10,044</u>	<u>94,971</u>	<u>(84,927)</u>
Balance - End of Year	<u>\$ 1,108,143</u>	<u>\$ 1,010,364</u>	<u>\$ 97,779</u>

For the year ended December 31, 2022, the Facility recognized OPEB income of \$90,807.

At December 31, 2022 the Facility reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 74,539	\$ 547,888
Net Differences Between Projected and Actual		
Earnings on OPEB Plan Investments	92,011	-
Changes in Assumptions	76,378	296,805
Total	<u>\$ 242,928</u>	<u>\$ 844,693</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ (151,780)
2024	(148,758)
2025	(140,189)
2026	(130,664)
2027	(113,688)
Thereafter	83,314
Total	<u>\$ (601,765)</u>

Actuarial Assumptions

At the December 31, 2022 measurement date, the entry age actuarial cost method was used. The actuarial assumptions included 7.0% investment rate of return; a health care cost trend of 7.50% to 3.50% for the medical/drug component initially, reduced to an ultimate rate of 3.5% over 12 years; and the mortality rates are based on the Pub-2010 Mortality Tables with generational mortality improvement using Scale MP-2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Facility contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Other Postemployment Benefits (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2022 for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	60.00%	4.50%
Global Fixed Income	20.00%	2.00%
Private Investments	20.00%	7.00%

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

The following presents the net OPEB liability of the Facility, calculated using the discount rate of 7.0%, as well as what the Facility's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease to Discount Rate (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase to Discount Rate (8.0%)</u>
Net OPEB Liability	\$ 184,365	\$ 97,779	\$ 20,761

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Other Postemployment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Facility, calculated using the healthcare cost trend rate of 1%, as well as what the Facility's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ (629)	\$ 97,779	\$ 211,224

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB fiduciary net position is not available in separately issued financial report. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by MERS. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

6. Defined Contribution Retirement Plan

The Facility provides a defined contribution savings plan for certain employees. The deferred compensation plan is a defined contribution plan under Section 457(b) of the Internal Revenue Code and is administered by MERS of Michigan. The plan provides for the Facility to make a required nonmatching contribution and a matching contribution. Participants become fully vested in the Facility's contributions to their respective accounts after five years of service. Contributions made by the Facility and the employees of the plan were not significant for the year ended December 31, 2022.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

7. Risk Management

The Facility is exposed to various risks of loss related to property loss, torts, and errors and omissions, as well as medical benefits provided to employees. The Facility has purchased commercial insurance for malpractice, general liability claims, and employee medical benefit claims. The Facility is self-funded for workers' compensation claims with excess liability insurance through an insurance carrier. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Facility is insured against potential professional liability claims under an occurrence basis policy, whereby all claims resulting from incidents that occur during the policy period are covered up to insurance limits, regardless of when the claims are reported to the carrier. There are no known outstanding or pending claims at December 31, 2022.

The Facility records workers' compensation claims as they are processed by the claims administrator and records a liability for estimated outstanding claims at year-end in accrued compensation and related liabilities on the statement of financial position. The Facility has also purchased stop-loss insurance for claims that exceed \$400,000 at December 31, 2022. Changes in the estimated liability for the year ended December 31, 2022 was as follows: the liability recorded as of December 31, 2022 was \$0, the estimated claims incurred, including change in estimate, were (\$9,364), and claim payments were \$2,595.

B. Contingencies

The County participates in a number of federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk Management

Iron County participates as a member in the Michigan Municipal Risk Management Authority. The Authority is a municipal self-insurance entity operating pursuant to the state of Michigan Public Act 138 of 1982. The purpose of the Authority is to administer a risk management fund, which provides members with loss protection for general and auto liability, motor vehicle physical damage, and property.

The Authority has entered into reinsurance agreements providing for loss coverage in excess of the amounts to be retained by the Authority and individual members. An individual member's maximum retention on general liability and auto liability is \$100,000 per person and \$250,000 per occurrence. The limits on vehicle physical damage are \$1,500,000. The retention limits for property coverage are subject to a \$250 deductible. Some members have individual retention levels different than ones previously stated.

The member must satisfy all deductibles before any payments are made from the member's self-insured retention by MMRMA.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the member's self-insured retention. The member's self-insured retention and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the member's self-insured retention and the Limits of Coverage.

Iron County agrees to maintain, at all times, on account with MMRMA, sufficient funds to pay its self-insured retention obligations. The member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the member's self-insured retention.

At December 31, 2022 the County had no outstanding claims, which exceed the plan's limits and there has been no significant reduction in insurance coverage over the past three years. Settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

GENERAL COUNTY

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 40,899	\$ 44,393	\$ 45,930	\$ 52,442
Interest	654,465	636,647	636,956	668,949
Difference Between Expected and Actual Experience	109,363	(8,759)	54,296	(19,460)
Changes in Assumptions	-	298,932	363,501	-
Benefit Payments, Including Refund of Member Contributions	(739,241)	(708,154)	(690,987)	(668,093)
Other	277,101	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	342,587	263,059	409,696	33,838
Total Pension Liability - Beginning	<u>9,376,281</u>	<u>9,113,222</u>	<u>8,703,526</u>	<u>8,669,688</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 9,718,868</u></u>	<u><u>\$ 9,376,281</u></u>	<u><u>\$ 9,113,222</u></u>	<u><u>\$ 8,703,526</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 740,000	\$ 721,176	\$ 624,996	\$ 515,196
Net Investment Income (Loss)	(810,918)	969,976	790,755	748,846
Benefit Payments, Including Refunds of Member Contributions	(739,241)	(708,154)	(690,987)	(668,093)
Administrative Expenses	(14,513)	(11,124)	(12,371)	(12,903)
Other	-	-	(1)	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(824,672)	971,874	712,392	583,046
Plan Fiduciary Net Position - Beginning	<u>7,823,340</u>	<u>6,851,466</u>	<u>6,139,074</u>	<u>5,556,028</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 6,998,668</u></u>	<u><u>\$ 7,823,340</u></u>	<u><u>\$ 6,851,466</u></u>	<u><u>\$ 6,139,074</u></u>
COUNTY'S NET PENSION LIABILITY - ENDING	<u><u>\$ 2,720,200</u></u>	<u><u>\$ 1,552,941</u></u>	<u><u>\$ 2,261,756</u></u>	<u><u>\$ 2,564,452</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	83%	75%	71%
Covered Payroll	401,734	460,002	507,388	573,459
County's Net Pension Liability as a Percentage of Covered Payroll	677%	338%	446%	447%

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST 10 FISCAL YEARS***

GENERAL COUNTY (CONTINUED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 55,483	\$ 56,770	\$ 62,655	\$ 68,015
Interest	658,345	659,730	635,176	609,763
Difference Between Expected and Actual Experience	71,108	44,238	94,310	-
Changes in Assumptions	-	-	410,735	-
Benefit Payments, Including Refund of Member Contributions	(633,630)	(615,934)	(596,107)	(594,309)
Other	-	(152,627)	(46,390)	(2,833)
NET CHANGE IN TOTAL PENSION LIABILITY	151,306	(7,823)	560,379	80,636
Total Pension Liability - Beginning	<u>8,518,382</u>	<u>8,526,205</u>	<u>7,965,826</u>	<u>7,885,190</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 8,669,688</u></u>	<u><u>\$ 8,518,382</u></u>	<u><u>\$ 8,526,205</u></u>	<u><u>\$ 7,965,826</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 445,440	\$ 375,324	\$ 296,140	\$ 253,110
Net Investment Income (Loss)	(230,576)	720,096	584,761	(81,936)
Benefit Payments, Including Refunds of Member Contributions	(633,630)	(615,934)	(596,107)	(594,309)
Administrative Expenses	(11,522)	(11,416)	(11,556)	(12,182)
Other	(13,899)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(444,187)	468,070	273,238	(435,317)
Plan Fiduciary Net Position - Beginning	<u>6,000,215</u>	<u>5,532,145</u>	<u>5,258,907</u>	<u>5,694,224</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 5,556,028</u></u>	<u><u>\$ 6,000,215</u></u>	<u><u>\$ 5,532,145</u></u>	<u><u>\$ 5,258,907</u></u>
COUNTY'S NET PENSION LIABILITY - ENDING	<u><u>\$ 3,113,660</u></u>	<u><u>\$ 2,518,167</u></u>	<u><u>\$ 2,994,060</u></u>	<u><u>\$ 2,706,919</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64%	70%	65%	66%
Covered Payroll	608,304	608,304	693,264	744,458
County's Net Pension Liability as a Percentage of Covered Payroll	512%	414%	432%	364%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS***

GENERAL COUNTY

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 300,180	\$ 323,244	\$ 576,240
Contributions in Relation to the Actuarially Determined Contribution	<u>740,000</u>	<u>721,176</u>	<u>624,996</u>
Contribution Excess (Deficiency)	<u>\$ 439,820</u>	<u>\$ 397,932</u>	<u>\$ 48,756</u>
Covered Payroll	\$ 401,734	\$ 460,002	\$ 507,388
Contributions as a Percentage of Covered Payroll	184%	157%	123%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date December 31, 2022

Actuarially determined contributions rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ending December 31, 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	9 Years
Asset Valuation Method	5 Years Smoothed Value
Inflation	2.5% in the Long-Term
Salary Increases	3.00% Average, Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Normal at 60 with 10-year vesting schedule, early at 55 with 25 years of service for unreduced benefits or 50 with 25 years of service and 55 with 15 years of service for reduced benefits.
Mortality	Assumptions were based on the MP-2019 Health Annuitant Mortality Tables Based upon experience study dated February 14, 2020

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST 10 FISCAL YEARS***

GENERAL COUNTY (CONTINUED)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 541,596	\$ 445,440	\$ 322,809	\$ 296,028
Contributions in Relation to the Actuarially Determined Contribution	<u>515,196</u>	<u>445,440</u>	<u>375,324</u>	<u>296,028</u>
Contribution Excess (Deficiency)	<u>\$ (26,400)</u>	<u>\$ -</u>	<u>\$ 52,515</u>	<u>\$ -</u>
Covered Payroll	\$ 573,459	\$ 608,304	\$ 608,304	\$ 693,264
Contributions as a Percentage of Covered Payroll	90%	73%	62%	43%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

COUNTY ROAD COMMISSION – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 123,053	\$ 117,392	\$ 124,064	\$ 116,214
Interest	1,012,780	996,271	1,010,980	997,058
Changes in Benefits	-	-	-	-
Difference Between Expected and Actual Experience	2,054	(260,471)	(69,194)	33,458
Changes in Assumptions	439,828	342,982	388,562	-
Benefit Payments, Including Refund of Member Contributions	(961,776)	(966,743)	(964,490)	(954,162)
Other Changes	(20,474)	(17,513)	(13,885)	(17,312)
NET CHANGE IN TOTAL PENSION LIABILITY	595,465	211,918	476,037	175,256
Total Pension Liability - Beginning	<u>13,745,416</u>	<u>13,533,498</u>	<u>13,057,461</u>	<u>12,882,205</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 14,340,881</u></u>	<u><u>\$ 13,745,416</u></u>	<u><u>\$ 13,533,498</u></u>	<u><u>\$ 13,057,461</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,313,391	\$ 1,278,424	\$ 1,202,676	\$ 1,149,772
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	(887,368)	1,036,219	834,143	725,225
Benefit Payments, Including Refunds	(961,776)	(966,743)	(964,490)	(954,162)
Administrative Expenses	(16,137)	(11,884)	(12,652)	(12,511)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(551,890)	1,336,016	1,059,677	908,324
Plan Fiduciary Net Position - Beginning	<u>8,604,983</u>	<u>7,268,967</u>	<u>6,209,290</u>	<u>5,300,966</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 8,053,093</u></u>	<u><u>\$ 8,604,983</u></u>	<u><u>\$ 7,268,967</u></u>	<u><u>\$ 6,209,290</u></u>
COMMISSION'S NET PENSION LIABILITY - ENDING	<u><u>\$ 6,287,788</u></u>	<u><u>\$ 5,140,433</u></u>	<u><u>\$ 6,264,531</u></u>	<u><u>\$ 6,848,171</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56%	63%	54%	48%
Covered Payroll	\$ 1,257,366	\$ 1,172,525	\$ 1,248,520	\$ 1,116,800
Commission's Net Pension Liability as a Percentage of Covered Payroll	500%	438%	502%	613%

Notes to the Schedule

- * There were no benefit changes or changes in assumptions of methods affecting the 2021 valuation.
- * Above dates are based on measurement date, which may not necessarily tie to the fiscal year.
- * The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County Road Commission is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.
- * Assumption Changes: Investment Rate of Return reduced from 7.35% to 7.00%. Change in discount rate from 7.60% to 7.25%.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST 10 FISCAL YEARS***

COUNTY ROAD COMMISSION – COMPONENT UNIT (CONTINUED)

	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 108,076	\$ 100,440	\$ 87,857	\$ 81,979
Interest	975,547	959,506	923,580	892,034
Changes in Benefits	-	-	-	-
Difference Between Expected and Actual Experience	157,448	80,984	96,319	-
Changes in Assumptions	-	-	647,163	-
Benefit Payments, Including Refund of Member Contributions	(945,017)	(954,157)	(946,161)	(956,535)
Other Changes	(26,652)	5,343	(12,133)	18,875
NET CHANGE IN TOTAL PENSION LIABILITY	269,402	192,116	796,625	36,353
Total Pension Liability - Beginning	12,612,803	12,420,687	11,624,062	11,587,709
TOTAL PENSION LIABILITY - ENDING	<u>\$ 12,882,205</u>	<u>\$ 12,612,803</u>	<u>\$ 12,420,687</u>	<u>\$ 11,624,062</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,062,080	\$ 900,438	\$ 769,702	\$ 715,164
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	(217,621)	633,114	501,474	(69,679)
Benefit Payments, Including Refunds	(945,017)	(954,157)	(946,161)	(956,535)
Administrative Expenses	(10,549)	(10,019)	(9,907)	(10,334)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(111,107)	569,376	315,108	(321,384)
Plan Fiduciary Net Position - Beginning	5,412,073	4,842,697	4,527,589	4,848,973
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 5,300,966</u>	<u>\$ 5,412,073</u>	<u>\$ 4,842,697</u>	<u>\$ 4,527,589</u>
COMMISSION'S NET PENSION LIABILITY - ENDING	<u>\$ 7,581,239</u>	<u>\$ 7,200,730</u>	<u>\$ 7,577,990</u>	<u>\$ 7,096,473</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41%	43%	39%	39%
Covered Payroll	\$ 1,034,380	\$ 894,469	\$ 830,390	\$ 785,115
Commission's Net Pension Liability as a Percentage of Covered Payroll	733%	805%	913%	904%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS***

COUNTY ROAD COMMISSION – COMPONENT UNIT

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 833,391	\$ 798,425	\$ 722,676	\$ 669,772	\$ 582,080
Contributions in Relation to the Actuarially Determined Contribution	<u>1,313,391</u>	<u>1,278,425</u>	<u>1,202,676</u>	<u>1,149,772</u>	<u>1,062,080</u>
Contribution Excess (Deficiency)	<u>\$ 480,000</u>	<u>\$ 480,000</u>	<u>\$ 480,000</u>	<u>\$ 480,000</u>	<u>\$ 480,000</u>
Covered Payroll	\$ 1,257,366	\$ 1,172,525	\$ 1,248,520	\$ 1,116,800	\$ 1,034,380
Contributions as a Percentage of Covered Payroll	104%	109%	96%	103%	103%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date Actuarially determined contributions rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	17 Years
Asset Valuation Method	5 Year Smoothed Value
Inflation	2.5%
Salary Increases	3.00%, Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	A version of Pub-2010 and Fully generational MP-2019

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST 10 FISCAL YEARS***

COUNTY ROAD COMMISSION – COMPONENT UNIT (CONTINUED)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$ 540,440	\$ 475,164	\$ 499,702	\$ 491,842	\$ 474,371
Contributions in Relation to the Actuarially Determined Contribution	<u>900,440</u>	<u>715,164</u>	<u>769,702</u>	<u>731,842</u>	<u>714,371</u>
Contribution Excess (Deficiency)	<u>\$ 360,000</u>	<u>\$ 240,000</u>	<u>\$ 270,000</u>	<u>\$ 240,000</u>	<u>\$ 240,000</u>
Covered Payroll	\$ 894,469	785,115	\$ 830,390	\$ 769,548	\$ 699,417
Contributions as a Percentage of Covered Payroll	101%	91%	93%	95%	102%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

DICKINSON-IRON DISTRICT HEALTH DEPARTMENT – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 78,787	\$ 92,539	\$ 92,493	\$ 86,839
Interest	809,272	777,101	760,470	764,152
Difference Between Expected and Actual Experience	58,128	(58,666)	43,177	(6,031)
Changes in Assumptions	-	380,676	515,496	297,768
Benefit Payments, Including Refund of Member Contributions	(769,566)	(712,513)	(685,885)	(696,691)
Other	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	<u>176,621</u>	<u>479,137</u>	<u>725,751</u>	<u>446,037</u>
Total Pension Liability - Beginning	<u>11,507,757</u>	<u>11,028,620</u>	<u>10,302,869</u>	<u>9,856,832</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 11,684,378</u></u>	<u><u>\$ 11,507,757</u></u>	<u><u>\$ 11,028,620</u></u>	<u><u>\$ 10,302,869</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 829,156	\$ 753,796	\$ 664,692	\$ 610,571
Contributions - Employee	8,989	9,640	10,228	9,291
Net Investment Income (Loss)	(903,855)	1,076,501	875,041	816,258
Benefit Payments, Including Refunds of Member Contributions	(769,566)	(712,513)	(685,885)	(696,691)
Administrative Expenses	(16,211)	(12,348)	(13,637)	(14,064)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>(851,487)</u>	<u>1,115,076</u>	<u>850,439</u>	<u>725,365</u>
Plan Fiduciary Net Position - Beginning	<u>8,716,553</u>	<u>7,601,477</u>	<u>6,751,038</u>	<u>6,025,673</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 7,865,066</u></u>	<u><u>\$ 8,716,553</u></u>	<u><u>\$ 7,601,477</u></u>	<u><u>\$ 6,751,038</u></u>
DISTRICT'S NET PENSION LIABILITY - ENDING	<u><u>\$ 3,819,312</u></u>	<u><u>\$ 2,791,204</u></u>	<u><u>\$ 3,427,143</u></u>	<u><u>\$ 3,551,831</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	76%	69%	66%
Covered Payroll	\$ 775,385	\$ 963,995	\$ 974,131	\$ 925,573
District's Net Pension Liability as a Percentage of Covered Payroll	493%	290%	352%	384%

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The District Health Department is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST 10 FISCAL YEARS***

DICKINSON-IRON DISTRICT HEALTH DEPARTMENT – COMPONENT UNIT (CONTINUED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 84,553	\$ 87,535	\$ 90,130	\$ 92,152
Interest	750,191	729,924	687,635	649,835
Difference Between Expected and Actual Experience	17,212	(20,665)	152,328	-
Changes in Assumptions	-	-	434,793	-
Benefit Payments, Including Refund of Member Contributions	(660,504)	(599,706)	(578,502)	(530,732)
Other	-	88,153	14,605	25,668
NET CHANGE IN TOTAL PENSION LIABILITY	<u>191,452</u>	<u>285,241</u>	<u>800,989</u>	<u>236,923</u>
Total Pension Liability - Beginning	<u>9,665,380</u>	<u>9,380,139</u>	<u>8,579,150</u>	<u>8,342,227</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 9,856,832</u></u>	<u><u>\$ 9,665,380</u></u>	<u><u>\$ 9,380,139</u></u>	<u><u>\$ 8,579,150</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 512,501	\$ 453,018	\$ 469,455	\$ 430,584
Contributions - Employee	9,398	9,568	9,517	10,388
Net Investment Income (Loss)	(249,406)	763,883	603,003	(82,487)
Benefit Payments, Including Refunds of Member Contributions	(660,504)	(599,706)	(578,502)	(530,732)
Administrative Expenses	(12,398)	(12,094)	(11,898)	(12,018)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>(400,409)</u>	<u>614,669</u>	<u>491,575</u>	<u>(184,265)</u>
Plan Fiduciary Net Position - Beginning	<u>6,426,082</u>	<u>5,811,413</u>	<u>5,319,838</u>	<u>5,504,103</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 6,025,673</u></u>	<u><u>\$ 6,426,082</u></u>	<u><u>\$ 5,811,413</u></u>	<u><u>\$ 5,319,838</u></u>
DISTRICT'S NET PENSION LIABILITY - ENDING	<u><u>\$ 3,831,159</u></u>	<u><u>\$ 3,239,298</u></u>	<u><u>\$ 3,568,726</u></u>	<u><u>\$ 3,259,312</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61%	66%	62%	62%
Covered Payroll	\$ 896,043	\$ 941,525	\$ 985,911	\$ 1,026,051
District's Net Pension Liability as a Percentage of Covered Payroll	428%	344%	362%	318%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS***

DICKINSON-IRON DISTRICT HEALTH DEPARTMENT – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 488,364	\$ 516,672	\$ 652,644
Contributions in Relation to the Actuarially Determined Contribution	<u>829,156</u>	<u>753,796</u>	<u>664,692</u>
Contribution Excess (Deficiency)	<u>\$ 340,792</u>	<u>\$ 237,124</u>	<u>\$ 12,048</u>
Covered Employee Payroll	\$ 775,385	\$ 963,995	\$ 974,131
Contributions as a Percentage of Covered Payroll	107%	78%	68%

NOTES TO SCHEDULE

Actuarially determined contributions rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent
Remaining Amortization Period	16 Years
Asset Valuation Method	5 Years Smoothed Value
Inflation	2.5% in the Long-Term
Salary Increases	3.00% Average, Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Age 60
Mortality	Assumptions were based on the MP-2019 Health Annuitant Mortality Tables Based upon experience study dated February 14, 2020

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The District Health Department is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST 10 FISCAL YEARS***

DICKINSON-IRON DISTRICT HEALTH DEPARTMENT – COMPONENT UNIT (CONTINUED)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 586,571	\$ 476,958	\$ 405,398	\$ 349,455
Contributions in Relation to the Actuarially Determined Contribution	<u>610,571</u>	<u>512,501</u>	<u>453,018</u>	<u>469,455</u>
Contribution Excess (Deficiency)	<u>\$ 24,000</u>	<u>\$ 35,543</u>	<u>\$ 47,620</u>	<u>\$ 120,000</u>
Covered Employee Payroll	\$ 925,573	\$ 896,043	\$ 941,525	\$ 985,911
Contributions as a Percentage of Covered Payroll	66%	57%	48%	48%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 786,062	\$ 868,667	\$ 1,043,441	\$ 1,012,010
Interest	2,964,937	2,828,567	2,744,633	2,652,887
Changes in Benefits	49,003	(80,264)	(66,154)	(76,488)
Difference Between Expected and Actual Experience	(317,059)	7,111	72,927	(825,445)
Changes in Assumptions	1,763,108	2,224,986	1,122,122	-
Benefit Payments, Including Refunds	(2,216,193)	(2,043,944)	(1,689,078)	(1,574,627)
Other	-	-	(52,991)	-
NET CHANGE IN TOTAL PENSION LIABILITY	<u>3,029,858</u>	<u>3,805,123</u>	<u>3,174,900</u>	<u>1,188,337</u>
Total Pension Liability - Beginning of Year	<u>41,610,750</u>	<u>37,805,627</u>	<u>34,630,727</u>	<u>33,442,390</u>
TOTAL PENSION LIABILITY - ENDING OF YEAR	<u><u>\$ 44,640,608</u></u>	<u><u>\$ 41,610,750</u></u>	<u><u>\$ 37,805,627</u></u>	<u><u>\$ 34,630,727</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 931,595	\$ 1,193,928	\$ 1,054,025	\$ 7,008,284
Contributions - Employee	484,498	527,955	578,532	571,133
Net Investment Income	5,441,558	5,092,099	4,304,775	(1,101,042)
Benefit Payments, Including Refunds	(64,401)	(72,079)	(1,689,078)	(52,420)
Administrative Expenses	(2,216,193)	(2,043,944)	(74,221)	(1,574,627)
Other	-	-	-	13,650
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>4,577,057</u>	<u>4,697,959</u>	<u>4,174,033</u>	<u>4,864,978</u>
Plan Fiduciary Net Position - Beginning of Year	<u>40,436,996</u>	<u>35,739,037</u>	<u>31,565,004</u>	<u>26,700,026</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 45,014,053</u></u>	<u><u>\$ 40,436,996</u></u>	<u><u>\$ 35,739,037</u></u>	<u><u>\$ 31,565,004</u></u>
FACILITY'S NET PENSION LIABILITY - ENDING	<u><u>\$ (373,445)</u></u>	<u><u>\$ 1,173,754</u></u>	<u><u>\$ 2,066,590</u></u>	<u><u>\$ 3,065,723</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.84%	97.18%	94.53%	91.15%
Covered Payroll	\$ 6,788,254	\$ 8,195,210	\$ 10,318,639	\$ 10,327,243
Facility's Net Pension Liability as a Percentage of Covered Payroll	-5.50%	14.32%	20.03%	29.69%

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The Medical Care Facility is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT (CONTINUED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 1,099,669	\$ 1,058,633	\$ 941,341	\$ 1,018,214
Interest	2,505,990	2,408,898	2,293,670	1,980,798
Difference Between Expected and Actual Experience	(78,908)	40,585	(131,532)	-
Changes in Assumptions	(207,259)	(1,096,880)	493,921	-
Benefit Payments, Including Refund of Member Contributions	-	-	1,468,177	-
Other	(1,304,315)	(1,131,880)	(986,107)	(862,397)
	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	<u>2,015,177</u>	<u>1,279,356</u>	<u>4,079,470</u>	<u>2,136,615</u>
Total Pension Liability - Beginning	<u>31,427,213</u>	<u>30,147,857</u>	<u>26,068,387</u>	<u>23,931,772</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 33,442,390</u></u>	<u><u>\$ 31,427,213</u></u>	<u><u>\$ 30,147,857</u></u>	<u><u>\$ 26,068,387</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,047,554	\$ 996,710	\$ 1,017,632	\$ 904,991
Contributions - Employee	556,606	443,414	449,754	398,939
Net Investment Income (Loss)	3,121,644	2,384,547	(318,924)	1,209,231
Benefit Payments, Including Refunds of Member Contributions	(1,304,315)	(1,131,880)	(986,107)	(862,397)
Administrative Expenses	(49,319)	(47,003)	(45,726)	(34,702)
	(250)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>3,371,920</u>	<u>2,645,788</u>	<u>116,629</u>	<u>1,616,062</u>
Plan Fiduciary Net Position - Beginning	<u>23,328,106</u>	<u>20,682,318</u>	<u>20,565,689</u>	<u>18,949,627</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 26,700,026</u></u>	<u><u>\$ 23,328,106</u></u>	<u><u>\$ 20,682,318</u></u>	<u><u>\$ 20,565,689</u></u>
DISTRICT'S NET PENSION LIABILITY - ENDING	<u><u>\$ 6,742,364</u></u>	<u><u>\$ 8,099,107</u></u>	<u><u>\$ 9,465,539</u></u>	<u><u>\$ 5,502,698</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.84%	74.23%	68.60%	78.89%
Covered Payroll	\$ 10,108,191	\$ 10,586,927	\$ 10,592,684	\$ 11,286,499
District's Net Pension Liability as a Percentage of Covered Payroll	66.70%	76.50%	89.36%	48.75%

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 1,067,054	\$ 931,275	\$ 1,193,877	\$ 1,053,975	\$ 1,160,220
Contributions in Relation to the Actuarially Determined Contribution	<u>1,067,054</u>	<u>931,275</u>	<u>1,193,877</u>	<u>1,053,975</u>	<u>7,008,284</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,848,064</u>
Covered Employee Payroll	\$ 6,788,254	\$ 8,818,445	\$ 10,318,639	\$ 10,327,243	\$ 10,108,191
Contributions as a Percentage of Covered Payroll	15.7%	10.6%	11.6%	10.2%	69.3%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date Actuarially determined contributions rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	8 to 20 Years, Depending on Division
Asset Valuation Method	10 Years Smoothed Value
Inflation	2.5%
Salary Increases	3.00%
Investment Rate of Return	7.60%
Retirement Age	Normal at 60 with 10-year vesting schedule, early at 55 with 25 years of service for unreduced benefits or 50 with 25 years of service and 55 with 15 years of service for reduced benefits.
Mortality	Assumptions were based on the RP-2014 Health Annuitant Mortality Tables (with rate multiplied by 105%), the RP-2014 Employee Mortality Tables, and the RP-2012 Juvenile Mortality Tables using 50% male and 50% female blend.
Other Information	None

**IRON COUNTY, MICHIGAN
EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT (CONTINUED)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$ 1,047,554	\$ 996,710	\$ 1,017,632	\$ 904,991	\$ 823,690
Contributions in Relation to the Actuarially Determined Contribution	<u>1,047,554</u>	<u>996,710</u>	<u>1,017,632</u>	<u>904,991</u>	<u>823,690</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 10,586,927	\$ 10,592,684	\$ 11,286,499	\$ 10,620,069	\$ 9,420,005
Contributions as a Percentage of Covered Payroll	9.9%	9.4%	9.0%	8.5%	8.7%

IRON COUNTY, MICHIGAN
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

COUNTY ROAD COMMISSION – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY					
Service Cost	\$ 27,081	\$ 30,570	\$ 26,355	\$ 26,809	\$ 26,028
Interest	49,325	45,551	104,588	93,720	97,531
Difference Between Expected and Actual Experience	31,079	(12,310)	(1,030,186)	(272)	-
Changes in Assumptions	(367,777)	(108,987)	177,903	35,412	-
Benefit Payments, Including Employee Refunds	<u>(118,604)</u>	<u>(119,946)</u>	<u>(141,967)</u>	<u>(164,480)</u>	<u>(173,802)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(378,896)	(165,122)	(863,307)	(8,811)	(50,243)
Total OPEB Liability - Beginning of Year	<u>2,224,423</u>	<u>2,389,545</u>	<u>3,252,852</u>	<u>3,261,663</u>	<u>3,311,906</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u><u>\$ 1,845,527</u></u>	<u><u>\$ 2,224,423</u></u>	<u><u>\$ 2,389,545</u></u>	<u><u>\$ 3,252,852</u></u>	<u><u>\$ 3,261,663</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%	0%	0%	0%
Covered Employee Payroll	\$ 1,663,458	\$ 1,431,395	\$ 1,239,215	\$ 1,173,342	\$ 1,116,801
Road Commission's Total OPEB Liability as a Percentage of Covered Employee Payroll	111%	155%	193%	277%	292%

* The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County Road Commission is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**IRON COUNTY, MICHIGAN
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
LAST 10 FISCAL YEARS***

COUNTY ROAD COMMISSION – COMPONENT UNIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 303,478	\$ 296,207	\$ 383,855	\$ 409,980	\$ 384,752
Contributions in Relation to the Actuarially Determined Contribution	<u>118,604</u>	<u>119,946</u>	<u>141,967</u>	<u>164,480</u>	<u>173,802</u>
Contribution Excess (Deficiency)	<u>\$ (184,874)</u>	<u>\$ (176,261)</u>	<u>\$ (241,888)</u>	<u>\$ (245,500)</u>	<u>\$ (210,950)</u>
Covered Employee Payroll	\$ 1,663,458	\$ 1,431,395	\$ 1,239,215	\$ 1,173,242	\$ 1,116,801
Contributions as a Percentage of Covered Employee Payroll	7%	8%	11%	14%	16%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date	December 31, 2022
Measurement Date	December 31, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Pay
Discount Rate	2.25%
20-Year Aa Municipal Bond Rate	4.31% - Current Bond Rate
Inflation	N/A - Plan is not Pre-Funded
Salary Increases	3.0%
Mortality	2010 Public General Employee and Health Retirees, Headcount Weighted
Improvement Scale	MP-2021

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**IRON COUNTY, MICHIGAN
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT

	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY					
Service Cost	\$ 17,270	\$ 15,597	\$ 22,185	\$ 23,984	\$ 71,043
Interest	72,267	85,876	86,041	123,241	78,700
Difference Between Expected and Actual Experience	69,196	(260,852)	12,373	(552,796)	5,893
Changes in Assumptions	-	88,517	-	7,579	(610,750)
Benefit Payments, Including Refunds	<u>(148,689)</u>	<u>(100,077)</u>	<u>(139,242)</u>	<u>(125,838)</u>	<u>(150,981)</u>
NET CHANGE IN OPEB LIABILITY	10,044	(170,939)	(18,643)	(523,830)	(606,095)
Total OPEB Liability - Beginning of Year	<u>1,098,099</u>	<u>1,269,038</u>	<u>1,287,681</u>	<u>1,811,511</u>	<u>2,417,606</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 1,108,143</u>	<u>\$ 1,098,099</u>	<u>\$ 1,269,038</u>	<u>\$ 1,287,681</u>	<u>\$ 1,811,511</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 343,689	\$ 280,077	\$ 334,242	\$ 290,838	\$ 325,981
Net Investment Income (Loss)	(100,029)	98,506	75,328	32,707	(6,148)
Benefit Payments, Including Refunds	<u>(148,689)</u>	<u>(100,077)</u>	<u>(139,242)</u>	<u>(125,838)</u>	<u>(150,981)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	94,971	278,506	270,328	197,707	168,852
Plan Fiduciary Net Position - Beginning of Year	<u>915,393</u>	<u>636,887</u>	<u>366,559</u>	<u>168,852</u>	<u>-</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 1,010,364</u>	<u>\$ 915,393</u>	<u>\$ 636,887</u>	<u>\$ 366,559</u>	<u>\$ 168,852</u>
FACILITY'S NET OPEB LIABILITY - ENDING	<u>\$ 97,779</u>	<u>\$ 182,706</u>	<u>\$ 632,151</u>	<u>\$ 921,122</u>	<u>\$ 1,642,659</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.18%	83.36%	50.19%	28.47%	9.32%
Covered Employee Payroll	\$ 6,694,647	\$ 6,977,547	\$ 6,840,284	\$ 7,911,961	\$ 8,450,405
Facility's Net OPEB Liability as a Percentage of Covered Employee Payroll	1.46%	2.62%	9.24%	11.64%	19.44%

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**IRON COUNTY, MICHIGAN
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
LAST 10 FISCAL YEARS***

MEDICAL CARE FACILITY – COMPONENT UNIT

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 54,794	\$ 55,921	\$ 115,152	\$ 116,800	\$ 191,943
Contributions in Relation to the Actuarially Determined Contribution	343,689	280,077	334,242	290,838	325,981
Contribution Excess (Deficiency)	\$ 288,895	\$ 224,156	\$ 219,090	\$ 174,038	\$ 134,038
Covered Employee Payroll	\$ 6,694,647	\$ 6,977,547	\$ 6,840,284	\$ 7,911,961	\$ 8,450,405
Contributions as a Percentage of Covered Employee Payroll	5.13%	4.01%	4.89%	3.68%	3.86%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	24 Years, Closed
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Wage Inflation	3.0%
Salary Increases	3% To 9.7%
Investment Rate of Return	7.0%, Net of OPEB Plan Investment Expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Healthy preretirement: Sex distinct Pub-2010 General Employees Health postretirement: Sex distinct Pub-2010 General Health Retiree tabs scaled by a factor of 106 percent Disability Retirement: Sex distinct PbNS-2010 disabled tables without adjustment
Other Information	There were no benefit changes during the year.

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**IRON COUNTY, MICHIGAN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 3,659,173	\$ 3,659,173	\$ 4,061,926	\$ 402,753
Federal Sources	419,200	442,184	432,098	(10,086)
State Sources	913,936	949,662	994,476	44,814
Licenses and Permits	8,180	8,180	11,530	3,350
Fines and Forfeits	5,000	5,000	1,679	(3,321)
Public Charges for Services	373,000	373,000	451,722	78,722
Miscellaneous	175,545	185,545	234,782	49,237
Total Revenues	5,554,034	5,622,744	6,188,213	565,469
EXPENDITURES				
Judicial System:				
Trial Court	666,919	686,919	645,327	41,592
Jury Commission	460	460	91	369
Total Judicial System	667,379	687,379	645,418	41,961
General Government:				
County Board	154,467	84,542	65,079	19,463
Elections	17,500	17,500	12,896	4,604
Clerk	245,143	249,343	244,924	4,419
General County	244,305	244,867	227,082	17,785
County Administrator	117,021	119,121	116,389	2,732
Equalization Department	167,744	169,444	164,625	4,819
Prosecuting Attorney	298,025	298,025	236,169	61,856
Remonumentation	62,071	77,997	77,991	6
County Treasurer	173,954	176,854	172,174	4,680
Courthouse and Grounds	230,389	249,375	230,762	18,613
Drain Commissioner	10,000	10,000	6,014	3,986
Retirement	798,832	859,919	858,227	1,692
Appropriations	101,113	101,113	101,113	-
Insurance and Bonds	200,131	197,038	164,965	32,073
Total General Government	2,820,695	2,855,138	2,678,410	176,728

**IRON COUNTY, MICHIGAN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Public Safety:				
Sheriff	\$ 863,744	\$ 864,837	\$ 856,929	\$ 7,908
Road Patrol	77,568	90,945	82,265	8,680
Marine Patrol	5,400	6,900	6,189	711
Snowmobile Patrol	3,000	2,300	1,960	340
ORV Patrol	16,000	34,700	33,218	1,482
WIC - School Resources Officer	46,120	46,520	38,338	8,182
Jail	917,216	942,116	942,889	(773)
Mine Inspector	10,922	10,922	10,480	442
Total Public Safety	<u>1,939,970</u>	<u>1,999,240</u>	<u>1,972,268</u>	<u>26,972</u>
Health and Welfare:				
Medical Examiner	44,330	44,330	25,209	19,121
Veterans Burials	6,200	6,200	2,550	3,650
Total Health and Welfare	<u>50,530</u>	<u>50,530</u>	<u>27,759</u>	<u>22,771</u>
Culture and Recreation:				
Parks and Recreation	2,000	2,000	416	1,584
Capital Outlay:				
Equipment	1,400	2,800	1,821	979
Total Expenditures	<u>5,481,974</u>	<u>5,597,087</u>	<u>5,326,092</u>	<u>270,995</u>
EXCESS OF REVENUES OVER EXPENDITURES	72,060	25,657	862,121	836,464
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	5,637	5,637
Transfers In	502,000	578,403	150,167	(428,236)
Transfers Out	(1,241,810)	(1,271,810)	(322,380)	949,430
Total Other Financing Sources (Uses)	<u>(739,810)</u>	<u>(693,407)</u>	<u>(166,576)</u>	<u>526,831</u>
NET CHANGE IN FUND BALANCE	(667,750)	(667,750)	695,545	1,363,295
Fund Balance - Beginning of Year	<u>3,908,187</u>	<u>3,908,187</u>	<u>3,908,187</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,240,437</u>	<u>\$ 3,240,437</u>	<u>\$ 4,603,732</u>	<u>\$ 1,363,295</u>

**IRON COUNTY, MICHIGAN
 MAINTENANCE OF EFFORT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 862,078	\$ 862,078	\$ 861,262	\$ (816)
Federal Sources	1,260	1,260	1,258	(2)
Miscellaneous	3,200	3,200	4,033	833
Total Revenues	<u>866,538</u>	<u>866,538</u>	<u>866,553</u>	<u>15</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>872,000</u>	<u>872,000</u>	<u>725,043</u>	<u>146,957</u>
NET CHANGE IN FUND BALANCE	(5,462)	(5,462)	141,510	146,972
Fund Balance - Beginning of Year	<u>390,188</u>	<u>390,188</u>	<u>390,188</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 384,726</u>	<u>\$ 384,726</u>	<u>\$ 531,698</u>	<u>\$ 146,972</u>

**IRON COUNTY, MICHIGAN
CENTRAL DISPATCH SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 570,021	\$ 570,021	\$ 571,893	\$ 1,872
Federal Sources	10,000	10,000	11,716	1,716
Public Charges for Services	130,000	130,000	133,744	3,744
Miscellaneous	-	8,442	8,631	189
Total Revenues	<u>710,021</u>	<u>718,463</u>	<u>725,984</u>	<u>7,521</u>
EXPENDITURES				
Current:				
Public Safety	739,521	692,754	678,299	14,455
Capital Outlay	22,500	1,306	3,862	(2,556)
Total Expenditures	<u>762,021</u>	<u>694,060</u>	<u>682,161</u>	<u>11,899</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(52,000)	24,403	43,823	19,420
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	40,000	40,000	-
Transfers Out	-	(76,403)	(76,403)	-
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>(36,403)</u>	<u>(36,403)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(12,000)	(12,000)	7,420	19,420
Fund Balance - Beginning of Year	<u>136,047</u>	<u>136,047</u>	<u>136,047</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 124,047</u>	<u>\$ 124,047</u>	<u>\$ 143,467</u>	<u>\$ 19,420</u>

**IRON COUNTY, MICHIGAN
 AMBULANCE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 86,076	\$ 86,076	\$ 90,004	\$ 3,928
Miscellaneous	50	50	433	383
Total Revenues	<u>86,126</u>	<u>86,126</u>	<u>90,437</u>	<u>4,311</u>
EXPENDITURES				
Current:				
Public Safety	<u>86,126</u>	<u>86,126</u>	<u>82,771</u>	<u>3,355</u>
NET CHANGE IN FUND BALANCE	-	-	7,666	7,666
Fund Balance - Beginning of Year	<u>20,811</u>	<u>20,811</u>	<u>20,811</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 20,811</u></u>	<u><u>\$ 20,811</u></u>	<u><u>\$ 28,477</u></u>	<u><u>\$ 7,666</u></u>

SUPPLEMENTARY INFORMATION

**IRON COUNTY, MICHIGAN
2012 REFUNDING BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 644,321	\$ 644,321	\$ 635,245	\$ (9,076)
Intergovernmental	1,380	1,380	1,380	-
Miscellaneous	500	500	984	484
Total Revenues	<u>646,201</u>	<u>646,201</u>	<u>637,609</u>	<u>(8,592)</u>
EXPENDITURES				
Debt Service:				
Principal	745,000	745,000	745,000	-
Interest and Fiscal Charges	64,975	64,975	64,975	-
Total Expenditures	<u>809,975</u>	<u>809,975</u>	<u>809,975</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(163,774)	(163,774)	(172,366)	(8,592)
Fund Balance - Beginning of Year	<u>353,910</u>	<u>353,910</u>	<u>353,910</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 190,136</u></u>	<u><u>\$ 190,136</u></u>	<u><u>\$ 181,544</u></u>	<u><u>\$ (8,592)</u></u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue				
	Youth Camp	Family Counseling	Equipment for 911	County Parks	Friend of Court Incentive
ASSETS					
Cash and Investments	\$ 187,478	\$ 16,887	\$ -	\$ 162,654	\$ 22,535
Receivables:					
Property Taxes	290,222	-	-	-	-
Accounts	1,764	-	-	-	460
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	28,031
Prepaid Items	9,858	-	-	2,909	3,651
Total Assets	<u>\$ 489,322</u>	<u>\$ 16,887</u>	<u>\$ -</u>	<u>\$ 165,563</u>	<u>\$ 54,677</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 930	\$ -	\$ -	\$ 4,193	\$ 497
Accrued and Other Current Liabilities	838	-	-	1,363	2,195
Total Liabilities	<u>1,768</u>	<u>-</u>	<u>-</u>	<u>5,556</u>	<u>2,692</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	290,222	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>290,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	9,858	-	-	2,909	3,651
Restricted	-	-	-	-	48,334
Committed	187,474	16,887	-	157,098	-
Total Fund Balances	<u>197,332</u>	<u>16,887</u>	<u>-</u>	<u>160,007</u>	<u>51,985</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 489,322</u>	<u>\$ 16,887</u>	<u>\$ -</u>	<u>\$ 165,563</u>	<u>\$ 54,677</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue (Continued)				
	Probation Surcharge	Homestead Property Tax Exemption	Register of Deeds Automation	CDBG Grant	Local Corrections Officer Training
ASSETS					
Cash and Investments	\$ 12,704	\$ 3,824	\$ 141,403	\$ 89,953	\$ 17,364
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	-	-	10,216	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	-	-	266	-	-
Total Assets	<u>\$ 12,704</u>	<u>\$ 3,824</u>	<u>\$ 141,669</u>	<u>\$ 100,169</u>	<u>\$ 17,364</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 38	\$ 3,824	\$ 750	\$ 255	\$ -
Accrued and Other Current Liabilities	-	-	120	-	-
Total Liabilities	<u>38</u>	<u>3,824</u>	<u>870</u>	<u>255</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	-	-	266	-	-
Restricted	12,666	-	-	99,914	-
Committed	-	-	140,533	-	17,364
Total Fund Balances	<u>12,666</u>	<u>-</u>	<u>140,799</u>	<u>99,914</u>	<u>17,364</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,704</u>	<u>\$ 3,824</u>	<u>\$ 141,669</u>	<u>\$ 100,169</u>	<u>\$ 17,364</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue (Continued)				
	Concealed Weapon Permit	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program
ASSETS					
Cash and Investments	\$ 42,193	\$ 796	\$ 733	\$ 4,466	\$ 290
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	-	-	-	3,267
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	27,101
Prepaid Items	-	-	-	-	568
Total Assets	<u>\$ 42,193</u>	<u>\$ 796</u>	<u>\$ 733</u>	<u>\$ 4,466</u>	<u>\$ 31,226</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3	\$ -	\$ -	\$ 2,398	\$ 1,803
Accrued and Other Current Liabilities	53	-	-	-	1,240
Total Liabilities	<u>56</u>	<u>-</u>	<u>-</u>	<u>2,398</u>	<u>3,043</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	-	-	-	-	568
Restricted	-	-	-	-	-
Committed	42,137	796	733	2,068	27,615
Total Fund Balances	<u>42,137</u>	<u>796</u>	<u>733</u>	<u>2,068</u>	<u>28,183</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,193</u>	<u>\$ 796</u>	<u>\$ 733</u>	<u>\$ 4,466</u>	<u>\$ 31,226</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

Special Revenue (Continued)

ASSETS	Senior Citizens	Alcohol Assessment	Child Care	Soldiers Relief	Veterans Trust
Cash and Investments	\$ 1,439	\$ 30,787	\$ 64,803	\$ 1,659	\$ 507
Receivables:					
Property Taxes	156,688	-	-	-	43,495
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	20,456	-	-
Prepaid Items	-	-	1,859	-	-
Total Assets	<u>\$ 158,127</u>	<u>\$ 30,787</u>	<u>\$ 87,118</u>	<u>\$ 1,659</u>	<u>\$ 44,002</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 24	\$ -	\$ 2,537	\$ -	\$ 7
Accrued and Other Current Liabilities	-	-	1,199	46	-
Total Liabilities	<u>24</u>	<u>-</u>	<u>3,736</u>	<u>46</u>	<u>7</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	156,688	-	-	-	43,495
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>156,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,495</u>
FUND BALANCE					
Nonspendable	-	-	1,859	-	-
Restricted	1,415	-	-	-	-
Committed	-	30,787	81,523	1,613	500
Total Fund Balances	<u>1,415</u>	<u>30,787</u>	<u>83,382</u>	<u>1,613</u>	<u>500</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 158,127</u>	<u>\$ 30,787</u>	<u>\$ 87,118</u>	<u>\$ 1,659</u>	<u>\$ 44,002</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

Special Revenue (Continued)

ASSETS	Public Act 302	Plat Book	Sheriff's Department Equipment	Courthouse Repair	EDC Revolving Loan
Cash and Investments	\$ 221	\$ 29,655	\$ 77,104	\$ 152,328	\$ 82,553
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	-	2,348	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	-	3,200	-	-	-
Total Assets	<u>\$ 221</u>	<u>\$ 32,855</u>	<u>\$ 79,452</u>	<u>\$ 152,328</u>	<u>\$ 82,553</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 18,898	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,898</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	-	3,200	-	-	-
Restricted	221	-	-	-	82,553
Committed	-	29,655	79,452	133,430	-
Total Fund Balances	<u>221</u>	<u>32,855</u>	<u>79,452</u>	<u>133,430</u>	<u>82,553</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 221</u>	<u>\$ 32,855</u>	<u>\$ 79,452</u>	<u>\$ 152,328</u>	<u>\$ 82,553</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue (Continued)				
	Airport	Forest Management	Michigan Indigent Defense	Health Care Assistance	Meals on Wheels
ASSETS					
Cash and Investments	\$ 12,841	\$ 330,618	\$ 407,009	\$ 3,938	\$ 3,938
Receivables:					
Property Taxes	-	-	-	57,974	57,597
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	347	-	125	-	-
Total Assets	<u>\$ 13,188</u>	<u>\$ 330,618</u>	<u>\$ 407,134</u>	<u>\$ 61,912</u>	<u>\$ 61,535</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 127	\$ -	\$ 35,625	\$ -	\$ -
Accrued and Other Current Liabilities	183	-	126	-	-
Total Liabilities	<u>310</u>	<u>-</u>	<u>35,751</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	57,974	57,597
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,974</u>	<u>57,597</u>
FUND BALANCE					
Nonspendable	347	-	125	-	-
Restricted	-	-	371,258	-	-
Committed	12,531	330,618	-	3,938	3,938
Total Fund Balances	<u>12,878</u>	<u>330,618</u>	<u>371,383</u>	<u>3,938</u>	<u>3,938</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,188</u>	<u>\$ 330,618</u>	<u>\$ 407,134</u>	<u>\$ 61,912</u>	<u>\$ 61,535</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Capital Projects		Debt Service		Total
	Invasive Species	Indian Lake Capital Projects	2012 Refunding Bond Debt Retirement	2003 Courthouse Debt Retirement	Nonmajor Governmental Funds
ASSETS					
Cash and Investments	\$ 561	\$ 225,404	\$ 181,544	\$ 923	\$ 2,311,112
Receivables:					
Property Taxes	-	-	164,133	-	770,109
Accounts	-	-	-	-	18,055
Special Assessments	-	189,765	-	-	189,765
Due from Other Governments	-	-	-	-	75,588
Prepaid Items	-	-	-	-	22,783
Total Assets	<u>\$ 561</u>	<u>\$ 415,169</u>	<u>\$ 345,677</u>	<u>\$ 923</u>	<u>\$ 3,387,412</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 29	\$ -	\$ -	\$ 71,938
Accrued and Other Current Liabilities	-	-	-	-	7,363
Total Liabilities	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>79,301</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	164,133	-	770,109
Special Assessments	-	189,765	-	-	189,765
Total Deferred Inflows of Resources	<u>-</u>	<u>189,765</u>	<u>164,133</u>	<u>-</u>	<u>959,874</u>
FUND BALANCE					
Nonspendable	-	-	-	-	22,783
Restricted	-	-	181,544	923	798,828
Committed	561	225,375	-	-	1,526,626
Total Fund Balances	<u>561</u>	<u>225,375</u>	<u>181,544</u>	<u>923</u>	<u>2,348,237</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 561</u>	<u>\$ 415,169</u>	<u>\$ 345,677</u>	<u>\$ 923</u>	<u>\$ 3,387,412</u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue				
	Youth Camp	Family Counseling	Equipment for 911	County Parks	Friend of Court Incentive
REVENUES					
Taxes	\$ 285,574	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	598	-	-	-	115,874
State Sources	429	-	-	-	6,116
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Public Charges for Services	169,485	961	-	233,400	6,147
Miscellaneous	8,343	-	-	360	401
Total Revenues	<u>464,429</u>	<u>961</u>	<u>-</u>	<u>233,760</u>	<u>128,538</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	169,181
Public Safety	-	-	-	-	-
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	5,150	-	-	-
Culture and Recreation	408,879	-	-	191,678	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	139,932	-	-	20,415	732
Total Expenditures	<u>548,811</u>	<u>5,150</u>	<u>-</u>	<u>212,093</u>	<u>169,913</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(84,382)	(4,189)	-	21,667	(41,375)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	34,425
Transfers Out	-	-	(3,290)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,290)</u>	<u>-</u>	<u>34,425</u>
NET CHANGE IN FUND BALANCE	(84,382)	(4,189)	(3,290)	21,667	(6,950)
Fund Balances - Beginning of Year	<u>281,714</u>	<u>21,076</u>	<u>3,290</u>	<u>138,340</u>	<u>58,935</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 197,332</u></u>	<u><u>\$ 16,887</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 160,007</u></u>	<u><u>\$ 51,985</u></u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Special Revenue (Continued)			
	Probation Surcharge	Register of Deeds Automation	CDBG Grant	Local Corrections Officer Training
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Licenses and Permits	-	-	-	-
Fines and Forfeits	-	-	-	-
Public Charges for Services	1,950	-	500	1,740
Miscellaneous	-	18,235	30,690	-
Total Revenues	<u>1,950</u>	<u>18,235</u>	<u>31,190</u>	<u>1,740</u>
EXPENDITURES				
Current:				
General Government	502	7,874	-	-
Public Safety	-	-	-	5,026
Highway and Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Community Development	-	-	22,555	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	11,673	-	-
Total Expenditures	<u>502</u>	<u>19,547</u>	<u>22,555</u>	<u>5,026</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,448	(1,312)	8,635	(3,286)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,448	(1,312)	8,635	(3,286)
Fund Balances - Beginning of Year	<u>11,218</u>	<u>142,111</u>	<u>91,279</u>	<u>20,650</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 12,666</u></u>	<u><u>\$ 140,799</u></u>	<u><u>\$ 99,914</u></u>	<u><u>\$ 17,364</u></u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Special Revenue (Continued)				
	Concealed Weapon Permit	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	-	-	-	96,787
Licenses and Permits	8,766	-	-	-	-
Fines and Forfeits	-	-	-	2,500	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>8,766</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>96,787</u>
EXPENDITURES					
Current:					
General Government	-	-	-	11,548	-
Public Safety	3,990	-	-	-	96,161
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>3,990</u>	<u>-</u>	<u>-</u>	<u>11,548</u>	<u>96,161</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,776	-	-	(9,048)	626
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	10,000	7,500
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>7,500</u>
NET CHANGE IN FUND BALANCE	4,776	-	-	952	8,126
Fund Balances - Beginning of Year	<u>37,361</u>	<u>796</u>	<u>733</u>	<u>1,116</u>	<u>20,057</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 42,137</u></u>	<u><u>\$ 796</u></u>	<u><u>\$ 733</u></u>	<u><u>\$ 2,068</u></u>	<u><u>\$ 28,183</u></u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

Special Revenue (Continued)					
	Senior Citizens	Alcohol Assessment	Child Care	Soldiers Relief	Veterans Trust
REVENUES					
Taxes	\$ 154,940	\$ -	\$ -	\$ -	\$ 42,982
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	226	-	56,288	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	1,020	-	-	-
Public Charges for Services	-	6,340	9,442	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>155,166</u>	<u>7,360</u>	<u>65,730</u>	<u>-</u>	<u>42,982</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Highway and Transportation	-	-	-	-	-
Health and Welfare	155,251	-	105,478	1,373	42,633
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>155,251</u>	<u>-</u>	<u>105,478</u>	<u>1,373</u>	<u>42,633</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(85)	7,360	(39,748)	(1,373)	349
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	84,720	1,400	-
Transfers Out	-	(12,500)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(12,500)</u>	<u>84,720</u>	<u>1,400</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(85)	(5,140)	44,972	27	349
Fund Balances - Beginning of Year	<u>1,500</u>	<u>35,927</u>	<u>38,410</u>	<u>1,586</u>	<u>151</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,415</u></u>	<u><u>\$ 30,787</u></u>	<u><u>\$ 83,382</u></u>	<u><u>\$ 1,613</u></u>	<u><u>\$ 500</u></u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue (Continued)				
	Public Act 302	Plat Book	Sheriff's Department Equipment	Courthouse Repair	EDC Revolving Loan
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	1,178	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Public Charges for Services	-	10,429	13,809	-	-
Miscellaneous	-	4,500	30,780	-	5,648
Total Revenues	<u>1,178</u>	<u>14,929</u>	<u>44,589</u>	<u>-</u>	<u>5,648</u>
EXPENDITURES					
Current:					
General Government	-	23,684	-	-	-
Public Safety	1,178	-	38,363	-	-
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	1,238
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	25,000	72,944	-
Total Expenditures	<u>1,178</u>	<u>23,684</u>	<u>63,363</u>	<u>72,944</u>	<u>1,238</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(8,755)	(18,774)	(72,944)	4,410
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	50,000	-
Transfers Out	-	(5,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(13,755)	(18,774)	(22,944)	4,410
Fund Balances - Beginning of Year	<u>221</u>	<u>46,610</u>	<u>98,226</u>	<u>156,374</u>	<u>78,143</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 221</u></u>	<u><u>\$ 32,855</u></u>	<u><u>\$ 79,452</u></u>	<u><u>\$ 133,430</u></u>	<u><u>\$ 82,553</u></u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue (Continued)				
	Airport	Forest Management	Michigan Indigent Defense	Health Care Assistance	Meals on Wheels
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 57,318	\$ 57,318
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	-	306,788	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Public Charges for Services	6,413	23,156	-	-	-
Miscellaneous	-	(1,528)	-	-	-
Total Revenues	<u>6,413</u>	<u>21,628</u>	<u>306,788</u>	<u>57,318</u>	<u>57,318</u>
EXPENDITURES					
Current:					
General Government	-	-	366,936	-	-
Public Safety	-	-	-	-	-
Highway and Transportation	11,420	-	-	-	-
Health and Welfare	-	-	-	54,306	54,306
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>11,420</u>	<u>-</u>	<u>366,936</u>	<u>54,306</u>	<u>54,306</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,007)	21,628	(60,148)	3,012	3,012
OTHER FINANCING SOURCES (USES)					
Transfers In	5,000	-	72,357	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>-</u>	<u>72,357</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(7)	21,628	12,209	3,012	3,012
Fund Balances - Beginning of Year	<u>12,885</u>	<u>308,990</u>	<u>359,174</u>	<u>926</u>	<u>926</u>
FUND BALANCES - END OF YEAR	<u>\$ 12,878</u>	<u>\$ 330,618</u>	<u>\$ 371,383</u>	<u>\$ 3,938</u>	<u>\$ 3,938</u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects		Debt Service			Total Nonmajor Governmental Funds
	Invasive Species	Indian Lake Capital Projects	2012 Refunding Bond Debt Retirement	2003 Courthouse Debt Retirement	2017 Indian Lake Debt Retirement	
REVENUES						
Taxes	\$ -	\$ -	\$ 635,245	\$ -	\$ -	\$ 1,233,377
Special Assessments	-	49,988	-	-	-	49,988
Intergovernmental	-	-	1,380	-	-	1,380
Federal Sources	-	-	-	-	-	116,472
State Sources	-	-	-	-	-	467,812
Licenses and Permits	-	-	-	-	-	8,766
Fines and Forfeits	-	-	-	-	-	3,520
Public Charges for Services	-	-	-	-	-	483,772
Miscellaneous	-	12,448	984	-	-	110,861
Total Revenues	-	62,436	637,609	-	-	2,475,948
EXPENDITURES						
Current:						
General Government	-	4,547	-	-	-	584,272
Public Safety	-	-	-	-	-	144,718
Highway and Transportation	-	-	-	-	-	11,420
Health and Welfare	-	-	-	-	-	418,497
Culture and Recreation	7,000	-	-	-	-	607,557
Community Development	-	-	-	-	-	23,793
Debt Service:						
Principal	-	-	745,000	15,000	25,000	785,000
Interest and Fiscal Charges	-	-	64,975	9,478	15,521	89,974
Capital Outlay	-	5,407	-	-	-	276,103
Total Expenditures	7,000	9,954	809,975	24,478	40,521	2,941,334
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,000)	52,482	(172,366)	(24,478)	(40,521)	(465,386)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	24,478	40,521	330,401
Transfers Out	-	(40,521)	-	-	-	(61,311)
Total Other Financing Sources (Uses)	-	(40,521)	-	24,478	40,521	269,090
NET CHANGE IN FUND BALANCE	(7,000)	11,961	(172,366)	-	-	(196,296)
Fund Balances - Beginning of Year	7,561	213,414	353,910	923	-	2,544,533
FUND BALANCES - END OF YEAR	<u>\$ 561</u>	<u>\$ 225,375</u>	<u>\$ 181,544</u>	<u>\$ 923</u>	<u>\$ -</u>	<u>\$ 2,348,237</u>

**IRON COUNTY, MICHIGAN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2022**

	Tax Collections	Library Fund	Inmate Trust	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 333,150	\$ 20,977	\$ 32,561	\$ 386,688
LIABILITIES				
Accounts Payable	35,512	-	-	35,512
Due to Other Governments	297,638	-	-	297,638
Total Liabilities	333,150	-	-	333,150
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$ -	\$ 20,977	\$ 32,561	\$ 53,538

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022**

	Tax Collections	Library Fund	Inmate Trust	Total
ADDITIONS				
Court Fines	\$ -	\$ 39,991	\$ -	\$ 39,991
Taxes and Special Charges Collected	7,526,919	-	-	7,526,919
Fees Collected	882,427	-	-	882,427
Payments Collected	-	-	138,053	138,053
Total Additions	<u>8,409,346</u>	<u>39,991</u>	<u>138,053</u>	<u>8,587,390</u>
DEDUCTIONS				
Payments to Library	-	36,326	-	36,326
Payments to Other Districts	7,526,919	-	-	7,526,919
Payments to Other Governments	882,427	-	-	882,427
Other Payments	-	-	132,517	132,517
Total Deductions	<u>8,409,346</u>	<u>36,326</u>	<u>132,517</u>	<u>8,578,189</u>
CHANGE IN NET POSITION	-	3,665	5,536	9,201
Net Position - Beginning of Year	<u>-</u>	<u>17,312</u>	<u>27,025</u>	<u>44,337</u>
NET POSITION- END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 20,977</u></u>	<u><u>\$ 32,561</u></u>	<u><u>\$ 53,538</u></u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**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***

Board of Commissioners
Iron County, 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 Iron County, Michigan, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 13, 2023. Our report includes a reference to other auditors who audited the financial statements of the Iron County Road Commission and the Iron County Medical Care Facility, as described in our report on Iron County, Michigan'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.

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 County's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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*.

Iron County, Michigan's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 13, 2023

FEDERAL AWARDS



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

Board of Commissioners
Iron County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Iron County, Michigan's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Iron County, Michigan's major federal programs for the year ended December 31, 2022. Iron County, Michigan'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, Iron County, Michigan complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Other Matter – Federal Expenditures Not included in the Compliance Audit

Iron County, Michigan's basic financial statements include the operations of the Iron County Medical Care Facility and the Iron County Road Commission, which expended federal awards which are not included in Iron County, Michigan's schedule of expenditures of federal awards during the year ended December 31, 2022. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of the Iron County Medical Care Facility and the Iron County Road Commission because as the component units engaged other auditors to perform an audit of compliance.

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 Iron County, Michigan's federal programs.

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 Iron County, Michigan's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Iron County, Michigan'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 Iron County, Michigan's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Iron County, Michigan's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Iron County, Michigan's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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 2022-002. 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 Iron County, Michigan's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Iron County, Michigan'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.

Report on Internal Control Over Compliance

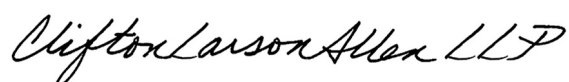
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 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 Iron County, Michigan's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Iron County, Michigan'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.

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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 13, 2023

**IRON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number
U.S. DEPARTMENT OF AGRICULTURE	
Child Nutrition Cluster:	
Special Milk Program for Children	10.556
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Total Special Supplemental Nutrition Program for Women, Infants, and Children	
Total Child Nutrition Cluster	
Forest Service Schools and Roads Cluster:	
Schools and Roads - Grants to States	10.665
Federal Park Patrol	10.704
Total U.S. Department of Agriculture	
U.S. DEPARTMENT OF INTERIOR	
Federal Payment in Lieu of Tax	15.226
U.S. DEPARTMENT OF JUSTICE	
COVID-19 Coronavirus Emergency Supplemental Funding	16.034
U.S. DEPARTMENT OF TREASURY	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
U.S. DEPARTMENT OF EDUCATION	
Special Education - Grants for Infants and Families	84.181
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
TB Control	93.116
Family Planning	93.217
COVID-19 Immunization Cooperative Agreements	93.268
Immunization Cooperative Agreements	93.268
Total Immunization Cooperative Agreements	
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
COVID-19 PHEP COVID-19 Response	93.354
Child Support Enforcement (FOC COOP Reimb. Title IV-D)	93.563
Child Support Enforcement (Friends of Court Incentive Program)	93.563
Total Child Support Enforcement (Title IV-D)	
Medical Assistance Program	93.778
State Targeted Response to the Opioid Crisis	93.788
Bioterrorism-EPI-Focus A	93.889
BCCCP Coordination	93.898
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Maternal and Child Health Services Block Grant to the States	93.994
Maternal and Child Health Services Block Grant to the States	93.994
Total Maternal and Child Health Services Block Grant to the States	
Total U.S. Department of Health and Human Services	
U.S. DEPARTMENT OF HOMELAND SECURITY	
Federal Boating Safety Financial Assistance Program	97.012
Emergency Management Performance Grants	97.042
Non-Cash Assistance:	
Homeland Security Grant Program	97.067
Total U.S. Department of Homeland Security	
Total Expenditures of Federal Awards	

**IRON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

Pass-Through Agency	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Michigan Department of Education	N/A	\$ 598	\$ -
Michigan Department of Health and Human Services	50035	214,437	-
Michigan Department of Health and Human Services	50022	45,618	-
		<u>260,055</u>	<u>-</u>
		260,653	-
Michigan Department of Natural Resources and Environment	N/A	174,096	-
Direct Payment	N/A	3,037	-
		<u>437,786</u>	<u>-</u>
Michigan Department of Natural Resources and Environment	N/A	401,909	-
Direct Payment	N/A	1,808	-
Michigan Department of Treasury	N/A	1,249,966	-
Dickinson-Iron Intermediate School District	N/A	112,963	-
Michigan Department of Health and Human Services	251165	429	-
Michigan Department of Health and Human Services	251019	62,186	-
Michigan Department of Health and Human Services	251129	61,257	-
Michigan Department of Health and Human Services	H23 CCH522556	40,225	-
		<u>101,482</u>	<u>-</u>
Michigan Department of Health and Human Services	251156	89,305	-
Michigan Department of Health and Human Services	251211	53,845	-
Michigan Department of Health and Human Services	CSPA-17-36002	104,556	-
Michigan Department of Health and Human Services	N/A	11,318	-
		<u>115,874</u>	<u>-</u>
Michigan Department of Health and Human Services	253001	35,094	-
Michigan Department of Health and Human Services	252549	69,249	-
Michigan Department of Health and Human Services	251184	113,429	-
Michigan Department of Health and Human Services	251183	3,752	-
NorthCare Network	N/A	42,316	-
Michigan Department of Health and Human Services	252208	50,352	-
Michigan Department of Health and Human Services	N/A	1,770	-
		<u>52,122</u>	<u>-</u>
		739,083	-
Michigan Department of Natural Resources and Environment	N/A	6,189	-
Michigan State Police	N/A	8,602	-
Dickinson County, Michigan	N/A	<u>10,554</u>	<u>-</u>
		<u>25,345</u>	<u>-</u>
		<u>\$ 2,968,860</u>	<u>\$ -</u>

IRON COUNTY, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards for the County are 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).

The schedules of expenditures of federal awards include all federal awards of the County and the Dickinson – Iron County Health Department. Because the schedules present 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 the Iron County Road Commission and the Iron County Medical Care Facility discretely presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2022, as the entities were separately audited.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2022 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited to reimbursement.

The County has elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 OVERSIGHT AGENCIES

The federal oversight agency for the County is as follows:

Federal – U.S. Department of Agriculture

NOTE 4 PASS-THROUGH ENTITIES

The pass-through grantor's number represents the County's provider I.D. number. Such other I.D. numbers were not available.

The County did not act as a pass-through agent for any federal monies.

**IRON COUNTY, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

NOTE 5 FEDERAL REVENUE RECONCILIATION

Federal Revenue Per Governmental Fund Financial Statements	\$ 1,798,536	
Federal Expenditures Per Schedule of Expenditures and Federal Awards	<u>2,968,860</u>	
Difference	(1,170,324)	
Reconciling Items:		
Federal revenues reported in the component units which are included on the schedule of expenditures of federal awards:		
District Health Department	996,229	
Federal revenues not reported in the financial statements, but on the schedule of expenditures of federal awards because the funds were receipted and disbursed in a custodial fund:		
Schools and Roads - Grants to States	<u>174,095</u>	
Reconciled Difference	<u><u>\$ -</u></u>	

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of the Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to basic financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditors’ report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes

Identification of major federal program:

Assistance Listing Numbers	Name of Federal Program or Cluster
21.027	COVID 19 - American Rescue Plan Act

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

Auditee qualified as low-risk auditee Yes

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

2022-001

**Preparation of Annual Financial Report
Repeat finding of 2021-001**

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Condition

Management and the Board of the County share the ultimate responsibility for the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The County engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the County's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the County has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the County's activities and operations.

The County's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the County's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Criteria or Specific Requirement

The preparation and review of the annual financial report, by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause

County management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

Without our involvement, the County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings (Continued)

2022-001

Preparation of Annual Financial Report (Continued)

Recommendation

We recommend the County continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the System's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the County is necessary to obtain a complete and adequate understanding of the County's annual financial report.

Views of Responsible Officials and Planned Corrective Actions

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

Section III – Findings and Questioned Costs – Major Federal Programs

2022-002 - Federal Grants Management - Procurement Policy

Federal Agency: Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: N/A

Pass-Through Agency: Michigan Department of Treasury

Award Period: March 1, 2021 – December 31, 2024

Type of Finding: Significant deficiency in internal control over compliance, other matters.

Criteria or Specific Requirement

2 CFR Section 200.214 requires non-federal entities to follow suspension and debarment regulations outlined in 2 CFR part 180. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition

The County did not perform a search for suspension and debarment for vendors the County initiated procurement transactions in excess of \$25,000.

Questioned Costs

None

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-002 -Federal Grants Management - Procurement Policy (Continued)

Context

There were six transaction that exceeded the \$25,000 covered transaction threshold during the granting period and the sample size was five. During our testing, it was noted on three of the five items tested that Iron County, Michigan was not reviewing vendors prior to entering into a contract with a vendor to ensure the vendor was not on the suspended or debarred vendor list maintained by the General Services Administration. The sample was a statistically valid sample.

Cause

The County was not aware of the requirements under suspension and debarment.

Effect

The County could contract with a vendor that has been suspended or debarred from receiving federal funds.

Recommendation

We recommend the County use sam.gov or the ELPS listing to review clients at the beginning of the year or before a transaction is incurred in accordance with Uniform Guidance requirements.

Views of Responsible Officials and Planned Corrective Actions

There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.