

IRON COUNTY, MICHIGAN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2025



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

In our opinion, based upon our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Iron County Road Commission or Medical Care Facility, which represent 95 percent, 100 percent, and 89 percent, respectively, of the assets, net position, and revenues of the component units as of December 31, 2025. 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 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 92 through 118 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 June 22, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 22, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**IRON COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows or resources as of December 31, 2025, by \$18,984,688. The County's *unrestricted net position* was \$10,562,049.
- The County's total net position increased by \$2,083,159, with business-type activities increasing \$5,225 and governmental activities increasing \$2,077,934.
- As of December 31, 2025, the County's governmental funds reported combined ending fund balances of \$12,766,635. Approximately \$10,828,191 is *available for spending* at the County's discretion (*committed and unassigned fund balance*). The unassigned general fund balance was \$6,827,744 or approximately 104% of 2025 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 and Ambulance, all of which are considered to be major funds. Data from the other 35 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 92- 136.

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 \$18,984,688 at the close of 2025, as summarized below.

IRON COUNTY, MICHIGAN						
Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 16,722,048	\$ 15,193,015	\$ 3,987,232	\$ 3,969,229	\$ 20,709,280	\$ 19,162,244
Capital Assets	5,443,879	5,297,778	36,857	50,830	5,480,736	5,348,608
Total Assets	22,165,927	20,490,793	4,024,089	4,020,059	26,190,016	24,510,852
Deferred Outflow s of Resources	-	323,201	-	-	-	323,201
Long-Term Liabilities Outstanding	2,849,567	3,961,214	-	-	2,849,567	3,961,214
Other Liabilities	403,400	568,993	132,021	133,216	535,421	702,209
Total Liabilities	3,252,967	4,530,207	132,021	133,216	3,384,988	4,663,423
Deferred Inflow s of Resources	3,820,340	3,269,101	-	-	3,820,340	3,269,101
Net Position:						
Net Investment in Capital Assets	4,612,715	4,390,022	36,857	50,830	4,649,572	4,440,852
Restricted	1,760,261	1,898,628	-	-	1,760,261	1,898,628
Unrestricted (Deficit)	8,719,644	6,726,036	3,855,211	3,836,013	12,574,855	10,562,049
Total Net Position	\$ 15,092,620	\$ 13,014,686	\$ 3,892,068	\$ 3,886,843	\$ 18,984,688	\$ 16,901,529

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 \$12,574,855.

Change in net position. Governmental activities increased the County's net position by \$2,077,934 and business-type activities increased \$5,225. Key elements of this increase are as follows:

IRON COUNTY, MICHIGAN						
Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,818,749	\$ 1,419,420	\$ 564,803	\$ 554,651	\$ 2,383,552	\$ 1,974,071
Operating Grants and Contributions	1,317,735	1,623,577	-	-	1,317,735	1,623,577
Capital Grants and Contributions	144,689	7,756	-	-	144,689	7,756
General Revenues:						
Property Taxes	7,799,085	7,352,436	-	-	7,799,085	7,352,436
Other Taxes	542,433	492,607	-	-	542,433	492,607
Grants and Contributions not Restricted to Specific Programs	1,103,358	1,208,979	-	-	1,103,358	1,208,979
Other	465,332	408,502	108,699	94,186	574,031	502,688
Total Revenues	13,191,381	12,513,277	673,502	648,837	13,864,883	13,162,114
Expenses:						
General Government	3,996,385	4,226,671	613,277	329,609	4,609,662	4,556,280
Public Safety	4,833,235	4,325,773	-	-	4,833,235	4,325,773
Highway and Transportation	10,863	11,112	-	-	10,863	11,112
Health and Welfare	1,442,636	1,283,871	-	-	1,442,636	1,283,871
Culture and Recreation	775,763	762,183	-	-	775,763	762,183
Community Development	47,507	35,580	-	-	47,507	35,580
Interest and Fiscal Charges	62,058	67,146	-	-	62,058	67,146
Total Expenses	11,168,447	10,712,336	613,277	329,609	11,781,724	11,041,945
Change in Net Position Before Transfers	2,022,934	1,800,941	60,225	319,228	2,083,159	2,120,169
Transfers	55,000	62,000	(55,000)	(62,000)	-	-
Change in Net Position	2,077,934	1,862,941	5,225	257,228	2,083,159	2,120,169
Net Position - Beginning of Year	13,014,686	11,151,745	3,886,843	3,629,615	16,901,529	14,781,360
Net Position - End of Year	<u>\$ 15,092,620</u>	<u>\$ 13,014,686</u>	<u>\$ 3,892,068</u>	<u>\$ 3,886,843</u>	<u>\$ 18,984,688</u>	<u>\$ 16,901,529</u>

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, 2025, 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 \$12,766,635, an increase of \$1,530,037 in comparison with the prior year. Of this amount, \$6,827,744 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. \$4,000,447 of fund balance is committed. Fund balance of \$1,760,658 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 \$177,786 is nonspendable as it is not in spendable form (inventory and prepaid items).

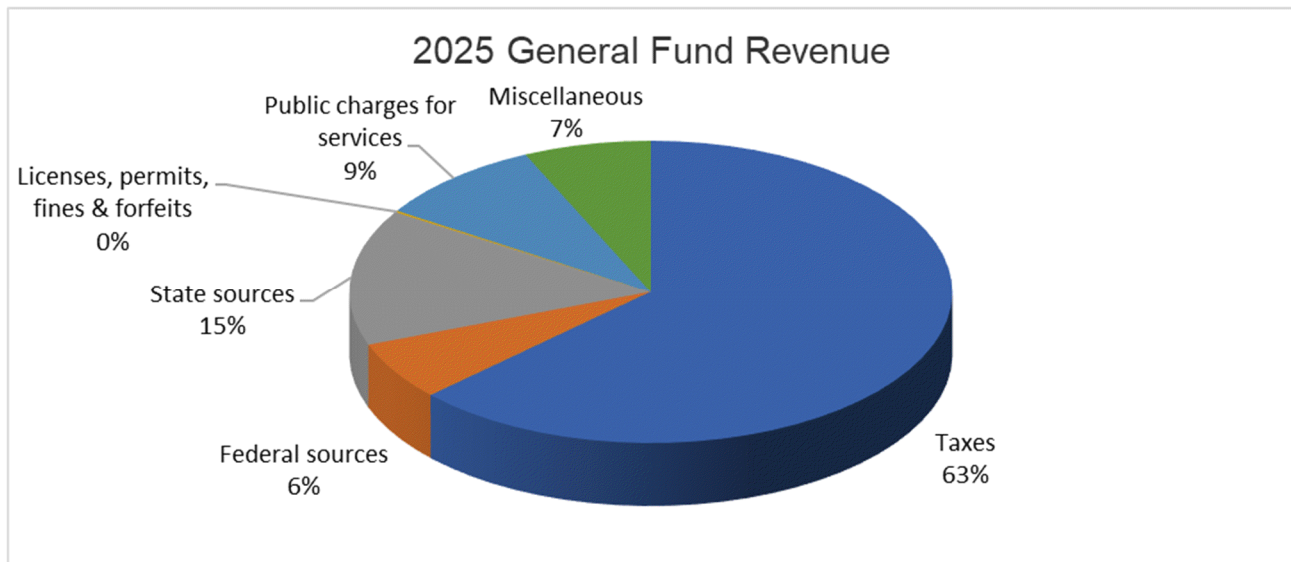
General Fund

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 \$6,827,744. 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 104% of total general fund expenditures. Committed fund balance of the general fund is \$750,839 which is committed for budget stabilization.

The County's general fund balance increased \$1,129,458.

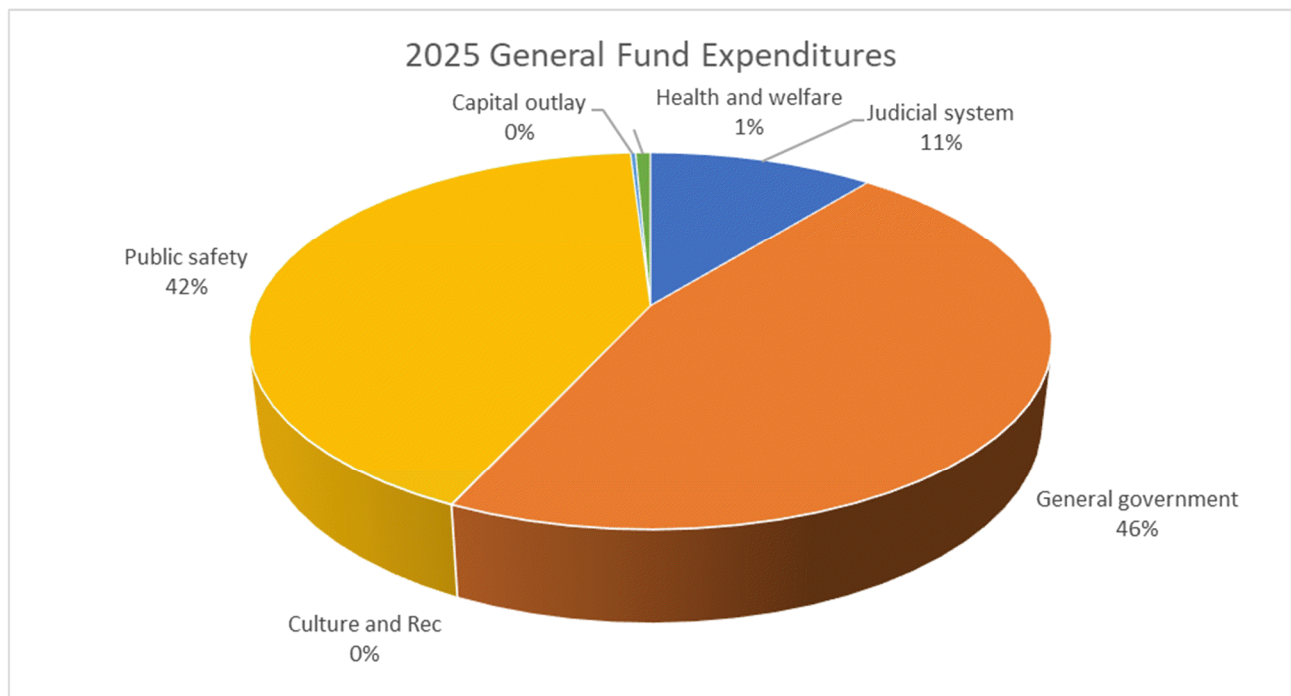
Actual revenue including transfers in was \$8,104,438 as compared with final budgeted revenue of \$7,312,458 resulted in a positive variance of \$791,980 or 10.83%.

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



The final expenditures including transfers out were \$6,980,630 compared with final budgeted expenditures of \$6,902,771 resulting in a positive variance of \$77,859 or 1.13%.

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 \$3,668,601. The total increase in net position was \$40,831.

Unrestricted net position of the Construction Code Fund at the end of the year amounted to \$166,610. The total decrease in net position was \$35,606.

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, 2025 amounts to \$5,480,736 (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 \$132,128 for the year.

IRON COUNTY, MICHIGAN (net of accumulated depreciation)						
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 189,118	\$ 189,118	\$ -	\$ -	\$ 189,118	\$ 189,118
Construction in Progress	50,000	213,982	-	-	50,000	213,982
Buildings	8,802,641	8,802,641	-	-	8,802,641	8,802,641
Machinery and Equipment	3,425,683	3,425,683	133,038	133,038	3,558,721	3,558,721
Infrastructure	988,710	988,710	-	-	988,710	988,710
Subtotal	13,456,152	13,620,134	133,038	133,038	13,589,190	13,753,172
Less: Accumulated Depreciation	8,012,273	8,012,273	96,181	96,181	8,108,454	8,108,454
Net Capital Assets	<u>\$ 5,443,879</u>	<u>\$ 5,607,861</u>	<u>\$ 36,857</u>	<u>\$ 36,857</u>	<u>\$ 5,480,736</u>	<u>\$ 5,644,718</u>

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$1,626,000.

IRON COUNTY, MICHIGAN General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General Obligation Debt:						
2003 Limited Tax Bond	\$ 161,000	\$ 177,000	\$ -	\$ -	\$ 161,000	\$ 177,000
2015 Unlimited Tax Refunding Bond	1,130,000	1,250,000	-	-	1,130,000	1,250,000
2017 Limited Tax Special Assessment Bonds	335,000	360,000	-	-	335,000	360,000
Total	<u>\$ 1,626,000</u>	<u>\$ 1,787,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626,000</u>	<u>\$ 1,787,000</u>

The County's total debt decreased by \$161,000 (9%) 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 2026 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, 2025

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Investments	\$ 12,037,005	\$ 3,058,691	\$ 15,095,696	\$ 9,825,116
Receivables:				
Property Taxes	3,735,511	-	3,735,511	290,770
Delinquent Taxes	-	821,945	821,945	-
Accounts, Net	64,902	-	64,902	1,981,444
Special Assessments	108,683	-	108,683	-
Other	-	106,294	106,294	986,932
Due from Other Governments	598,161	-	598,161	1,082,247
Inventories and Prepaid Items	177,786	302	178,088	989,618
Assets Limited as to Use	-	-	-	1,735,510
Other Current Assets	-	-	-	288,195
Net Pension Asset	-	-	-	464,130
Capital Assets, Nondepreciable / Nonamortizable	239,118	-	239,118	370,017
Capital Assets, Depreciable / Amortizable	5,204,761	36,857	5,241,618	40,478,022
Total Assets	22,165,927	4,024,089	26,190,016	58,492,001
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	-	-	-	2,990,845
Other Postemployment Related Amounts	-	-	-	348,747
Total Deferred Outflows of Resources	-	-	-	3,339,592
LIABILITIES				
Accounts Payable	155,713	48,137	203,850	1,283,475
Accrued and Other Current Liabilities	240,526	3,474	244,000	732,135
Due to Other Governments	-	80,410	80,410	98,691
Accrued Interest Payable	7,161	-	7,161	85,990
Special Deposits	-	-	-	63,569
Unearned Revenues	-	-	-	213,427
Third Party Payer Settlements Payable	-	-	-	70,522
Advance from the State	-	-	-	552,020
Long-Term Obligations:				
Due Within One Year:				
Bonds and Notes Payable	162,000	-	162,000	984,155
Compensated Absences	-	-	-	1,308,731
Due in More Than One Year:				
Bonds and Notes Payable	1,464,000	-	1,464,000	7,870,270
Compensated Absences	200,678	-	200,678	221,797
Net Pension Liability	1,022,889	-	1,022,889	9,345,060
Other Postemployment Benefits	-	-	-	1,831,442
Total Liabilities	3,252,967	132,021	3,384,988	24,661,284
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	3,450,491	-	3,450,491	290,770
Pension Related Amounts	369,849	-	369,849	1,523,988
Other Postemployment Related Amounts	-	-	-	779,784
Total Deferred Inflows of Resources	3,820,340	-	3,820,340	2,594,542
NET POSITION				
Net Investment in Capital Assets	4,612,715	36,857	4,649,572	36,612,879
Restricted:				
Long-Term Care Facility	1,090,927	-	1,090,927	-
Public Safety and Corrections	19,146	-	19,146	-
Economic and Community Development	166,862	-	166,862	-
Friend of the Court and Indigent Defense	303,285	-	303,285	-
Debt Service	153,853	-	153,853	1,714,409
Senior Citizens	1,500	-	1,500	-
Public Act 302	24,688	-	24,688	-
Unrestricted	8,719,644	3,855,211	12,574,855	(3,751,521)
Total Net Position	\$ 15,092,620	\$ 3,892,068	\$ 18,984,688	\$ 34,575,767

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 3,996,385	\$ 570,060	\$ 653,328	\$ 138,083
Public Safety	4,833,235	558,928	596,410	-
Highway and Transportation	10,863	7,366	-	-
Health and Welfare	1,442,636	163,343	61,277	-
Culture and Recreation	775,763	511,496	6,720	6,606
Community Development	47,507	7,556	-	-
Interest and Fiscal Charges	62,058	-	-	-
Total Governmental Activities	11,168,447	1,818,749	1,317,735	144,689
BUSINESS-TYPE ACTIVITIES				
Tax Revolving	429,030	416,162	-	-
Construction Code	184,247	148,641	-	-
Total Business-Type Activities	613,277	564,803	-	-
Total Primary Government	\$ 11,781,724	\$ 2,383,552	\$ 1,317,735	\$ 144,689
COMPONENT UNITS	\$ 33,065,804	\$ 23,071,716	\$ 8,063,465	\$ 2,509,563

See accompanying Notes to Basic Financial Statements.

IRON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-Type Activities	Total	Component Units
GOVERNMENTAL ACTIVITIES				
General Government	\$ (2,634,914)	\$ -	\$ (2,634,914)	\$ -
Public Safety	(3,677,897)	-	(3,677,897)	-
Highway and Transportation	(3,497)	-	(3,497)	-
Health and Welfare	(1,218,016)	-	(1,218,016)	-
Culture and Recreation	(250,941)	-	(250,941)	-
Community Development	(39,951)	-	(39,951)	-
Interest and Fiscal Charges	(62,058)	-	(62,058)	-
Total Governmental Activities	(7,887,274)	-	(7,887,274)	-
BUSINESS-TYPE ACTIVITIES				
Tax Revolving	-	(12,868)	(12,868)	-
Construction Code	-	(35,606)	(35,606)	-
Total Business-Type Activities	-	(48,474)	(48,474)	-
Total Primary Government	(7,887,274)	(48,474)	(7,935,748)	-
COMPONENT UNITS	-	-	-	578,940
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes	7,799,085	-	7,799,085	1,142,125
Other Taxes	542,433	-	542,433	-
Federal and State Grants and Other:				
Contributions not Restricted to Specific Functions	1,103,358	-	1,103,358	-
Interest and Investment Earnings	422,341	106,334	528,675	333,258
Forest Timber Sales	2,808	-	2,808	-
Miscellaneous	40,183	2,365	42,548	89,009
Gain (Loss) on Sale of Capital Assets	-	-	-	591
Transfers	55,000	(55,000)	-	-
Total General Revenues and Transfers	9,965,208	53,699	10,018,907	1,564,983
CHANGE IN NET POSITION	2,077,934	5,225	2,083,159	2,143,923
Net Position - Beginning of Year	13,014,686	3,886,843	16,901,529	32,431,844
NET POSITION - END OF YEAR	<u>\$ 15,092,620</u>	<u>\$ 3,892,068</u>	<u>\$ 18,984,688</u>	<u>\$ 34,575,767</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	<u>General</u>	<u>Maintenance of Effort</u>	<u>Central Dispatch</u>
ASSETS			
Cash and Investments	\$ 7,058,118	\$ 1,117,378	\$ 629,883
Receivables:			
Property Taxes	285,020	1,074,686	895,584
Accounts, Net	61,263	-	-
Special Assessments	-	-	-
Due from Other Governments	456,930	-	40,287
Prepaid Items	148,063	-	6,554
Total Assets	<u>\$ 8,009,394</u>	<u>\$ 2,192,064</u>	<u>\$ 1,572,308</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 71,238	\$ 26,451	\$ 36,454
Accrued and Other Current Liabilities	211,510	-	16,749
Total Liabilities	<u>282,748</u>	<u>26,451</u>	<u>53,203</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	1,074,686	895,584
Special Assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>1,074,686</u>	<u>895,584</u>
FUND BALANCES			
Nonspendable	148,063	-	6,554
Restricted	-	1,090,927	-
Committed	750,839	-	616,967
Unassigned	6,827,744	-	-
Total Fund Balances	<u>7,726,646</u>	<u>1,090,927</u>	<u>623,521</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,009,394</u>	<u>\$ 2,192,064</u>	<u>\$ 1,572,308</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	Ambulance	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 187,664	\$ 3,043,962	\$ 12,037,005
Receivables:			
Property Taxes	716,482	763,739	3,735,511
Accounts, Net	-	3,999	65,262
Special Assessments	-	108,683	108,683
Due from Other Governments	-	100,584	597,801
Prepaid Items	-	23,169	177,786
Total Assets	<u>\$ 904,146</u>	<u>\$ 4,044,136</u>	<u>\$ 16,722,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 21,570	\$ 155,713
Accrued and Other Current Liabilities	-	12,267	240,526
Total Liabilities	<u>-</u>	<u>33,837</u>	<u>396,239</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	716,482	763,739	3,450,491
Special Assessments	-	108,683	108,683
Total Deferred Inflows of Resources	<u>716,482</u>	<u>872,422</u>	<u>3,559,174</u>
FUND BALANCES			
Nonspendable	-	23,169	177,786
Restricted	-	669,731	1,760,658
Committed	187,664	2,444,977	4,000,447
Unassigned	-	-	6,827,744
Total Fund Balances	<u>187,664</u>	<u>3,137,877</u>	<u>12,766,635</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 904,146</u>	<u>\$ 4,044,136</u>	<u>\$ 16,722,048</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 12,766,635
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements.	5,443,879
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Other long-term assets are not available to pay current period expenditures and therefore are deferred in the fund financial statements.	108,683
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Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund financial statements.	
Deferred Inflows Related to Pensions	(369,849)

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	(1,626,000)
Compensated Absences	(200,678)
Net Pension Liability	(1,022,889)
Accrued Interest on Long-Term Obligations	<u>(7,161)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 15,092,620</u></u>
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IRON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Maintenance of Effort	Central Dispatch
REVENUES			
Taxes	\$ 5,072,519	\$ 1,062,637	\$ 876,668
Special Assessments	-	-	-
Federal Sources	503,878	-	-
State Sources	1,176,306	1,717	10,339
Intergovernmental	-	-	-
Licenses and Permits	11,365	-	-
Fines and Forfeits	954	-	-
Public Charges for Services	734,113	-	140,136
Miscellaneous	550,303	32,983	845
Total Revenues	<u>8,049,438</u>	<u>1,097,337</u>	<u>1,027,988</u>
EXPENDITURES			
Current:			
Judicial System	710,192	-	-
General Government	3,018,788	-	-
Public Safety	2,764,045	-	767,571
Highway and Transportation	-	-	-
Health and Welfare	46,687	934,922	-
Culture and Recreation	292	-	-
Community Development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	16,199	-	4,058
Total Expenditures	<u>6,556,203</u>	<u>934,922</u>	<u>771,629</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,493,235	162,415	256,359
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	5,650	-	-
Transfers In	55,000	-	-
Transfers Out	(424,427)	-	-
Total Other Financing Sources (Uses)	<u>(363,777)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,129,458	162,415	256,359
Fund Balances - Beginning of Year	<u>6,597,188</u>	<u>928,512</u>	<u>367,162</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 7,726,646</u></u>	<u><u>\$ 1,090,927</u></u>	<u><u>\$ 623,521</u></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, 2025

	Ambulance	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 700,833	\$ 727,506	\$ 8,440,163
Special Assessments	-	24,106	24,106
Federal Sources	-	322,232	826,110
State Sources	-	440,114	1,628,476
Intergovernmental	309	1,458	1,767
Licenses and Permits	-	10,198	21,563
Fines and Forfeits	-	5,342	6,296
Public Charges for Services	-	575,403	1,449,652
Miscellaneous	1,559	133,365	719,055
Total Revenues	<u>702,701</u>	<u>2,239,724</u>	<u>13,117,188</u>
EXPENDITURES			
Current:			
Judicial System	-	-	710,192
General Government	-	1,032,698	4,051,486
Public Safety	586,048	136,674	4,254,338
Highway and Transportation	-	10,863	10,863
Health and Welfare	-	421,552	1,403,161
Culture and Recreation	-	702,689	702,981
Community Development	-	47,507	47,507
Debt Service:			
Principal	-	161,000	161,000
Interest and Fiscal Charges	-	62,757	62,757
Capital Outlay	-	223,259	243,516
Total Expenditures	<u>586,048</u>	<u>2,798,999</u>	<u>11,647,801</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	116,653	(559,275)	1,469,387
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	-	5,650
Transfers In	-	462,736	517,736
Transfers Out	-	(38,309)	(462,736)
Total Other Financing Sources (Uses)	<u>-</u>	<u>424,427</u>	<u>60,650</u>
NET CHANGE IN FUND BALANCES	116,653	(134,848)	1,530,037
Fund Balances - Beginning of Year	<u>71,011</u>	<u>3,272,725</u>	<u>11,236,598</u>
FUND BALANCES - END OF YEAR	<u>\$ 187,664</u>	<u>\$ 3,137,877</u>	<u>\$ 12,766,635</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, 2025**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page	\$ 1,530,037
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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	459,905
Contributed Capital Assets	138,083
Depreciation Expense Reported in the Statement of Activities	(451,887)

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.	(17,500)
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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	161,000
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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	699
Compensated Absences	40,479
Net Pension Liability	910,168
Deferred Outflows of Resources Related to Pensions	(323,201)
Deferred Inflows of Resources Related to Pensions	(369,849)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u>\$ 2,077,934</u>
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**IRON COUNTY, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025**

	<u>Tax Revolving</u>	<u>Construction Code</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,888,209	\$ 170,482	\$ 3,058,691
Receivables:			
Other	106,294	-	106,294
Inventories and Prepaid Items	-	302	302
Total Current Assets	<u>2,994,503</u>	<u>170,784</u>	<u>3,165,287</u>
Noncurrent Assets:			
Delinquent Taxes Receivable	821,945	-	821,945
Capital Assets:			
Depreciable	<u>11,839</u>	<u>25,018</u>	<u>36,857</u>
Total Assets	3,828,287	195,802	4,024,089
LIABILITIES			
Current Liabilities:			
Accounts Payable	47,437	700	48,137
Accrued and Other Current Liabilities	-	3,474	3,474
Due to Other Governments	<u>80,410</u>	<u>-</u>	<u>80,410</u>
Total Liabilities	<u>127,847</u>	<u>4,174</u>	<u>132,021</u>
NET POSITION			
Investment in Capital Assets	11,839	25,018	36,857
Unrestricted	<u>3,688,601</u>	<u>166,610</u>	<u>3,855,211</u>
Total Net Position	<u>\$ 3,700,440</u>	<u>\$ 191,628</u>	<u>\$ 3,892,068</u>

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, 2025

	Tax Revolving	Construction Code	Total
OPERATING REVENUES			
Charges for Services	\$ 245,261	\$ 148,641	\$ 393,902
Penalties and Interest on Taxes	173,266	-	173,266
Total Operating Revenues	<u>418,527</u>	<u>148,641</u>	<u>567,168</u>
OPERATING EXPENSES			
Operation and Maintenance	424,589	174,715	599,304
Depreciation	4,441	9,532	13,973
Total Operating Expenses	<u>429,030</u>	<u>184,247</u>	<u>613,277</u>
OPERATING LOSS	(10,503)	(35,606)	(46,109)
NONOPERATING REVENUES			
Interest Income	<u>106,334</u>	<u>-</u>	<u>106,334</u>
INCOME (LOSS) BEFORE TRANSFERS	95,831	(35,606)	60,225
Transfers Out	<u>(55,000)</u>	<u>-</u>	<u>(55,000)</u>
CHANGE IN NET POSITION	40,831	(35,606)	5,225
Net Position - Beginning of Year	<u>3,659,609</u>	<u>227,234</u>	<u>3,886,843</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,700,440</u></u>	<u><u>\$ 191,628</u></u>	<u><u>\$ 3,892,068</u></u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025**

	Tax Revolving	Construction Code	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 230,681	\$ 148,651	\$ 379,332
Cash Paid for Employee Wages and Benefits	-	(112,896)	(112,896)
Cash Paid to Suppliers and Service Providers	(426,970)	(60,667)	(487,637)
Net Cash Used by Operating Activities	(196,289)	(24,912)	(221,201)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	(55,000)	-	(55,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	106,334	-	106,334
CHANGE IN CASH AND CASH EQUIVALENTS	(144,955)	(24,912)	(169,867)
Cash and Cash Equivalents - Beginning of Year	3,033,164	195,394	3,228,558
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,888,209</u>	<u>\$ 170,482</u>	<u>\$ 3,058,691</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Loss	\$ (10,503)	\$ (35,606)	\$ (46,109)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Depreciation	4,441	9,532	13,973
Effect of Changes In Operating Assets and Liabilities:			
Other Accounts Receivable	(25,608)	10	(25,598)
Delinquent Taxes Receivable	(162,238)	-	(162,238)
Inventories and Prepaid Items	-	(34)	(34)
Accounts Payable	39,548	563	40,111
Accrued and Other Current Liabilities	(41,929)	623	(41,306)
Net Cash Used by Operating Activities	<u>\$ (196,289)</u>	<u>\$ (24,912)</u>	<u>\$ (221,201)</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Cash and Cash Equivalents in Current Assets	<u>\$ 2,888,209</u>	<u>\$ 170,482</u>	<u>\$ 3,058,691</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025**

	Private Purpose Trust Fund Youth Camp	Custodial Funds
ASSETS		
Cash and Investments	\$ 2,735	\$ 534,857
LIABILITIES		
Accounts Payable	-	4,816
Due to Other Governments	-	474,878
Total Liabilities	-	479,694
FIDUCIARY NET POSITION		
Held for Scholarships	2,735	-
Held for Individuals, Organizations, and Other Governments	-	55,163
Total Fiduciary Net Position	\$ 2,735	\$ 55,163

See accompanying Notes to Basic Financial Statements.

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

	Private Purpose Trust Fund Youth Camp	Custodial Funds
ADDITIONS		
Interest on Investments	\$ 7	\$ -
Library Fees	-	29,844
Taxes and Special Charges Collected	-	9,311,660
Fees Collected	-	821,527
Payments Collected	-	127,882
Total Additions	<u>7</u>	<u>10,290,913</u>
DEDUCTIONS		
Payments to Library	-	26,673
Payments to Other Districts	-	9,311,660
Payments to Other Governments	-	821,527
Other Payments	-	126,674
Total Deductions	<u>-</u>	<u>10,286,534</u>
CHANGE IN NET POSITION	7	4,379
Fiduciary Net Position - Beginning of Year	<u>2,728</u>	<u>50,784</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 2,735</u></u>	<u><u>\$ 55,163</u></u>

See accompanying Notes to Basic Financial Statements.

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2025

	Road Commission	District Health	Medical Care Facility	Totals
ASSETS				
Cash and Investments	\$ 3,630,942	\$ 1,679,201	\$ 4,514,973	\$ 9,825,116
Receivables:				
Property Taxes	290,770	-	-	290,770
Accounts	4,175	135,421	1,841,848	1,981,444
Other	-	-	986,932	986,932
Due from Other Governments	1,082,247	-	-	1,082,247
Inventories and Prepaid Items	989,618	-	-	989,618
Assets Limited as to Use	-	-	1,735,510	1,735,510
Other Current Assets	-	-	288,195	288,195
Net OPEB Asset	-	-	464,130	464,130
Capital Assets, Nondepreciable	341,718	28,299	-	370,017
Capital Assets, Depreciable / Amortizable	24,919,113	1,195,464	14,363,445	40,478,022
Total Assets	31,258,583	3,038,385	24,195,033	58,492,001
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	97,009	-	2,893,836	2,990,845
Other Postemployment Related Amounts	106,794	-	241,953	348,747
Total Deferred Outflows of Resources	203,803	-	3,135,789	3,339,592
LIABILITIES				
Accounts Payable	381,268	121,835	780,372	1,283,475
Accrued and Other Current Liabilities	54,754	90,590	586,791	732,135
Due to Other Governments	98,691	-	-	98,691
Accrued Interest Payable	-	-	85,990	85,990
Special Deposits	51,069	-	12,500	63,569
Unearned Revenues	213,427	-	-	213,427
Third Party Payer Settlements Payable	-	-	70,522	70,522
Advances from the State	357,738	194,282	-	552,020
Long-Term Obligations:				
Due Within One Year:				
Bonds and Leases Payable	297,155	-	687,000	984,155
Compensated Absences	140,652	2,082	1,165,997	1,308,731
Due In More Than One Year:				
Bonds and Notes Payable	735,005	-	7,135,265	7,870,270
Compensated Absences	68,914	152,883	-	221,797
Net Pension Liability	1,764,255	2,120,715	5,460,090	9,345,060
Net Other Postemployment Benefits	1,831,442	-	-	1,831,442
Total Liabilities	5,994,370	2,682,387	15,984,527	24,661,284
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	290,770	-	-	290,770
Pension Related Amounts	648,294	425,930	449,764	1,523,988
Other Postemployment Related Amounts	103,102	-	676,682	779,784
Total Deferred Inflows of Resources	1,042,166	425,930	1,126,446	2,594,542
NET POSITION				
Net Investment in Capital Assets	24,228,671	1,223,763	11,160,445	36,612,879
Restricted for Debt Service	-	-	1,714,409	1,714,409
Unrestricted	197,179	(1,293,695)	(2,655,005)	(3,751,521)
Total Net Position	\$ 24,425,850	\$ (69,932)	\$ 10,219,849	\$ 34,575,767

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2025**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Road Commission	\$ 7,181,308	\$ 2,489,058	\$ 4,591,556	\$ 2,509,563
District Health	3,223,610	727,135	2,127,033	-
Medical Care Facility	22,660,886	19,855,523	1,344,876	-
Total Component Units	<u>\$ 33,065,804</u>	<u>\$ 23,071,716</u>	<u>\$ 8,063,465</u>	<u>\$ 2,509,563</u>

See accompanying Notes to Basic Financial Statements.

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2025

	Net (Expense) Revenue and Changes in Net Position			
	Road Commission	District Health	Medical Care Facility	Totals
Road Commission	\$ 2,408,869	\$ -	\$ -	\$ 2,408,869
District Health	-	(369,442)	-	(369,442)
Medical Care Facility	-	-	(1,460,487)	(1,460,487)
Total Component Units	2,408,869	(369,442)	(1,460,487)	578,940
GENERAL REVENUES				
Property Taxes	287,009	855,116	-	1,142,125
Interest and Investment Earnings	121,172	54,254	157,832	333,258
Miscellaneous	-	8,766	80,243	89,009
Gain on Sale of Capital Assets	591	-	-	591
Total General Revenues	408,772	918,136	238,075	1,564,983
CHANGE IN NET POSITION	2,817,641	548,694	(1,222,412)	2,143,923
Net Position - Beginning of Year	21,608,209	(618,626)	11,442,261	32,431,844
NET POSITION - END OF YEAR	<u>\$ 24,425,850</u>	<u>\$ (69,932)</u>	<u>\$ 10,219,849</u>	<u>\$ 34,575,767</u>

See accompanying Notes to Basic Financial Statements.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 discretely presented 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, 2025**

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, 2025**

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.

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, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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 180 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, 2025**

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 2025 ad valorem taxes are levied and collectible on December 1, 2024. 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.

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.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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	-

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. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Deferred Outflows/Inflows of Resources (Continued)

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.

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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

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.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of the County Board of Commissioners. The County Board has authorized County Management 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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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)

Government-Wide and Proprietary Fund Statements

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- **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.

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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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 LATCF Fund for 2025.
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 2025. All budget amendments are presented to the Finance Committee. In December, the Board of Commissioners approved the final amendments to the annual budget.

B. Excess of Expenditures over Budget Appropriations

The following expenditure account of the general fund had actual expenditures in excess of budget appropriations for the year ended December 31, 2025, as follows:

Fund	Excess Expenditures
General Fund	
Public safety	
Emergency Management	\$ 9,924
Health & Welfare	
Medical Examiner	1,387

The excess expenditure variance was funded using favorable revenue variances and available fund balance in the various funds.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 \$26,459,117 on December 31, 2025, as summarized below:

Petty Cash and Cash on Hand	\$ 3,085
Deposits with Financial Institutions	26,456,032
Total	<u>\$ 26,459,117</u>
Government-Wide Statement of Net Position:	
Cash and Investments	\$ 15,095,696
Fiduciary Fund Statement of Net Position:	
Cash and Investments	537,592
Subtotal	15,633,288
Component Units:	
Road Commission	3,597,506
Dickinson-Iron Health District	1,679,362
Medical Care Facility	5,548,961
Total	<u>\$ 26,459,117</u>

The amounts reflected above for the Component Units include cash and assets limited as to use for the Road Commission, Health Department, and Medical Care Facility that 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, 2025

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, 2025, \$20,709,350 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, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable / Nonamortizable:				
Land	\$ 189,118	\$ -	\$ -	\$ 189,118
Construction in Progress	231,982	50,000	231,982	50,000
Total Capital Assets, Nondepreciable	421,100	50,000	231,982	239,118
Capital Assets, Depreciable:				
Land Improvements	-	-	-	-
Buildings and Improvements	8,370,019	432,622	-	8,802,641
Machinery and Equipment	3,241,494	209,265	25,076	3,425,683
Infrastructure	850,627	138,083	-	988,710
Subtotals	12,462,140	779,970	25,076	13,217,034
Less Accumulated Depreciation for:				
Buildings and Improvements	5,207,487	169,046	-	5,376,533
Machinery and Equipment	2,052,477	246,725	25,076	2,274,126
Infrastructure	325,498	36,116	-	361,614
Subtotals	7,585,462	451,887	25,076	8,012,273
Total Capital Assets, Depreciable, Net	4,876,678	328,083	-	5,204,761
Governmental Activities Capital Assets, Net	<u>\$ 5,297,778</u>	<u>\$ 378,083</u>	<u>\$ 231,982</u>	5,443,879
Less: Capital Related Debt				831,164
Net Investment in Capital Assets				<u>\$ 4,612,715</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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	\$ 133,038	\$ -	\$ -	\$ 133,038
Less Accumulated Depreciation for:				
Machinery and Equipment	82,208	13,973	-	96,181
Total Capital Assets, Depreciable, Net	50,830	(13,973)	-	36,857
Business-Type Activities Capital Assets, Net	<u>\$ 50,830</u>	<u>\$ (13,973)</u>	<u>\$ -</u>	<u>\$ 36,857</u>

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

Governmental Activities:	
General Government	\$ 230,575
Public Safety	156,948
Culture and Recreation	64,364
Total Depreciation Expense - Governmental Activities	<u>\$ 451,887</u>
Business-Type Activities:	
Tax Revolving	\$ 4,441
Construction Code	9,532
Total Depreciation Expense - Business-Type Activities	<u>\$ 13,973</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivable, Payables, and Transfers

Interfund transfers for the year ended December 31, 2025, were as follows:

Funds	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 55,000	\$ 424,427
Other Governmental Funds:		
Special Revenue Funds:		
Friend of the Court Incentive	40,361	-
Law Library	10,000	-
Child Care	110,500	-
Soldiers Relief	1,400	-
Courthouse Repair Fund	150,000	-
Airport	5,000	-
Michigan Indigent Defense	73,643	-
Capital Projects Fund:		
Invasive Species	10,000	-
Indian Lake Capital Projects	-	38,309
Debt Service Funds:		
2003 Courthouse Debt Retirement	23,523	-
2017 Indian Lake Debt Retirement	38,309	-
Enterprise Funds:		
Tax Revolving	-	55,000
Totals	<u>\$ 517,736</u>	<u>517,736</u>
Less: Interfund Eliminations		<u>462,736</u>
Transfers Per Statement of Activities		<u>\$ 55,000</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 Friend of the Court Incentive, Law Library, Soldiers Relief, Child Care, Invasive Species, and Airport Fund	\$ 177,261
Cover Operation Expenditures for Indigent Defense Fund that was Originally Budgeted for in the General Fund	73,643
Payment on GO Debt from the General Fund	23,523
Payment for Indian Lake Bond	38,309
Move General Fund Money to Courthouse Repair Fund	150,000
Delinquent Tax Revolving Fund Recovered Payment to General Fund	55,000
Total	<u><u>\$ 517,736</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, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 1,787,000	\$ -	\$ 161,000	\$ 1,626,000	\$ 162,000
Compensated Absences*	241,157	-	40,479	200,678	-
Governmental Activities Long-Term Obligations	<u><u>\$ 2,028,157</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 201,479</u></u>	<u><u>\$ 1,826,678</u></u>	<u><u>\$ 162,000</u></u>

*Net Change Presented

Total interest paid during the year on long-term debt totaled \$62,006.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
General Obligation Bonds	08/19/03	08/01/33	4.25%	\$ 400,000	\$ 161,000
General Obligation Tax Refunding Bonds	03/08/12	06/01/33	2.75%	7,285,000	1,130,000
General Obligation Bonds	12/21/17	06/01/37	2.65%-4.30%	510,000	335,000
Total					<u><u>\$ 1,626,000</u></u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 \$1,626,000 on December 31, 2025, are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 162,000	\$ 56,041	\$ 218,041
2027	173,000	50,401	223,401
2028	179,000	44,475	223,475
2029	185,000	38,119	223,119
2030	190,000	31,369	221,369
2031 - 2035	677,000	57,866	734,866
2036 - 2037	60,000	2,580	62,580
Total	<u>\$ 1,626,000</u>	<u>\$ 280,851</u>	<u>\$ 1,906,851</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, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

2. Benefits Provided

Benefit provisions used in the December 31, 2024 valuation were as follows:

	01-General	02-Sheriff	10-AFSCME Courthouse EE	11-911 Dispatchers	20-Sheriff & Undersheriff
	Closed	Closed	Closed	Closed	Closed
Benefit Multiplier	2.25%	2.25%	2.25%	2.25%	2.25%
	(80% Max)	(80% Max)	(80% Max)	(80% Max)	(80% Max)
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, 2024 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	69
Inactive Employees Entitled to but not Yet Receiving Benefits	11
Active Employees	8
Total	<u><u>88</u></u>

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, 2025**

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, 2025, for closed divisions is shown as a monthly dollar contribution as follows:

01 - General	\$ 10,744
02 - Sheriff	1,725
10 - AFSCME Courthouse EE	7,639
11 - 911 Dispatchers	396
20 - Sheriff and Undersheriff	1,091

During the year ended December 31, 2025, the County's contributions to MERS totaled \$400,092.

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

Changes in net pension liability during the measurement year ended December 31, 2025, are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 9,837,023	\$ 7,903,966	\$ 1,933,057
Changes for the Year:			
Service Cost	38,880	-	38,880
Interest on Total Pension Liability	679,057	-	679,057
Difference Between Expected and Actual Experience	120,931	-	120,931
Changes in Assumptions	(21,305)	-	(21,305)
Contributions - Employer	-	400,092	(400,092)
Net Investment Income	-	1,197,551	(1,197,551)
Benefit Payments, Including Refunds	(797,697)	(797,697)	-
Administrative Expenses	(145,858)	(15,770)	(130,088)
Net Changes	<u>(125,992)</u>	<u>784,176</u>	<u>(910,168)</u>
Balances - End of Year	<u>\$ 9,711,031</u>	<u>\$ 8,688,142</u>	<u>\$ 1,022,889</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025, the County recognized pension expense of \$182,973.

At December 31, 2025, the County 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	\$ -	\$ 369,849

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>
2026	\$ 85,093
2027	(190,428)
2028	(135,537)
2029	(128,977)
Total	\$ (369,849)

6. Actuarial Assumptions

The total pension liability in the December 31, 2024 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	6.93%, Net of Investment Expense, Including Inflation

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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2024 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 7.18% for 2025. 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 7.18%, as well as what the Commission's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	1% Decrease to Discount Rate (6.18%)	Current Discount Rate (7.18%)	1% Increase to Discount Rate (8.18%)
Net Pension Liability	\$ 1,922,832	\$ 1,022,889	\$ 248,749

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan – General County (Continued)

7. Payables to the Pension Plan

At December 31, 2025, the County reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

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 2025 fiscal year, employer contributions relating to the defined contribution plan were \$270,363. The County received \$37,783 from MERS in forfeitures that occurred during the year.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Balance

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, 2025, nonspendable fund balance was as follows:

General Fund:	
Prepaid Items	\$ 148,063
Central Dispatch:	
Prepaid Items	6,554
Other Non-Major Governmental Funds:	
Prepaid Items	<u>23,169</u>
Total Nonspendable Fund Balance	<u><u>\$ 177,786</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, 2025, restricted fund balance was as follows:

Maintenance of Effort:	
Restricted for:	
Maintenance of Effort of Long-Term Care Facility	\$ 1,090,927
Other Governmental Funds:	
Restricted for:	
Probation and Correction Holds	19,146
Friend of The Court	108,633
Economic Development Loans	130,374
Community Development	36,488
Senior Citizen Centers	1,500
Public Act 302	24,688
Michigan Indigent Defense	187,888
Debt Service	<u>161,014</u>
Subtotal	<u>669,731</u>
Total Restricted Fund Balance	<u><u>\$ 1,760,658</u></u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Balance (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2025, government fund balance was committed as follows:

General Fund:

Committed for:

Budget Stabilization	\$ 750,839
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Capital Projects Funds:

Indian Lake	211,889
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Special Revenue Funds:

Committed for:

County Youth Camp	549,915
Family Counseling	18,604
County Parks	100,328
Register of Deeds Automation	106,268
Central Dispatch	616,967
Correction Officer Training	4,720
Concealed Weapon Permits	45,894
Drug Forfeiture	3,692
Law Library	12,326
Drug Court	34,731
Alcohol Assessment	232,580
Child Care	98,934
Soldiers Relief	1,917
Veterans Trust	491
Plat Books	19,686
Sheriff Equipment	83,408
Courthouse Repairs	433,994
Airport	18,358
Forest Management	419,849
Ambulance	187,664
Health Care Assistance	26,909
Meals on Wheels	11,899
Invasive Species	8,585
Subtotal	<u>3,037,719</u>

Total Committed Fund Balance	<u><u>\$ 4,000,447</u></u>
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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, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Balance (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 2025 General Fund Budgeted Expenditures	\$ 6,902,771
Minimum Fund Balance %	(x) 17%
Minimum Fund Balance Amount	<u>\$ 1,173,471</u>

The general fund's unassigned balance as of December 31, 2025, is \$6,827,744, 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, 2025 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, 2025, the carrying amount of the Commission's cash and investments totaled \$3,630,942 and consisted of bank deposits of \$3,130,742, investments of \$500,000, and petty cash of \$200.

The bank balance of the Commission's deposits is \$2,856,535, of which all is covered by Federal depository insurance. 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, 2025

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, 2025 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 63,431	\$ -	\$ -	\$ 63,431
Construction in Progress	349,381	40,548	111,642	278,287
Total Capital Assets, Nondepreciable	412,812	40,548	111,642	341,718
Capital Assets, Depreciable/Amortizable:				
Buildings and Improvements	3,691,598	25,920	-	3,717,518
Equipment	6,827,472	554,899	-	7,382,371
Right-to-Use Equipment	831,167	-	-	831,167
Infrastructure	42,273,591	2,754,720	3,121,364	41,906,947
Total Capital Assets, Depreciable/Amortizable	53,623,828	3,335,539	3,121,364	53,838,003
Less Accumulated Depreciation/ Amortization for:				
Buildings and Improvements	2,524,318	112,769	-	2,637,087
Equipment	5,769,342	331,235	-	6,100,577
Right-to-Use Equipment	531,407	160,279	-	691,686
Infrastructure	20,541,876	2,069,028	3,121,364	19,489,540
Subtotals	29,366,943	2,673,311	3,121,364	28,918,890
Total Capital Assets, Depreciable/Amortizable, Net	24,256,885	662,228	-	24,919,113
Capital Assets, Net	<u>\$ 24,669,697</u>	<u>\$ 702,776</u>	<u>\$ 111,642</u>	25,260,831
Less: Capital Related Debt				<u>1,032,160</u>
Net Investment in Capital Assets				<u>\$ 24,228,671</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Total Long-Term Obligations:					
Michigan Transportation Fund:					
Refunding Bonds	\$ 875,000	\$ -	\$ 95,000	\$ 780,000	\$ 100,000
Leases	286,930	-	170,906	116,024	116,024
Installment Notes	42,244	154,762	60,870	136,136	81,131
Compensated Absences	207,606	1,960	-	209,566	140,652
Total Long-Term Obligations	<u>\$ 1,411,780</u>	<u>\$ 156,722</u>	<u>\$ 326,776</u>	<u>\$ 1,241,726</u>	<u>\$ 437,807</u>

Long-term debt outstanding as of December 31, 2025 follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
Michigan Transportation Fund Refunding Bonds	04/03/12	08/01/32	1.20% - 3.25%	\$ 1,880,000	<u>\$ 780,000</u>

Annual principal and interest maturities of the outstanding debt of \$1,032,160 on December 31, 2025, are detailed below:

Year Ended December 31,	Bonds Payable		Installment Purchase		Leases - Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 100,000	\$ 24,287	\$ 81,131	\$ 4,574	\$ 116,024	\$ 5,824	\$ 297,155	\$ 34,685
2027	105,000	21,287	55,005	1,269	-	-	160,005	22,556
2028	105,000	18,138	-	-	-	-	105,000	18,138
2029	115,000	14,987	-	-	-	-	115,000	14,987
2030	115,000	11,836	-	-	-	-	115,000	11,836
2031 - 2032	240,000	11,402	-	-	-	-	240,000	11,402
Total	<u>\$ 780,000</u>	<u>\$ 101,937</u>	<u>\$ 136,136</u>	<u>\$ 5,843</u>	<u>\$ 116,024</u>	<u>\$ 5,824</u>	<u>\$ 1,032,160</u>	<u>\$ 113,604</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	44
Inactive Employees Entitled to but not Yet Receiving Benefits	2
Active Employees	25
Total	<u><u>71</u></u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 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	\$ 7,838
10 - Union	36,506
11 - Hourly Non-Union	28,004
12 - Non-Union after 10/14: Union after 10/11	9.26%

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. Update procedures were used to roll forward the total pension liability to the measurement date of December 31, 2025.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 15,163,125	\$ 11,286,911	\$ 3,876,214
Changes for the Year:			
Service Cost	148,619	-	148,619
Interest on Total Pension Liability	1,053,781	-	1,053,781
Difference Between Expected and Actual Experience	(27,784)	-	(27,784)
Changes in Assumptions	(63,679)	-	(63,679)
Contributions - Employer	-	1,475,961	(1,475,961)
Contributions - Employee	-	(4,151)	4,151
Net Investment Income	-	1,766,192	(1,766,192)
Benefit Payments, Including Employee Refunds	(1,121,630)	(1,121,630)	-
Administrative Expenses	-	(23,135)	23,135
Other Changes	(8,029)	-	(8,029)
Net Changes	(18,722)	2,093,237	(2,111,959)
Balances - End of Year	<u>\$ 15,144,403</u>	<u>\$ 13,380,148</u>	<u>\$ 1,764,255</u>

For the year ended December 31, 2025, the Commission recognized pension expense of \$506,520.

At December 31, 2025, 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	\$ 65,694	\$ 18,523
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	587,318
Changes in Assumptions	31,315	42,453
Total	<u>\$ 97,009</u>	<u>\$ 648,294</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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>
2026	\$ 118,358
2027	(289,473)
2028	(191,359)
2029	(188,811)
Total	<u>\$ (551,285)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2024 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:	6.93%, 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, 2024 actuarial valuation were based on the results of the most recent actuarial experience study dated February 3, 2024.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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%	7.00%
Global Fixed Income	20.00%	4.66%
Private Investments	20.00%	9.00%

Discount Rate. The discount rate used to measure the total pension liability is 7.18% for the valuation on December 31, 2024. 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 7.18%, as well as what the Commission's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	1% Decrease to Discount Rate (6.18%)	Current Discount Rate (7.18%)	1% Increase to Discount Rate (8.18%)
Net Pension Liability	\$ 3,192,331	\$ 1,764,255	\$ 536,294

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 two years. Life insurance will be provided from age 60 and 10 years of service and hired prior to September 13, 2011. The Road Commission will provide pre 65 insurance coverage, plan coverage complementary to Medicare and life insurance coverage of \$8,000. No coverage is offered for spouses. No retiree contribution is required.

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Active Plan Members	<u>25</u>
Total	<u><u>45</u></u>

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. A trust account was established with MERS at the end of 2025. During the year ending December 31, 2025, the post-retirement healthcare benefits paid and contributions to the OPEB trust were \$221,525.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025. The December 31, 2025 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024 and the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.5%
Salary Increases	3.00%
Investment Rate of Return	6.93% (including inflation)
20-Year Aa Municipal Bond Rate	4.43%
Mortality	2016 Public General Employees and Health Retirees, Headcount Weighted
Investment Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on retirement 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 retirement 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. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation as of September 30, 2025 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%	2.16%
Private Assets	20.00%	6.50%

The sum of each target allocation times its long term expected real rate is 6.93%, including inflation.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.43%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will first use assets to pay benefits and then pay benefits on a pay-as-you-go basis. Based on this assumption, the retirement plan's fiduciary net position was not 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 benefit 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. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2024, the discount rate used to value OPEB liabilities was 4.28%.

Changes in OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance - Beginning of Year	\$ 2,050,198	\$ 11,934	\$ 2,038,264
Changes for the Year:			
Service Cost	33,530	-	33,530
Interest on Total OPEB Liability	85,452	-	85,452
Change in plan terms	-	-	-
Difference Between Expected and Actual Experience	9,546	-	9,546
Changes in Assumptions	(105,713)	-	(105,713)
Employer Contributions	-	47,192	(47,192)
Employee Contributions	-	174,333	(174,333)
Net Investment Income	-	8,220	(8,220)
Benefit Payments, Including Employee Refunds	(174,333)	(174,333)	-
Administrative Expenses	-	(108)	108
Net Changes	<u>(151,518)</u>	<u>55,304</u>	<u>(206,822)</u>
Balance - End of Year	<u>\$ 1,898,680</u>	<u>\$ 67,238</u>	<u>\$ 1,831,442</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 Discount Rate

The following presents the total OPEB liability of the Commission, calculated using the discount rate of 4.00%, 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 (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 1,998,682	\$ 1,831,442	\$ 1,686,816

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	\$ 1,674,203	\$ 1,831,442	\$ 2,012,998

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

For the year ended December 31, 2025, the Commission recognized OPEB expense of \$36,192. At December 31, 2025, 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	\$ 79,800	\$ 3,112
Changes in Assumptions	26,994	96,576
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	3,414
Total	<u>\$ 106,794</u>	<u>\$ 103,102</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Road Commission (Continued)

5. Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2026	\$ 5,624
2027	6,187
2028	6,188
2029	(14,307)
Total	<u>\$ 3,692</u>

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, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department

1. Cash and Investments

As of December 31, 2025, the carrying amount of the District's cash and investments totaled \$1,679,201 and consisted of bank deposits of \$1,367,539 , investments of \$310,501, and petty cash of \$1,161.

The bank balance of the District's deposits is \$1,367,539, of which \$514,555 is covered by Federal depository insurance. The remaining \$867,422 is uninsured and uncollateralized.

Investments are Negotiable Certificates of Deposits of \$310,501, which will mature in 12 months or Less.

2. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 28,299	\$ -	\$ -	\$ 28,299
Total Capital Assets, Nondepreciable	28,299	-	-	28,299
Capital Assets, Depreciable:				
Buildings and Improvements	929,961	77,048	-	1,007,009
Machinery and Equipment	674,488	148,322	234,300	588,510
Subtotals	1,604,449	225,370	234,300	1,595,519
Less: Accumulated Depreciation				
Buildings and Improvements	92,365	29,971	-	122,336
Machinery and Equipment	334,673	56,602	113,556	277,719
Subtotals	427,038	86,573	113,556	400,055
Capital Assets, Depreciable, Net	1,177,411	138,797	120,744	1,195,464
Total Capital Assets, Net	\$ 1,205,710	\$ 138,797	\$ 120,744	1,223,763

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

3. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences*	<u>\$ 191,690</u>	<u>\$ -</u>	<u>\$ 36,725</u>	<u>\$ 154,965</u>	<u>\$ 2,082</u>

*Net Change Presented

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, 2025 valuation were as follows:

	01-MNA Closed	10-AFSCME Closed	11-Non-Union Closed	13-Medical Director Closed
Benefit Multiplier	2.50%	2.50%	2.50%	2.50%
	(80% Max)	(80% Max)	(80% Max)	(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

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Dickinson-Iron District Health Department (Continued)

4. Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2025 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	63
Inactive Employees Entitled to but not Yet Receiving Benefits	8
Active Employees	12
Total	83

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, 2025, 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	\$ 13,536
10 - AFSCME	3,509
11 - Non-Union	13,347
20 - Medical Director	123

During the year ended December 31, 2025, the District's contributions to MERS totaled \$516,180.

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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)

Changes in net pension liability during the measurement year ended December 31, 2025, are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance - Beginning of Year	\$ 11,936,629	\$ 8,883,707	\$ 3,052,922
Changes for the Year::			
Service Cost	80,180	-	80,180
Interest on Total Pension Liability	827,596	-	827,596
Difference Between Expected and Actual Experience	91,347	-	91,347
Changes in Assumptions	(8,324)	-	(8,324)
Contributions - Employer	-	516,180	(516,180)
Contributions - Employee	-	6,817	(6,817)
Net Investment Income	-	1,360,490	(1,360,490)
Benefit Payments, Including Employee Refunds	(900,636)	(900,636)	-
Administrative Expenses	-	(17,919)	17,919
Other Changes	(57,440)	(2)	(57,438)
Net Changes	32,723	964,930	(932,207)
Balance - End of Year	<u>\$ 11,969,352</u>	<u>\$ 9,848,637</u>	<u>\$ 2,120,715</u>

For the year ended December 31, 2025, the District recognized pension expense of \$303,961. 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>\$ -</u>	<u>\$ 425,930</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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>
2026	\$ 91,758
2027	(215,782)
2028	(154,538)
2029	(147,368)
Total	<u>\$ (425,930)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2025, 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	6.93%, 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, 2024 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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 7.18% for 2025. 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 7.18%, as well as what the District's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	1% Decrease to Discount Rate (6.18%)	Current Discount Rate (7.18%)	1% Increase to Discount Rate (8.18%)
Net Pension Liability	\$ 3,267,793	\$ 2,120,715	\$ 1,134,398

Payables to the Pension Plan

At December 31, 2025, the District reported a payable of \$30,515 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 2025 fiscal year, employer and employee contributions relating to the defined contribution plan were \$64,197 and \$16,858, respectively. Forfeiture of nonvested amounts is used to reduce future employer contributions. There were no forfeitures in 2025.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility

1. Cash and Investments

As of December 31, 2025, the Facility had the following cash and cash equivalents:

	<u>Cash and Cash Equivalents</u>
Deposits:	
County Treasurer	\$ 3,790,740
Bank	722,583
Petty Cash	1,650
Total	<u>\$ 4,514,973</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, 2025, the Facility had \$722,583 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.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Depreciable:				
Land Improvements	\$ 977,582	\$ 51,026	\$ 59,401	\$ 969,207
Buildings	27,307,922	26,080	137,263	27,196,739
Fixed Equipment	5,377,564	241,487	81,944	5,537,107
Moveable Equipment	2,647,997	48,746	89,559	2,607,184
Subtotals	36,311,065	367,339	368,167	36,310,237
Less Accumulated Depreciation for:				
Land Improvements	740,715	49,980	59,401	731,294
Buildings	15,086,063	782,656	137,263	15,731,456
Fixed Equipment	2,879,026	379,830	81,944	3,176,912
Moveable Equipment	2,305,952	90,737	89,559	2,307,130
Subtotals	21,011,756	1,303,203	368,167	21,946,792
Total Capital Assets, Depreciable, Net	15,299,309	(935,864)	-	14,363,445
Capital Assets, Net	<u>\$ 15,299,309</u>	<u>\$ (935,864)</u>	<u>\$ -</u>	14,363,445
Less: Capital Related Debt				<u>3,203,000</u>
Net Investment in Capital Assets				<u><u>\$ 11,160,445</u></u>

3. Long-Term Debt

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds Payable:	\$ 8,508,000	\$ -	\$ 665,000	\$ 7,843,000	\$ 687,000
Debt Discount	(22,117)	-	(1,382)	(20,735)	-
Total Long-Term Debt	<u>\$ 8,485,883</u>	<u>\$ -</u>	<u>\$ 663,618</u>	<u>\$ 7,822,265</u>	<u>\$ 687,000</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 12/31/25
Series 2022 Bonds Payable	08/01/22	02/01/32	2.66%	\$ 4,506,000	\$ 3,203,000
Series 2018 Pension Bonds	12/20/18	10/01/40	3.17% - 3.45%	6,000,000	4,640,000
Total Outstanding General Obligation Debt					<u>\$ 7,843,000</u>

Annual principal and interest maturities of the outstanding bonds payable of \$7,843,000 on December 31, 2025, are detailed below:

Year Ended December 31,	Principal	Interest	Total
2026	\$ 687,000	\$ 284,140	\$ 971,140
2027	705,000	227,011	932,011
2028	733,000	211,619	944,619
2029	750,000	195,490	945,490
2030	774,000	177,593	951,593
2031 - 2034	2,309,000	642,486	2,951,486
2036 - 2040	1,885,000	261,675	2,146,675
Total	<u>\$ 7,843,000</u>	<u>\$ 2,000,014</u>	<u>\$ 9,843,014</u>

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025**

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	189
Inactive Employees Entitled to but not Yet Receiving Benefits	56
Active Employees	135
Total	<u>380</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.

The Facility's required and actual contributions to the plan for the year ended December 31, 2025 was \$744,610.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 liability reported at December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of December 31, 2024. Update procedures were used to roll forward the total pension liability to the measurement date of December 31, 2024.

Changes in net pension liability during the measurement year ended December 31, 2025 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance - Beginning of Year	\$ 47,675,541	\$ 41,836,939	\$ 5,838,602
Changes for the Year:			
Service Cost	672,000	-	672,000
Interest	3,500,445	-	3,500,445
Changes in Benefits	(48,566)	-	(48,566)
Difference Between Expected and Actual Experience	(95,092)	-	(95,092)
Changes in Assumptions	(106,260)	-	(106,260)
Contributions - Employer	-	818,803	(818,803)
Contributions - Employee	-	467,083	(467,083)
Net Investment Income	-	3,107,254	(3,107,254)
Benefit Payments, Including Refunds	(2,806,430)	(2,806,430)	-
Administrative Expenses	-	(92,101)	92,101
Net Changes	1,116,097	1,494,609	(378,512)
Balance - End of Year	<u>\$ 48,791,638</u>	<u>\$ 43,331,548</u>	<u>\$ 5,460,090</u>

For the year ended December 31, 2025, the Facility recognized pension expense of \$1,472,670.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025, the Facility 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	\$ -	\$ 24,163
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	2,089,373	371,754
Changes in Assumptions	59,853	53,847
Employer Contributions Subsequent to the Measurement Date	744,610	-
Total	<u>\$ 2,893,836</u>	<u>\$ 449,764</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 \$744,610 which will impact the net pension plan liability for the year ended December 31, 2026, rather than pension expense.

<u>Year Ended December 31,</u>	<u>Expense</u>
2026	\$ 855,940
2027	1,215,276
2028	(339,503)
2029	(32,251)
Total	<u>\$ 1,699,462</u>

Actuarial Assumptions

The total pension liability in the December 31, 2024 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	6.93%, Net of Investment Expense, Including Inflation

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2024 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 3.

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, 2025 measurement date 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%	2.70%
Global Fixed Income	20.00%	0.43%
Private Investments	20.00%	1.30%

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 6.93% for the measurement period ended December 31, 2024. 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 6.93%, as well as what the Facilities Net Pension Liability would be using a discount rate that is 1 percentage point lower (5.93%) or 1 percentage point higher (7.93%) than the current rate.

	1% Decrease to Discount Rate (5.93%)	Current Discount Rate (6.93%)	1% Increase to Discount Rate (7.93%)
Net Pension Liability	\$ 11,345,028	\$ 5,460,090	\$ 589,175

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, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

5. Defined Contribution Plan

The Facility provides a defined contribution pension plan administered by the Michigan Municipal Employee's Retirement System (MERS). The Facility Board has the authority to make changes to the Plan. The Facility annually makes required nonmatching contributions and matching contributions to the defined contribution pension plan. Employees are fully vested after five years. Facility contributions to the Plan for the year ended December 31, 2025, amounted to \$146,886.

6. 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, 2025 measurement date, the following employees were covered by the OPEB plan:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	6
Active Plan Members	81
Total	<u>87</u>

Contributions

Retiree health care costs are paid by the Facility on a "pay-as-you-go" basis. For the year ended December 31, 2025, the Facility paid postemployment health care premiums of \$98,244; plus, it contributed \$51,995 into a prefunded retiree healthcare fund held with MERS.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

6. Other Postemployment Benefits (Continued)

Net OPEB Liability

The Facility has chosen December 31 as its measurement date for the net OPEB liability. The December 31, 2025 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, 2025 measurement date. The December 31, 2024 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2025.

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	\$ 946,309	\$ 1,582,137	\$ (635,828)
Changes for the Year:			
Service Cost	10,851	-	10,851
Interest	63,183	-	63,183
Difference Between Expected and Actual Experience	(57,967)	-	(57,967)
Changes in Assumptions	67,789	-	67,789
Contributions - Employer	-	51,995	(51,995)
Net Investment Loss	-	237,999	(237,999)
Benefit Payments, Including Refunds	(98,244)	(98,244)	-
Administrative Expenses	-	(3,422)	3,422
Other Changes	-	(374,414)	374,414
Net Changes	(14,388)	(186,086)	171,698
Balance - End of Year	\$ 931,921	\$ 1,396,051	\$ (464,130)

For the year ended December 31, 2025, the Facility recognized OPEB expense of \$214,863.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

6. Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

At December 31, 2025, 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	\$ -	\$ 359,329
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	34,188	135,644
Changes in Assumptions	134,493	108,437
Total	<u>\$ 168,681</u>	<u>\$ 603,410</u>

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>	Expense
2026	\$ (131,574)
2027	(148,789)
2028	(93,797)
2029	(51,276)
2030	(11,859)
Thereafter	2,566
Total	<u>\$ (434,729)</u>

Actuarial Assumptions

At the December 31, 2025 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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

6. Other Postemployment Benefits (Continued)

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.

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, 2025 for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	7.00%
Global Fixed Income	20.00%	4.66%
Private Investments	20.00%	9.00%

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

6. Other Postemployment Benefits (Continued)

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:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Net OPEB Liability (Asset)	\$ (387,615)	\$ (464,130)	\$ (532,084)

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)	\$ (542,814)	\$ (464,130)	\$ (373,838)

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.

**IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Iron County Medical Care Facility (Continued)

7. 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, 2025.

8. 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, 2025.

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, 2025. Changes in the estimated liability for the year ended December 31, 2025 was as follows: the liability recorded as of December 31, 2025 was \$12,000 the estimated claims incurred, including change in estimate, were (\$12,834), and claim payments were \$127,166.

IRON COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 OTHER INFORMATION (CONTINUED)

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.

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, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

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, 2025, 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

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 38,880	\$ 40,847	\$ 41,821	\$ 40,899	\$ 44,393
Interest	679,057	676,004	678,077	654,465	636,647
Difference Between Expected and Actual Experience	120,931	82,661	65,953	109,363	(8,759)
Changes in Assumptions	(21,305)	39,606	60,704	-	298,932
Benefit Payments, Including Refund of Member Contributions	(797,697)	(793,531)	(773,987)	(739,241)	(708,154)
Other	(145,858)	-	-	277,101	-
NET CHANGE IN TOTAL PENSION LIABILITY	(125,992)	45,587	72,568	342,587	263,059
Total Pension Liability - Beginning	9,837,023	9,791,436	9,718,868	9,376,281	9,113,222
TOTAL PENSION LIABILITY - ENDING	<u>\$ 9,711,031</u>	<u>\$ 9,837,023</u>	<u>\$ 9,791,436</u>	<u>\$ 9,718,868</u>	<u>\$ 9,376,281</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 400,092	\$ 400,000	\$ 752,000	\$ 740,000	\$ 721,176
Net Investment Income (Loss)	1,197,551	573,847	780,456	(810,918)	969,976
Benefit Payments, Including Refunds of Member Contributions	(797,697)	(793,531)	(773,987)	(739,241)	(708,154)
Administrative Expenses	(15,770)	(16,949)	(16,539)	(14,513)	(11,124)
Other	-	-	1	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	784,176	163,367	741,931	(824,672)	971,874
Plan Fiduciary Net Position - Beginning	7,903,966	7,740,599	6,998,668	7,823,340	6,851,466
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 8,688,142</u>	<u>\$ 7,903,966</u>	<u>\$ 7,740,599</u>	<u>\$ 6,998,668</u>	<u>\$ 7,823,340</u>
COUNTY'S NET PENSION LIABILITY - ENDING	<u>\$ 1,022,889</u>	<u>\$ 1,933,057</u>	<u>\$ 2,050,837</u>	<u>\$ 2,720,200</u>	<u>\$ 1,552,941</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89%	80%	79%	72%	83%
Covered Payroll	\$ 369,260	\$ 409,667	\$ 409,667	\$ 401,734	\$ 460,002
County's Net Pension Liability as a Percentage of Covered Payroll	277%	472%	501%	677%	338%

* 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)

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 45,930	\$ 52,442	\$ 55,483	\$ 56,770	\$ 62,655
Interest	636,956	668,949	658,345	659,730	635,176
Difference Between Expected and Actual Experience	54,296	(19,460)	71,108	44,238	94,310
Changes in Assumptions	363,501	-	-	-	410,735
Benefit Payments, Including Refund of Member Contributions	(690,987)	(668,093)	(633,630)	(615,934)	(596,107)
Other	-	-	-	(152,627)	(46,390)
NET CHANGE IN TOTAL PENSION LIABILITY	409,696	33,838	151,306	(7,823)	560,379
Total Pension Liability - Beginning	8,703,526	8,669,688	8,518,382	8,526,205	7,965,826
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 9,113,222</u></u>	<u><u>\$ 8,703,526</u></u>	<u><u>\$ 8,669,688</u></u>	<u><u>\$ 8,518,382</u></u>	<u><u>\$ 8,526,205</u></u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 624,996	\$ 515,196	\$ 445,440	\$ 375,324	\$ 296,140
Net Investment Income (Loss)	790,755	748,846	(230,576)	720,096	584,761
Benefit Payments, Including Refunds of Member Contributions	(690,987)	(668,093)	(633,630)	(615,934)	(596,107)
Administrative Expenses	(12,371)	(12,903)	(11,522)	(11,416)	(11,556)
Other	(1)	-	(13,899)	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITIO	712,392	583,046	(444,187)	468,070	273,238
Plan Fiduciary Net Position - Beginning	6,139,074	5,556,028	6,000,215	5,532,145	5,258,907
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 6,851,466</u></u>	<u><u>\$ 6,139,074</u></u>	<u><u>\$ 5,556,028</u></u>	<u><u>\$ 6,000,215</u></u>	<u><u>\$ 5,532,145</u></u>
COUNTY'S NET PENSION LIABILITY - ENDING	<u><u>\$ 2,261,756</u></u>	<u><u>\$ 2,564,452</u></u>	<u><u>\$ 3,113,660</u></u>	<u><u>\$ 2,518,167</u></u>	<u><u>\$ 2,994,060</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75%	71%	64%	70%	65%
Covered Payroll	\$ 507,388	\$ 573,459	\$ 608,304	\$ 608,304	\$ 693,264
County's Net Pension Liability as a Percentage of Covered Payroll	446%	447%	512%	414%	432%

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

GENERAL COUNTY

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 259,140	\$ 387,624	\$ 253,440	\$ 300,180	\$ 323,244
Contributions in Relation to the Actuarially Determined Contribution	<u>400,092</u>	<u>400,000</u>	<u>752,000</u>	<u>740,000</u>	<u>721,176</u>
Contribution Excess (Deficiency)	<u>\$ 140,952</u>	<u>\$ 12,376</u>	<u>\$ 498,560</u>	<u>\$ 439,820</u>	<u>\$ 397,932</u>
Covered Payroll	\$ 369,260	\$ 409,667	\$ 409,667	\$ 401,734	\$ 460,002
Contributions as a Percentage of Covered Payroll	108%	98%	184%	184%	157%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date December 31, 2024

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, 2025:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	8 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	6.90%
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 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 576,240	\$ 541,596	\$ 445,440	\$ 322,809	\$ 296,028
Contributions in Relation to the Actuarially Determined Contribution	<u>624,996</u>	<u>515,196</u>	<u>445,440</u>	<u>375,324</u>	<u>296,028</u>
Contribution Excess (Deficiency)	<u>\$ 48,756</u>	<u>\$ (26,400)</u>	<u>\$ -</u>	<u>\$ 52,515</u>	<u>\$ -</u>
Covered Payroll	\$ 507,388	\$ 573,459	\$ 608,304	\$ 608,304	\$ 693,264
Contributions as a Percentage of Covered Payroll	123%	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

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 148,619	\$ 141,097	\$ 167,854	\$ 123,053	\$ 117,392
Interest	1,053,781	1,036,911	1,009,688	1,012,780	996,271
Changes in Benefits	-	-	-	-	-
Difference Between Expected and Actual Experience	(27,784)	197,083	249,369	2,054	(260,471)
Changes in Assumptions	(63,679)	93,945	-	439,828	342,982
Benefit Payments, Including Refund of Member Contributions	(1,121,630)	(1,083,505)	(996,166)	(961,776)	(966,743)
Other Changes	(8,029)	4,163	1,805	(20,474)	(17,513)
NET CHANGE IN TOTAL PENSION LIABILITY	(18,722)	389,694	432,550	595,465	211,918
Total Pension Liability - Beginning	15,163,125	14,773,431	14,340,881	13,745,416	13,533,498
TOTAL PENSION LIABILITY - ENDING	<u>\$ 15,144,403</u>	<u>\$ 15,163,125</u>	<u>\$ 14,773,431</u>	<u>\$ 14,340,881</u>	<u>\$ 13,745,416</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,475,961	\$ 1,423,658	\$ 1,348,612	\$ 1,313,391	\$ 1,278,424
Contributions - Employee	(4,151)	4,150	-	-	-
State Pension Grant	-	-	851,132	-	-
Net Investment Income (Loss)	1,766,192	764,008	964,876	(887,368)	1,036,219
Benefit Payments, Including Refunds	(1,121,630)	(1,083,505)	(996,166)	(961,776)	(966,743)
Administrative Expenses	(23,135)	(22,963)	(19,984)	(16,137)	(11,884)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,093,237	1,085,348	2,148,470	(551,890)	1,336,016
Plan Fiduciary Net Position - Beginning	11,286,911	10,201,563	8,053,093	8,604,983	7,268,967
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 13,380,148</u>	<u>\$ 11,286,911</u>	<u>\$ 10,201,563</u>	<u>\$ 8,053,093</u>	<u>\$ 8,604,983</u>
COMMISSION'S NET PENSION LIABILITY - ENDING	<u>\$ 1,764,255</u>	<u>\$ 3,876,214</u>	<u>\$ 4,571,868</u>	<u>\$ 6,287,788</u>	<u>\$ 5,140,433</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88%	74%	69%	56%	63%
Covered Payroll	\$ 1,551,852	\$ 1,426,990	\$ 1,603,055	\$ 1,257,366	\$ 1,172,525
Commission's Net Pension Liability as a Percentage of Covered Payroll	114%	272%	285%	500%	438%

Notes to the Schedule

* There were no benefit changes or changes in assumptions of methods affecting the 2023 valuation.

* Above dates are based on measurement date, which may not necessarily tie to the fiscal year.

* Assumption Changes: Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically lowers the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the plan. The dedicated gains policy was implemented with the December 31, 2021 annual actuarial valuation and was reflected in the computer employer contribution amounts beginning in fiscal year 2023.

Investment performance measured for the on-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return. As a result, the assumed rate of investment return was lowered from 7.00% to 6.93%. The December 31, 2023 valuation liabilities were developed using this new, lower assumption.

Additionally, as a result of recognizing excess market gains, the valuation assets used to fund these liabilities are 1.4% higher than if there were no dedicated gains policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

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)

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 124,064	\$ 116,214	\$ 108,076	\$ 100,440	\$ 87,857
Interest	1,010,980	997,058	975,547	959,506	923,580
Changes in Benefits	-	-	-	-	-
Difference Between Expected and Actual Experience	(69,194)	33,458	157,448	80,984	96,319
Changes in Assumptions	388,562	-	-	-	647,163
Benefit Payments, Including Refund of Member Contributions	(964,490)	(954,162)	(945,017)	(954,157)	(946,161)
Other Changes	(13,885)	(17,312)	(26,652)	5,343	(12,133)
NET CHANGE IN TOTAL PENSION LIABILITY	476,037	175,256	269,402	192,116	796,625
Total Pension Liability - Beginning	13,057,461	12,882,205	12,612,803	12,420,687	11,624,062
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 13,533,498</u></u>	<u><u>\$ 13,057,461</u></u>	<u><u>\$ 12,882,205</u></u>	<u><u>\$ 12,612,803</u></u>	<u><u>\$ 12,420,687</u></u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,202,676	\$ 1,149,772	\$ 1,062,080	\$ 900,438	\$ 769,702
Contributions - Employee	-	-	-	-	-
State Pension Grant	-	-	-	-	-
Net Investment Income (Loss)	834,143	725,225	(217,621)	633,114	501,474
Benefit Payments, Including Refunds	(964,490)	(954,162)	(945,017)	(954,157)	(946,161)
Administrative Expenses	(12,652)	(12,511)	(10,549)	(10,019)	(9,907)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,059,677	908,324	(111,107)	569,376	315,108
Plan Fiduciary Net Position - Beginning	6,209,290	5,300,966	5,412,073	4,842,697	4,527,589
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 7,268,967</u></u>	<u><u>\$ 6,209,290</u></u>	<u><u>\$ 5,300,966</u></u>	<u><u>\$ 5,412,073</u></u>	<u><u>\$ 4,842,697</u></u>
COMMISSION'S NET PENSION LIABILITY - ENDING	<u><u>\$ 6,264,531</u></u>	<u><u>\$ 6,848,171</u></u>	<u><u>\$ 7,581,239</u></u>	<u><u>\$ 7,200,730</u></u>	<u><u>\$ 7,577,990</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54%	48%	41%	43%	39%
Covered Payroll	\$ 1,248,520	\$ 1,116,800	\$ 1,034,380	\$ 894,469	\$ 830,390
Commission's Net Pension Liability as a Percentage of Covered Payroll	502%	613%	733%	805%	913%

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

COUNTY ROAD COMMISSION – COMPONENT UNIT

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 995,961	\$ 943,658	\$ 868,612	\$ 833,391	\$ 798,425
Contributions in Relation to the Actuarially Determined Contribution	<u>1,475,961</u>	<u>1,423,658</u>	<u>1,348,612</u>	<u>1,313,391</u>	<u>1,278,425</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	\$ 1,519,569	\$ 1,473,128	\$ 1,321,786	\$ 1,257,366	\$ 1,172,525
Contributions as a Percentage of Covered Payroll	97%	97%	102%	104%	109%

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	14 Years
Asset Valuation Method	5 Year Smoothed Value
Inflation	2.5%
Salary Increases	3.00%, Including Inflation
Investment Rate of Return	6.93%
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-2021

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

COUNTY ROAD COMMISSION – COMPONENT UNIT (CONTINUED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 722,676	\$ 669,772	\$ 582,080	\$ 540,440	\$ 475,164
Contributions in Relation to the Actuarially Determined Contribution	<u>1,202,676</u>	<u>1,149,772</u>	<u>1,062,080</u>	<u>900,440</u>	<u>715,164</u>
Contribution Excess (Deficiency)	<u>\$ 480,000</u>	<u>\$ 480,000</u>	<u>\$ 480,000</u>	<u>\$ 360,000</u>	<u>\$ 240,000</u>
Covered Payroll	\$ 1,248,520	\$ 1,116,800	\$ 1,034,380	\$ 894,469	\$ 785,115
Contributions as a Percentage of Covered Payroll	96%	103%	103%	101%	91%

**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

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 80,180	\$ 81,333	\$ 77,217	\$ 78,787	\$ 92,539
Interest	827,596	816,823	820,722	809,272	777,101
Difference Between Expected and Actual Experience	91,347	79,323	(101,383)	58,128	(58,666)
Changes in Assumptions	(8,324)	(6,571)	76,357	-	380,676
Benefit Payments, Including Refund of Member Contributions	(900,636)	(832,456)	(805,362)	(769,566)	(712,513)
Other	(57,440)	46,248	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	32,723	184,700	67,551	176,621	479,137
Total Pension Liability - Beginning	11,936,629	11,751,929	11,684,378	11,507,757	11,028,620
TOTAL PENSION LIABILITY - ENDING	<u>\$ 11,969,352</u>	<u>\$ 11,936,629</u>	<u>\$ 11,751,929</u>	<u>\$ 11,684,378</u>	<u>\$ 11,507,757</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 516,180	\$ 349,295	\$ 808,454	\$ 829,156	\$ 753,796
Contributions - Employee	6,817	7,364	7,656	8,989	9,640
Net Investment Income (Loss)	1,360,490	645,144	876,156	(903,855)	1,076,501
Benefit Payments, Including Refunds of Member Contributions	(900,636)	(832,456)	(805,362)	(769,566)	(712,513)
Administrative Expenses	(17,921)	(19,046)	(18,564)	(16,211)	(12,348)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	964,930	150,301	868,340	(851,487)	1,115,076
Plan Fiduciary Net Position - Beginning	8,883,707	8,733,406	7,865,066	8,716,553	7,601,477
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 9,848,637</u>	<u>\$ 8,883,707</u>	<u>\$ 8,733,406</u>	<u>\$ 7,865,066</u>	<u>\$ 8,716,553</u>
DISTRICT'S NET PENSION LIABILITY - ENDING	<u>\$ 2,120,715</u>	<u>\$ 3,052,922</u>	<u>\$ 3,018,523</u>	<u>\$ 3,819,312</u>	<u>\$ 2,791,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82%	74%	74%	67%	76%
Covered Payroll	\$ 736,435	\$ 736,435	\$ 716,034	\$ 775,385	\$ 963,995
District's Net Pension Liability as a Percentage of Covered Payroll	288%	415%	422%	493%	290%

* 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)

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 92,493	\$ 86,839	\$ 84,553	\$ 87,535	\$ 90,130
Interest	760,470	764,152	750,191	729,924	687,635
Difference Between Expected and Actual Experience	43,177	(6,031)	17,212	(20,665)	152,328
Changes in Assumptions	515,496	297,768	-	-	434,793
Benefit Payments, Including Refund of Member Contributions	(685,885)	(696,691)	(660,504)	(599,706)	(578,502)
Other	-	-	-	88,153	14,605
NET CHANGE IN TOTAL PENSION LIABILITY	725,751	446,037	191,452	285,241	800,989
Total Pension Liability - Beginning	10,302,869	9,856,832	9,665,380	9,380,139	8,579,150
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 11,028,620</u></u>	<u><u>\$ 10,302,869</u></u>	<u><u>\$ 9,856,832</u></u>	<u><u>\$ 9,665,380</u></u>	<u><u>\$ 9,380,139</u></u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 664,692	\$ 610,571	\$ 512,501	\$ 453,018	\$ 469,455
Contributions - Employee	10,228	9,291	9,398	9,568	9,517
Net Investment Income (Loss)	875,041	816,258	(249,406)	763,883	603,003
Benefit Payments, Including Refunds of Member Contributions	(685,885)	(696,691)	(660,504)	(599,706)	(578,502)
Administrative Expenses	(13,637)	(14,064)	(12,398)	(12,094)	(11,898)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	850,439	725,365	(400,409)	614,669	491,575
Plan Fiduciary Net Position - Beginning	6,751,038	6,025,673	6,426,082	5,811,413	5,319,838
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 7,601,477</u></u>	<u><u>\$ 6,751,038</u></u>	<u><u>\$ 6,025,673</u></u>	<u><u>\$ 6,426,082</u></u>	<u><u>\$ 5,811,413</u></u>
DISTRICT'S NET PENSION LIABILITY - ENDING	<u><u>\$ 3,427,143</u></u>	<u><u>\$ 3,551,831</u></u>	<u><u>\$ 3,831,159</u></u>	<u><u>\$ 3,239,298</u></u>	<u><u>\$ 3,568,726</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69%	66%	61%	66%	62%
Covered Payroll	\$ 974,131	\$ 925,573	\$ 896,043	\$ 941,525	\$ 985,911
District's Net Pension Liability as a Percentage of Covered Payroll	352%	384%	428%	344%	362%

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

DICKINSON-IRON DISTRICT HEALTH DEPARTMENT – COMPONENT UNIT

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 372,997	\$ 349,250	\$ 461,700	\$ 488,364	\$ 516,672
Contributions in Relation to the Actuarially Determined Contribution	<u>516,180</u>	<u>349,295</u>	<u>808,454</u>	<u>829,156</u>	<u>753,796</u>
Contribution Excess (Deficiency)	<u>\$ 143,183</u>	<u>\$ 45</u>	<u>\$ 346,754</u>	<u>\$ 340,792</u>	<u>\$ 237,124</u>
Covered Employee Payroll	\$ 736,435	\$ 736,435	\$ 716,034	\$ 716,034	\$ 963,995
Contributions as a Percentage of Covered Payroll	70%	47%	113%	116%	78%

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	14 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	6.90%
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 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 652,644	\$ 586,571	\$ 476,958	\$ 405,398	\$ 349,455
Contributions in Relation to the Actuarially Determined Contribution	<u>664,692</u>	<u>610,571</u>	<u>512,501</u>	<u>453,018</u>	<u>469,455</u>
Contribution Excess (Deficiency)	<u>\$ 12,048</u>	<u>\$ 24,000</u>	<u>\$ 35,543</u>	<u>\$ 47,620</u>	<u>\$ 120,000</u>
Covered Employee Payroll	\$ 974,131	\$ 925,573	\$ 896,043	\$ 941,525	\$ 985,911
Contributions as a Percentage of Covered Payroll	68%	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

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 672,000	\$ 681,012	\$ 761,105	\$ 786,062	\$ 868,667
Interest	3,500,445	3,110,909	3,173,279	2,964,937	2,828,567
Changes in Benefits	(48,566)	(113,872)	(53,638)	49,003	(80,264)
Difference Between Expected and Actual Experience	(95,092)	410,231	(286,115)	(317,059)	7,111
Changes in Assumptions	(106,260)	372,521	-	1,763,108	2,224,986
Benefit Payments, Including Refunds	(2,806,430)	(2,670,423)	(2,503,588)	(2,216,193)	(2,043,944)
Other	-	-	153,512	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	1,116,097	1,790,378	1,244,555	3,029,858	3,805,123
Total Pension Liability - Beginning of Year	47,675,541	45,885,163	44,640,608	41,610,750	37,805,627
TOTAL PENSION LIABILITY - END OF YEAR	<u>\$ 48,791,638</u>	<u>\$ 47,675,541</u>	<u>\$ 45,885,163</u>	<u>\$ 44,640,608</u>	<u>\$ 41,610,750</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 818,803	\$ 818,206	\$ 1,066,723	\$ 931,595	\$ 1,193,928
Contributions - Employee	467,083	441,336	511,831	484,498	527,955
Net Investment Income	3,107,254	4,296,593	(4,964,550)	5,441,558	5,092,099
Benefit Payments, Including Refunds	(92,101)	(91,032)	(82,210)	(64,401)	(72,079)
Administrative Expenses	(2,806,430)	(2,670,423)	(2,503,588)	(2,216,193)	(2,043,944)
Other	-	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,494,609	2,794,680	(5,971,794)	4,577,057	4,697,959
Plan Fiduciary Net Position - Beginning of Year	41,836,939	39,042,259	45,014,053	40,436,996	35,739,037
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 43,331,548</u>	<u>\$ 41,836,939</u>	<u>\$ 39,042,259</u>	<u>\$ 45,014,053</u>	<u>\$ 40,436,996</u>
FACILITY'S NET PENSION LIABILITY - END OF YEAR	<u>\$ 5,460,090</u>	<u>\$ 5,838,602</u>	<u>\$ 6,842,904</u>	<u>\$ (373,445)</u>	<u>\$ 1,173,754</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.81%	87.75%	85.09%	100.84%	97.18%
Covered Payroll	\$ 5,811,019	\$ 6,138,252	\$ 6,866,024	\$ 6,788,254	\$ 8,195,210
Facility's Net Pension Liability as a Percentage of Covered Payroll	93.96%	95.12%	99.66%	-5.50%	14.32%

**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)

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 1,043,441	\$ 1,012,010	\$ 1,099,669	\$ 1,058,633	\$ 941,341
Interest	2,744,633	2,652,887	2,505,990	2,408,898	2,293,670
Changes in Benefits	(66,154)	(76,488)	(78,908)	40,585	(131,532)
Difference Between Expected and Actual Experience	72,927	(825,445)	(207,259)	(1,096,880)	493,921
Changes in Assumptions	1,122,122	-	-	-	1,468,177
Benefit Payments, Including Refunds	(1,689,078)	(1,574,627)	(1,304,315)	(1,131,880)	(986,107)
Other	(52,991)	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	3,174,900	1,188,337	2,015,177	1,279,356	4,079,470
Total Pension Liability - Beginning of Year	34,630,727	33,442,390	31,427,213	30,147,857	26,068,387
TOTAL PENSION LIABILITY - END OF YEAR	<u>\$ 37,805,627</u>	<u>\$ 34,630,727</u>	<u>\$ 33,442,390</u>	<u>\$ 31,427,213</u>	<u>\$ 30,147,857</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,054,025	\$ 7,008,284	\$ 1,047,554	\$ 996,710	\$ 1,017,632
Contributions - Employee	578,532	571,133	556,606	443,414	449,754
Net Investment Income	4,304,775	(1,101,042)	3,121,644	2,384,547	(318,924)
Benefit Payments, Including Refunds	(1,689,078)	(52,420)	(1,304,315)	(1,131,880)	(986,107)
Administrative Expenses	(74,221)	(1,574,627)	(49,319)	(47,003)	(45,726)
Other	-	13,650	(250)	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	4,174,033	4,864,978	3,371,920	2,645,788	116,629
Plan Fiduciary Net Position - Beginning of Year	31,565,004	26,700,026	23,328,106	20,682,318	20,565,689
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 35,739,037</u>	<u>\$ 31,565,004</u>	<u>\$ 26,700,026</u>	<u>\$ 23,328,106</u>	<u>\$ 20,682,318</u>
FACILITY'S NET PENSION LIABILITY - END OF YEAR	<u>\$ 2,066,590</u>	<u>\$ 3,065,723</u>	<u>\$ 6,742,364</u>	<u>\$ 8,099,107</u>	<u>\$ 9,465,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.53%	91.15%	79.84%	74.23%	68.60%
Covered Payroll	\$ 10,318,639	\$ 10,327,243	\$ 10,108,191	\$ 10,586,927	\$ 10,592,684
Facility's Net Pension Liability as a Percentage of Covered Payroll	20.03%	29.69%	66.70%	76.50%	89.36%

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

MEDICAL CARE FACILITY – COMPONENT UNIT

	2025	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 744,610	\$ 815,868	\$ 818,243	\$ 1,067,054	\$ 931,275
Contributions in Relation to the Actuarially Determined Contribution	<u>744,610</u>	<u>815,868</u>	<u>818,243</u>	<u>1,067,054</u>	<u>931,275</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 5,811,019	\$ 6,138,252	\$ 6,866,024	\$ 6,788,254	\$ 8,818,445
Contributions as a Percentage of Covered Payroll	12.8%	13.3%	11.9%	15.7%	10.6%

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	6.93%
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	106 Percent of Pub-2010 Juvenile Mortality Tables for ages 0-17 106 Percent of Pub-2010 Employee Mortality Tables for ages 18-49 106 Percent of Pub-2010 Healthy Retiree Tables for ages 50-120
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 1,193,877	\$ 1,053,975	\$ 1,160,220	\$ 1,047,554	\$ 996,710
Contributions in Relation to the Actuarially Determined Contribution	<u>1,193,877</u>	<u>1,053,975</u>	<u>7,008,284</u>	<u>1,047,554</u>	<u>996,710</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,848,064</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 10,318,639	\$ 10,327,243	\$ 10,108,191	\$ 10,586,927	\$ 10,592,684
Contributions as a Percentage of Covered Payroll	11.6%	10.2%	69.3%	9.9%	9.4%

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

COUNTY ROAD COMMISSION – COMPONENT UNIT

	2025	2024	2023	2022
TOTAL OPEB LIABILITY				
Service Cost	\$ 33,530	\$ 17,410	\$ 16,848	\$ 27,081
Interest	85,452	71,939	77,573	49,325
Changes in Benefits	-	125,506	-	-
Difference Between Expected and Actual Experience	9,546	116,183	(14,230)	31,079
Changes in Assumptions	(105,713)	21,325	63,708	(367,777)
Benefit Payments, Including Employee Refunds	(174,333)	(166,525)	(125,066)	(118,604)
NET CHANGE IN TOTAL OPEB LIABILITY	(151,518)	185,838	18,833	(378,896)
Total OPEB Liability - Beginning of Year	2,050,198	1,864,360	1,845,527	2,224,423
TOTAL OPEB LIABILITY - END OF YEAR	<u><u>\$ 1,898,680</u></u>	<u><u>\$ 2,050,198</u></u>	<u><u>\$ 1,864,360</u></u>	<u><u>\$ 1,845,527</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 47,192	\$ 12,045	\$ -	\$ -
Contributions - Employee	174,333	166,525	125,066	118,604
Net Investment Income	8,220	(103)	-	-
Benefit Payments, Including Refunds	(174,333)	(166,525)	(125,066)	(118,604)
Administrative Expenses	(108)	(8)	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	55,304	11,934	-	-
Plan Fiduciary Net Position - Beginning of Year	11,934	-	-	-
PLAN FIDUCIARY NET POSITION - ENDING OF YEAR	<u><u>\$ 67,238</u></u>	<u><u>\$ 11,934</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
COMMISSION'S NET OPEB LIABILITY - ENDING OF YEAR	<u><u>\$ 1,831,442</u></u>	<u><u>\$ 2,038,264</u></u>	<u><u>\$ 1,864,360</u></u>	<u><u>\$ 1,845,527</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4%	1%	0%	0%
Covered Employee Payroll	\$ 1,934,492	\$ 1,876,416	\$ 1,942,766	\$ 1,663,458
Road Commission's Total OPEB Liability as a Percentage of Covered Employee Payroll	95%	109%	96%	111%

There was a change in benefits to allow Pre-65 medical coverage for retirees to change to two years from one year.

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.

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

COUNTY ROAD COMMISSION – COMPONENT UNIT (CONTINUED)

	2021	2020	2019	2018
TOTAL OPEB LIABILITY				
Service Cost	\$ 30,570	\$ 26,355	\$ 26,809	\$ 26,028
Interest	45,551	104,588	93,720	97,531
Changes in Benefits	-	-	-	-
Difference Between Expected and Actual Experience	(12,310)	(1,030,186)	(272)	-
Changes in Assumptions	(108,987)	177,903	35,412	-
Benefit Payments, Including Employee Refunds	(119,946)	(141,967)	(164,480)	(173,802)
NET CHANGE IN TOTAL OPEB LIABILITY	(165,122)	(863,307)	(8,811)	(50,243)
Total OPEB Liability - Beginning of Year	2,389,545	3,252,852	3,261,663	3,311,906
TOTAL OPEB LIABILITY - END OF YEAR	<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				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	119,946	141,967	164,480	173,802
Net Investment Income	-	-	-	-
Benefit Payments, Including Refunds	(119,946)	(141,967)	(164,480)	(173,802)
Administrative Expenses	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	-	-	-	-
Plan Fiduciary Net Position - Beginning of Year	-	-	-	-
PLAN FIDUCIARY NET POSITION - ENDING OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
COMMISSION'S NET OPEB LIABILITY - ENDING OF YEAR	<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%
Covered Employee Payroll	\$ 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	155%	193%	277%	292%

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

COUNTY ROAD COMMISSION – COMPONENT UNIT

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 341,213	\$ 373,755	\$ 328,589	\$ 303,478
Contributions in Relation to the Actuarially Determined Contribution	<u>221,525</u>	<u>178,570</u>	<u>125,066</u>	<u>118,604</u>
Contribution Excess (Deficiency)	<u>\$ (119,688)</u>	<u>\$ (195,185)</u>	<u>\$ (203,523)</u>	<u>\$ (184,874)</u>
Covered Employee Payroll	\$ 1,934,492	\$ 1,876,416	\$ 1,942,766	\$ 1,663,458
Contributions as a Percentage of Covered Employee Payroll	11%	10%	6%	7%

NOTES TO SCHEDULE

Actuarial Valuation Information Relative to the Determination of Contributions:

Valuation Date	December 31, 2024
Measurement Date	December 31, 2025

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Pay
Discount Rate	4.28% for 2025 contributions; 4.43% for 2026 liability
20-Year Aa Municipal Bond Rate	4.43% - Current Bond Rate
Inflation	3.0%
Payroll inflation	3.0%
Return on plan assets	6.93%
Mortality	2016 Public General Employee and Health Retirees, Headcount Weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

* 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 (CONTINUED)
LAST 10 FISCAL YEARS*

COUNTY ROAD COMMISSION – COMPONENT UNIT (CONTINUED)

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

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

MEDICAL CARE FACILITY – COMPONENT UNIT

	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY								
Service Cost	\$ 10,851	\$ 13,191	\$ 13,408	\$ 17,270	\$ 15,597	\$ 22,185	\$ 23,984	\$ 71,043
Interest	63,183	63,750	72,334	72,267	85,876	86,041	123,241	78,700
Difference Between Expected and Actual Experience	(57,967)	28,824	(97,611)	69,196	(260,852)	12,373	(552,796)	5,893
Changes in Assumptions	67,789	-	34,440	-	88,517	-	7,579	(610,750)
Benefit Payments, Including Refunds	(98,244)	(127,151)	(163,019)	(148,689)	(100,077)	(139,242)	(125,838)	(150,981)
NET CHANGE IN OPEB LIABILITY	(14,388)	(21,386)	(140,448)	10,044	(170,939)	(18,643)	(523,830)	(606,095)
Total OPEB Liability - Beginning of Year	946,309	967,695	1,108,143	1,098,099	1,269,038	1,287,681	1,811,511	2,417,606
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 931,921</u>	<u>\$ 946,309</u>	<u>\$ 967,695</u>	<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	\$ 51,995	\$ 307,151	\$ 328,019	\$ 343,689	\$ 280,077	\$ 334,242	\$ 290,838	\$ 325,981
Net Investment Income (Loss)	237,999	101,368	125,405	(100,029)	98,506	75,328	32,707	(6,148)
Benefit Payments, Including Refunds	(98,244)	(127,151)	(163,019)	(148,689)	(100,077)	(139,242)	(125,838)	(150,981)
Administrative Expenses	(3,422)	-	-	-	-	-	-	-
Other Withdrawals	(374,414)	-	-	-	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(186,086)	281,368	290,405	94,971	278,506	270,328	197,707	168,852
Plan Fiduciary Net Position - Beginning of Year	1,582,137	1,300,769	1,010,364	915,393	636,887	366,559	168,852	-
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 1,396,051</u>	<u>\$ 1,582,137</u>	<u>\$ 1,300,769</u>	<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>\$ (464,130)</u>	<u>\$ (635,828)</u>	<u>\$ (333,074)</u>	<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	149.80%	167.19%	134.42%	91.18%	83.36%	50.19%	28.47%	9.32%
Covered Employee Payroll	\$ 4,687,278	\$ 4,602,933	\$ 6,161,664	\$ 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	-9.90%	-13.81%	-5.41%	1.46%	2.62%	9.24%	11.64%	19.44%

* 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
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
LAST 10 FISCAL YEARS*

MEDICAL CARE FACILITY – COMPONENT UNIT

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ -	\$ 10,553	\$ 11,747	\$ 54,794	\$ 55,921	\$ 115,152	\$ 116,800	\$ 191,943
Contributions in Relation to the Actuarially Determined Contribution	51,995	101,368	328,019	343,689	280,077	334,242	290,838	325,981
Contribution Excess (Deficiency)	<u>\$ 51,995</u>	<u>\$ 90,815</u>	<u>\$ 316,272</u>	<u>\$ 288,895</u>	<u>\$ 224,156</u>	<u>\$ 219,090</u>	<u>\$ 174,038</u>	<u>\$ 134,038</u>
Covered Employee Payroll	\$ 4,687,278	\$ 4,602,933	\$ 6,161,664	\$ 6,694,647	\$ 6,977,547	\$ 6,840,284	\$ 7,911,961	\$ 8,450,405
Contributions as a Percentage of Covered Employee Payroll	1.11%	2.20%	5.32%	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	21 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.

* 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
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 4,756,296	\$ 4,830,302	\$ 5,072,519	\$ 242,217
Federal Sources	459,900	482,810	503,878	21,068
State Sources	1,018,556	1,037,245	1,176,306	139,061
Licenses and Permits	8,000	8,000	11,365	3,365
Fines and Forfeits	2,000	2,000	954	(1,046)
Public Charges for Services	500,501	500,501	734,113	233,612
Miscellaneous	187,150	451,600	550,303	98,703
Total Revenues	6,932,403	7,312,458	8,049,438	736,980
EXPENDITURES				
Judicial System:				
Trial Court	695,995	745,066	710,059	35,007
Jury Commission	460	460	133	327
Total Judicial System	696,455	745,526	710,192	35,334
General Government:				
County Board	283,931	127,952	121,478	6,474
Elections	2,700	3,300	2,277	1,023
Clerk	321,075	363,160	347,340	15,820
General County	340,130	415,915	371,594	44,321
County Administrator	152,281	165,931	160,695	5,236
Equalization Department	191,920	206,403	199,151	7,252
Prosecuting Attorney	336,096	317,421	285,936	31,485
Remonumentation	69,595	85,790	85,777	13
County Treasurer	199,586	219,218	204,865	14,353
Courthouse and Grounds	251,136	263,523	234,322	29,201
Drain Commissioner	10,000	12,500	9,557	2,943
Retirement	640,000	608,000	600,079	7,921
Appropriations	218,684	220,684	220,684	-
Insurance and Bonds	194,000	194,000	175,033	18,967
Total General Government	3,211,134	3,203,797	3,018,788	185,009

**IRON COUNTY, MICHIGAN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Public Safety:				
Sheriff	\$ 1,129,518	\$ 1,360,372	\$ 1,331,907	\$ 28,465
Road Patrol	109,646	120,425	109,349	11,076
Community Work Van	-	26,600	13,906	12,694
Marine Patrol	6,900	7,300	5,892	1,408
Snowmobile Patrol	2,000	2,000	1,240	760
ORV Patrol	16,000	16,000	13,753	2,247
WIC - School Resources Officer	85,751	97,251	89,718	7,533
Jail	1,077,835	1,110,612	1,051,516	59,096
Courthouse Security	88,330	95,679	90,488	5,191
Mine Inspector	11,304	11,946	11,493	453
Emergency Management	33,087	34,859	44,783	(9,924)
Total Public Safety	2,560,371	2,883,044	2,764,045	145,198
Health and Welfare:				
Medical Examiner	37,000	45,000	46,387	(1,387)
Veterans Burials	6,000	6,000	300	5,700
Total Health and Welfare	43,000	51,000	46,687	4,313
Culture and Recreation:				
Parks and Recreation	1,450	1,450	292	1,158
Capital Outlay:				
Equipment	8,730	17,954	16,199	1,755
Total Expenditures	6,521,140	6,902,771	6,556,203	372,767
EXCESS OF REVENUES OVER EXPENDITURES	411,263	409,687	1,493,235	1,083,548
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	5,650	5,650	-
Transfers In	55,000	55,000	55,000	-
Transfers Out	(1,063,858)	(1,173,858)	(424,427)	749,431
Total Other Financing Sources (Uses)	(1,008,858)	(1,113,208)	(363,777)	749,431
NET CHANGE IN FUND BALANCE	(597,595)	(703,521)	1,129,458	1,832,979
Fund Balance - Beginning of Year	6,597,188	6,597,188	6,597,188	-
FUND BALANCE - END OF YEAR	<u>\$ 5,999,593</u>	<u>\$ 5,893,667</u>	<u>\$ 7,726,646</u>	<u>\$ 1,832,979</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, 2025**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,044,901	\$ 1,044,901	\$ 1,062,637	\$ 17,736
Federal Sources	1,250	1,250	1,717	467
Miscellaneous	9,000	9,000	32,983	23,983
Total Revenues	1,055,151	1,055,151	1,097,337	42,186
EXPENDITURES				
Health and Welfare	1,122,000	1,122,000	934,922	187,078
NET CHANGE IN FUND BALANCE	(66,849)	(66,849)	162,415	229,264
Fund Balance - Beginning of Year	928,512	928,512	928,512	-
FUND BALANCE - END OF YEAR	<u>\$ 861,663</u>	<u>\$ 861,663</u>	<u>\$ 1,090,927</u>	<u>\$ 229,264</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, 2025**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 872,227	\$ 872,227	\$ 876,668	\$ 4,441
Federal Sources	10,000	10,000	10,339	339
Public Charges for Services	130,000	130,000	140,136	10,136
Miscellaneous	-	-	845	845
Total Revenues	<u>1,012,227</u>	<u>1,012,227</u>	<u>1,027,988</u>	<u>15,761</u>
EXPENDITURES				
Current:				
Public Safety	780,879	964,369	767,571	196,798
Capital Outlay	50,000	47,000	4,058	42,942
Total Expenditures	<u>830,879</u>	<u>1,011,369</u>	<u>771,629</u>	<u>239,740</u>
NET CHANGE IN FUND BALANCE	181,348	858	256,359	255,501
Fund Balance - Beginning of Year	<u>367,162</u>	<u>367,162</u>	<u>367,162</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 548,510</u>	<u>\$ 368,020</u>	<u>\$ 623,521</u>	<u>\$ 255,501</u>

**IRON COUNTY, MICHIGAN
AMBULANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 689,719	\$ 689,719	\$ 700,833	\$ 11,114
State Sources	-	-	309	309
Miscellaneous	-	-	1,559	1,559
Total Revenues	689,719	689,719	702,701	12,982
EXPENDITURES				
Current:				
Public Safety	586,049	586,049	586,048	1
NET CHANGE IN FUND BALANCE	103,670	103,670	116,653	12,983
Fund Balance - Beginning of Year	71,011	71,011	71,011	-
FUND BALANCE - END OF YEAR	<u>\$ 174,681</u>	<u>\$ 174,681</u>	<u>\$ 187,664</u>	<u>\$ 12,983</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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 122,004	\$ 122,004	\$ 120,910	\$ (1,094)
Intergovernmental	1,380	1,380	1,458	78
Miscellaneous	1,000	1,000	1,037	37
Total Revenues	124,384	124,384	123,405	(979)
EXPENDITURES				
Debt Service:				
Principal	121,000	121,000	120,000	1,000
Interest and Fiscal Charges	43,175	43,175	41,925	1,250
Total Expenditures	164,175	164,175	161,925	2,250
NET CHANGE IN FUND BALANCE	(39,791)	(39,791)	(38,520)	1,271
Fund Balance - Beginning of Year	198,611	198,611	198,611	-
FUND BALANCE - END OF YEAR	<u>\$ 158,820</u>	<u>\$ 158,820</u>	<u>\$ 160,091</u>	<u>\$ 1,271</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	Special Revenue				
	Youth Camp	Family Counseling	County Parks	Friend of Court Incentive	Probation Surcharge
ASSETS					
Cash and Investments	\$ 552,279	\$ 18,604	\$ 106,543	\$ 68,746	\$ 19,185
Receivables:					
Property Taxes	354,680	-	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	45,908	-
Prepaid Items	8,061	-	3,352	6,764	-
Total Assets	<u>\$ 915,020</u>	<u>\$ 18,604</u>	<u>\$ 109,895</u>	<u>\$ 121,418</u>	<u>\$ 19,185</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 969	\$ -	\$ 4,121	\$ 1,553	\$ 39
Accrued and Other Current Liabilities	1,395	-	2,094	4,468	-
Total Liabilities	<u>2,364</u>	<u>-</u>	<u>6,215</u>	<u>6,021</u>	<u>39</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	354,680	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>354,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	8,061	-	3,352	6,764	-
Restricted	-	-	-	108,633	19,146
Committed	549,915	18,604	100,328	-	-
Total Fund Balances	<u>557,976</u>	<u>18,604</u>	<u>103,680</u>	<u>115,397</u>	<u>19,146</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 915,020</u>	<u>\$ 18,604</u>	<u>\$ 109,895</u>	<u>\$ 121,418</u>	<u>\$ 19,185</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	Special Revenue (Continued)				
	Homestead Property Tax Exemption	Register of Deeds Automation	CDBG Grant	Local Corrections Officer Training	Concealed Weapon Permit
ASSETS					
Cash and Investments	\$ 6,735	\$ 106,535	\$ 130,624	\$ 4,840	\$ 46,052
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	-	-	10	360
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 6,735</u>	<u>\$ 106,535</u>	<u>\$ 130,624</u>	<u>\$ 4,850</u>	<u>\$ 46,412</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 6,735	\$ 94	\$ 250	\$ 130	\$ 461
Accrued and Other Current Liabilities	-	173	-	-	57
Total Liabilities	<u>6,735</u>	<u>267</u>	<u>250</u>	<u>130</u>	<u>518</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	-	-	-	-	-
Restricted	-	-	130,374	-	-
Committed	-	106,268	-	4,720	45,894
Total Fund Balances	<u>-</u>	<u>106,268</u>	<u>130,374</u>	<u>4,720</u>	<u>45,894</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,735</u>	<u>\$ 106,535</u>	<u>\$ 130,624</u>	<u>\$ 4,850</u>	<u>\$ 46,412</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

Special Revenue (Continued)					
	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program	Senior Citizens
ASSETS					
Cash and Investments	\$ 2,959	\$ 733	\$ 13,898	\$ 18,802	\$ 1,604
Receivables:					
Property Taxes	-	-	-	-	193,704
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	20,423	-
Prepaid Items	-	-	-	8	-
Total Assets	<u>\$ 2,959</u>	<u>\$ 733</u>	<u>\$ 13,898</u>	<u>\$ 39,233</u>	<u>\$ 195,308</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 1,572	\$ 2,652	\$ 104
Accrued and Other Current Liabilities	-	-	-	1,842	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,572</u>	<u>4,494</u>	<u>104</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	193,704
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,704</u>
FUND BALANCE					
Nonspendable	-	-	-	8	-
Restricted	-	-	-	-	1,500
Committed	2,959	733	12,326	34,731	-
Total Fund Balances	<u>2,959</u>	<u>733</u>	<u>12,326</u>	<u>34,739</u>	<u>1,500</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,959</u>	<u>\$ 733</u>	<u>\$ 13,898</u>	<u>\$ 39,233</u>	<u>\$ 195,308</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

Special Revenue (Continued)					
	Alcohol Assessment	Child Care	Soldiers Relief	Veterans Trust	Public Act 302
ASSETS					
Cash and Investments	\$ 232,580	\$ 66,615	\$ 1,917	\$ 491	\$ 24,885
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	34,253	-	-	-
Prepaid Items	-	1,129	-	-	-
Total Assets	<u>\$ 232,580</u>	<u>\$ 101,997</u>	<u>\$ 1,917</u>	<u>\$ 491</u>	<u>\$ 24,885</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 197
Accrued and Other Current Liabilities	-	1,934	-	-	-
Total Liabilities	-	1,934	-	-	197
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE					
Nonspendable	-	1,129	-	-	-
Restricted	-	-	-	-	24,688
Committed	232,580	98,934	1,917	491	-
Total Fund Balances	<u>232,580</u>	<u>100,063</u>	<u>1,917</u>	<u>491</u>	<u>24,688</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 232,580</u>	<u>\$ 101,997</u>	<u>\$ 1,917</u>	<u>\$ 491</u>	<u>\$ 24,885</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

Special Revenue (Continued)					
	Plat Book	Sheriff's Department Equipment	Courthouse Repair	EDC Revolving Loan	Airport
ASSETS					
Cash and Investments	\$ 19,697	\$ 80,657	\$ 433,994	\$ 36,488	\$ 18,234
Receivables:					
Property Taxes	-	-	-	-	-
Accounts	-	3,201	-	-	428
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	3,500	-	-	-	355
Total Assets	<u>\$ 23,197</u>	<u>\$ 83,858</u>	<u>\$ 433,994</u>	<u>\$ 36,488</u>	<u>\$ 19,017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 11	\$ 450	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	304
Total Liabilities	<u>11</u>	<u>450</u>	<u>-</u>	<u>-</u>	<u>304</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	3,500	-	-	-	355
Restricted	-	-	-	36,488	-
Committed	19,686	83,408	433,994	-	18,358
Total Fund Balances	<u>23,186</u>	<u>83,408</u>	<u>433,994</u>	<u>36,488</u>	<u>18,713</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,197</u>	<u>\$ 83,858</u>	<u>\$ 433,994</u>	<u>\$ 36,488</u>	<u>\$ 19,017</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

Special Revenue (Continued)				
	Forest Management	Michigan Indigent Defense	Health Care Assistance	Meals on Wheels
ASSETS				
Cash and Investments	\$ 419,849	\$ 188,088	\$ 26,909	\$ 11,899
Receivables:				
Property Taxes	-	-	71,713	71,713
Accounts	-	-	-	-
Special Assessments	-	-	-	-
Due from Other Governments	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 419,849</u>	<u>\$ 188,088</u>	<u>\$ 98,622</u>	<u>\$ 83,612</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 200	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-
Total Liabilities	-	200	-	-
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	-	-	71,713	71,713
Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	-	-	71,713	71,713
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	187,888	-	-
Committed	419,849	-	26,909	11,899
Total Fund Balances	<u>419,849</u>	<u>187,888</u>	<u>26,909</u>	<u>11,899</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 419,849</u>	<u>\$ 188,088</u>	<u>\$ 98,622</u>	<u>\$ 83,612</u>

**IRON COUNTY, MICHIGAN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	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	\$ 8,585	\$ 213,921	\$ 160,091	\$ 923	\$ 3,043,962
Receivables:					
Property Taxes	-	-	71,929	-	763,739
Accounts	-	-	-	-	3,999
Special Assessments	-	108,683	-	-	108,683
Due from Other Governments	-	-	-	-	100,584
Prepaid Items	-	-	-	-	23,169
Total Assets	<u>\$ 8,585</u>	<u>\$ 322,604</u>	<u>\$ 232,020</u>	<u>\$ 923</u>	<u>\$ 4,044,136</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 2,032	\$ -	\$ -	\$ 21,570
Accrued and Other Current Liabilities	-	-	-	-	12,267
Total Liabilities	-	2,032	-	-	33,837
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	71,929	-	763,739
Special Assessments	-	108,683	-	-	108,683
Total Deferred Inflows of Resources	-	108,683	71,929	-	872,422
FUND BALANCE					
Nonspendable	-	-	-	-	23,169
Restricted	-	-	160,091	923	669,731
Committed	8,585	211,889	-	-	2,444,977
Total Fund Balances	<u>8,585</u>	<u>211,889</u>	<u>160,091</u>	<u>923</u>	<u>3,137,877</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,585</u>	<u>\$ 322,604</u>	<u>\$ 232,020</u>	<u>\$ 923</u>	<u>\$ 4,044,136</u>

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

	Special Revenue			
	Youth Camp	Family Counseling	County Parks	Friend of Court Incentive
REVENUES				
Taxes	\$ 347,435	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Federal Sources	448	-	-	172,185
State Sources	582	-	-	8,750
Licenses and Permits	-	-	-	-
Fines and Forfeits	-	-	-	-
Public Charges for Services	267,241	885	254,245	9,488
Miscellaneous	9,536	-	223	-
Total Revenues	625,242	885	254,468	190,423
EXPENDITURES				
Current:				
General Government	-	-	-	196,267
Public Safety	-	-	-	-
Highway and Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	460,197	-	232,494	-
Community Development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	3,627	-	7,078	2,639
Total Expenditures	463,824	-	239,572	198,906
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	161,418	885	14,896	(8,483)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	40,361
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	40,361
NET CHANGE IN FUND BALANCE	161,418	885	14,896	31,878
Fund Balances - Beginning of Year	396,558	17,719	88,784	83,519
FUND BALANCES - END OF YEAR	<u>\$ 557,976</u>	<u>\$ 18,604</u>	<u>\$ 103,680</u>	<u>\$ 115,397</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue (Continued)				
	Probation Surcharge	Register of Deeds Automation	CDBG Grant	Local Corrections Officer Training	Concealed Weapon Permit
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Licenses and Permits	-	-	-	-	10,198
Fines and Forfeits	-	-	-	-	-
Public Charges for Services	3,072	-	-	900	-
Miscellaneous	-	16,525	7,556	-	-
Total Revenues	3,072	16,525	7,556	900	10,198
EXPENDITURES					
Current:					
General Government	977	14,225	-	-	-
Public Safety	-	-	-	7,496	11,696
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	983	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	20,962	-	-	-
Total Expenditures	977	35,187	983	7,496	11,696
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,095	(18,662)	6,573	(6,596)	(1,498)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	2,095	(18,662)	6,573	(6,596)	(1,498)
Fund Balances - Beginning of Year	17,051	124,930	123,801	11,316	47,392
FUND BALANCES - END OF YEAR	<u>\$ 19,146</u>	<u>\$ 106,268</u>	<u>\$ 130,374</u>	<u>\$ 4,720</u>	<u>\$ 45,894</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue (Continued)				
	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program	Senior Citizens
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 186,549
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	-	-	97,497	309
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	2,500	-	-
Public Charges for Services	-	-	-	528	-
Miscellaneous	1,692	-	-	-	-
Total Revenues	1,692	-	2,500	98,025	186,858
EXPENDITURES					
Current:					
General Government	-	-	9,513	-	-
Public Safety	1,169	-	-	98,441	-
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	-	-	-	186,858
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	1,169	-	9,513	98,441	186,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	523	-	(7,013)	(416)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	10,000	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	10,000	-	-
NET CHANGE IN FUND BALANCE	523	-	2,987	(416)	-
Fund Balances - Beginning of Year	2,436	733	9,339	35,155	1,500
FUND BALANCES - END OF YEAR	<u>\$ 2,959</u>	<u>\$ 733</u>	<u>\$ 12,326</u>	<u>\$ 34,739</u>	<u>\$ 1,500</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue (Continued)				
	Alcohol Assessment	Child Care	Soldiers Relief	Veterans Trust	Public Act 302
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 744	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	60,883	-	23	13,834
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	2,842	-	-	-	-
Public Charges for Services	5,917	12,103	-	-	-
Miscellaneous	46,487	-	-	-	-
Total Revenues	55,246	72,986	-	767	13,834
EXPENDITURES					
Current:					
General Government	48,539	-	-	-	-
Public Safety	-	-	-	-	5,103
Highway and Transportation	-	-	-	-	-
Health and Welfare	-	178,377	1,161	733	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	48,539	178,377	1,161	733	5,103
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,707	(105,391)	(1,161)	34	8,731
OTHER FINANCING SOURCES (USES)					
Transfers In	-	110,500	1,400	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	110,500	1,400	-	-
NET CHANGE IN FUND BALANCE	6,707	5,109	239	34	8,731
Fund Balances - Beginning of Year	225,873	94,954	1,678	457	15,957
FUND BALANCES - END OF YEAR	<u>\$ 232,580</u>	<u>\$ 100,063</u>	<u>\$ 1,917</u>	<u>\$ 491</u>	<u>\$ 24,688</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue (Continued)				
	Plat Book	Sheriff's Department Equipment	Courthouse Repair	EDC Revolving Loan	Airport
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Federal Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Public Charges for Services	5,368	6,421	-	-	7,366
Miscellaneous	1,750	31,184	-	-	-
Total Revenues	7,118	37,605	-	-	7,366
EXPENDITURES					
Current:					
General Government	10,919	-	-	-	-
Public Safety	-	12,769	-	-	-
Highway and Transportation	-	-	-	-	10,863
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Development	-	-	-	46,524	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	30,000	151,242	-	-
Total Expenditures	10,919	42,769	151,242	46,524	10,863
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,801)	(5,164)	(151,242)	(46,524)	(3,497)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	150,000	-	5,000
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	150,000	-	5,000
NET CHANGE IN FUND BALANCE	(3,801)	(5,164)	(1,242)	(46,524)	1,503
Fund Balances - Beginning of Year	26,987	88,572	435,236	83,012	17,210
FUND BALANCES - END OF YEAR	<u>\$ 23,186</u>	<u>\$ 83,408</u>	<u>\$ 433,994</u>	<u>\$ 36,488</u>	<u>\$ 18,713</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue (Continued)					
	Forest Management	Michigan Indigent Defense	Health Care Assistance	American Rescue Plan Act	Meals on Wheels	Local Assistance and Tribal Consistency
REVENUES						
Taxes	\$ -	\$ -	\$ 70,366	\$ -	\$ 1,502	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Federal Sources	-	-	-	43,679	-	105,920
State Sources	-	258,174	31	-	31	-
Licenses and Permits	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Public Charges for Services	1,869	-	-	-	-	-
Miscellaneous	13,487	-	-	-	-	-
Total Revenues	15,356	258,174	70,397	43,679	1,533	105,920
EXPENDITURES						
Current:						
General Government	-	599,831	-	43,679	-	105,920
Public Safety	-	-	-	-	-	-
Highway and Transportation	-	-	-	-	-	-
Health and Welfare	-	-	54,423	-	-	-
Culture and Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	599,831	54,423	43,679	-	105,920
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,356	(341,657)	15,974	-	1,533	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	73,643	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	73,643	-	-	-	-
NET CHANGE IN FUND BALANCE	15,356	(268,014)	15,974	-	1,533	-
Fund Balances - Beginning of Year	404,493	455,902	10,935	-	10,366	-
FUND BALANCES - END OF YEAR	<u>\$ 419,849</u>	<u>\$ 187,888</u>	<u>\$ 26,909</u>	<u>\$ -</u>	<u>\$ 11,899</u>	<u>\$ -</u>

IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Capital Projects		Debt Service			Total
	Invasive Species	Indian Lake Capital Projects	2012 Refunding Bond Debt Retirement	2003 Courthouse Debt Retirement	2017 Indian Lake Debt Retirement	Nonmajor Governmental Funds
REVENUES						
Taxes	\$ -	\$ -	\$ 120,910	\$ -	\$ -	\$ 727,506
Special Assessments	-	24,106	-	-	-	24,106
Intergovernmental	-	-	1,458	-	-	1,458
Federal Sources	-	-	-	-	-	322,232
State Sources	-	-	-	-	-	440,114
Licenses and Permits	-	-	-	-	-	10,198
Fines and Forfeits	-	-	-	-	-	5,342
Public Charges for Services	-	-	-	-	-	575,403
Miscellaneous	-	3,888	1,037	-	-	133,365
Total Revenues	-	27,994	123,405	-	-	2,239,724
EXPENDITURES						
Current:						
General Government	-	2,828	-	-	-	1,032,698
Public Safety	-	-	-	-	-	136,674
Highway and Transportation	-	-	-	-	-	10,863
Health and Welfare	-	-	-	-	-	421,552
Culture and Recreation	9,998	-	-	-	-	702,689
Community Development	-	-	-	-	-	47,507
Debt Service:						
Principal	-	-	120,000	16,000	25,000	161,000
Interest and Fiscal Charges	-	-	41,925	7,523	13,309	62,757
Capital Outlay	-	7,711	-	-	-	223,259
Total Expenditures	9,998	10,539	161,925	23,523	38,309	2,798,999
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,998)	17,455	(38,520)	(23,523)	(38,309)	(559,275)
OTHER FINANCING SOURCES (USES)						
Transfers In	10,000	-	-	23,523	38,309	462,736
Transfers Out	-	(38,309)	-	-	-	(38,309)
Total Other Financing Sources (Uses)	10,000	(38,309)	-	23,523	38,309	424,427
NET CHANGE IN FUND BALANCE	2	(20,854)	(38,520)	-	-	(134,848)
Fund Balances - Beginning of Year	8,583	232,743	198,611	923	-	3,272,725
FUND BALANCES - END OF YEAR	<u>\$ 8,585</u>	<u>\$ 211,889</u>	<u>\$ 160,091</u>	<u>\$ 923</u>	<u>\$ -</u>	<u>\$ 3,137,877</u>

**IRON COUNTY, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025**

	<u>Tax Collections</u>	<u>Library Fund</u>	<u>Inmate Trust</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 479,694	\$ 18,153	\$ 37,010	\$ 534,857
LIABILITIES				
Accounts Payable	4,816	-	-	4,816
Due to Other Governments	474,878	-	-	474,878
Total Liabilities	<u>479,694</u>	<u>-</u>	<u>-</u>	<u>479,694</u>
NET POSITION				
Held for Individuals, Organizations and Other Governments	<u>\$ -</u>	<u>\$ 18,153</u>	<u>\$ 37,010</u>	<u>\$ 55,163</u>

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

	Tax Collections	Library Fund	Inmate Trust	Total
ADDITIONS				
Library Fees	\$ -	\$ 29,844	\$ -	\$ 29,844
Taxes and Special Charges Collected	9,311,660	-	-	9,311,660
Fees Collected	821,527	-	-	821,527
Payments Collected	-	-	127,882	127,882
Total Additions	10,133,187	29,844	127,882	10,290,913
DEDUCTIONS				
Payments to Library	-	26,673	-	26,673
Payments to Other Districts	9,311,660	-	-	9,311,660
Payments to Other Governments	821,527	-	-	821,527
Other Payments	-	-	126,674	126,674
Total Deductions	10,133,187	26,673	126,674	10,286,534
CHANGE IN NET POSITION	-	3,171	1,208	4,379
Net Position - Beginning of Year	-	14,982	35,802	50,784
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 18,153</u>	<u>\$ 37,010</u>	<u>\$ 55,163</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 Iron County, Michigan, (the County), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2026. Our report includes a reference to other auditors who audited the financial statements of the Iron County Road Commission, 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 2025-001 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
June 22, 2026

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, 2025. 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, 2025.

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, 2025. 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 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.

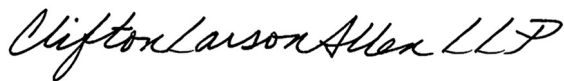
Report on Internal Control Over Compliance

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

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

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

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
June 22, 2026

IRON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster:					
Special Milk Program for Children	10.556	Michigan Department of Education	N/A	\$ 448	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Michigan Department of Health and Human Services	50035	213,921	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Michigan Department of Health and Human Services	50022	52,054	-
Total Special Supplemental Nutrition Program for Women, Infants, and Children				<u>265,975</u>	<u>-</u>
Forest Service Schools and Roads Cluster:					
Schools and Roads - Grants to States	10.665	Michigan Department of Natural Resources and Environment	N/A	163,502	-
Federal Park Patrol	10.704	Direct Payment	N/A	6,146	-
Total U.S. Department of Agriculture				436,071	-
U.S. DEPARTMENT OF INTERIOR					
Federal Payment in Lieu of Tax	15.226	Michigan Department of Natural Resources and Environment	N/A	475,905	-
U.S. DEPARTMENT OF TREASURY					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Michigan Department of Treasury	N/A	43,679	-
COVID-19 Local Assistance and Tribal Consistency Funds	21.032	Direct Payment	N/A	105,920	-
Total U.S. Department of Treasury				<u>149,599</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION					
Special Education - Grants for Infants and Families	84.181	Dickinson-Iron Intermediate School District	N/A	164,586	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.069	Michigan Department of Health and Human Services	251184	116,534	-
TB Control	93.116	Michigan Department of Health and Human Services	251165	100	-
Family Planning	93.217	Michigan Department of Health and Human Services	251019	242,628	-
Care Coordination Medicaid Outreach					
Immunization Cooperative Agreements	93.268	Michigan Department of Health and Human Services	251129	58,484	-
Child Support Enforcement (FOC COOP Reimb. Title IV-D)	93.563	Michigan Department of Health and Human Services	CSPA-17-36002	158,926	-
Child Support Enforcement (Friends of Court Incentive Program)	93.563	Michigan Department of Health and Human Services	N/A	13,258	-
Total Child Support Enforcement (Title IV-D)				<u>172,184</u>	<u>-</u>
Medicaid Cluster:					
Medical Assistance Program	93.778	Michigan Department of Health and Human Services	253001	136,797	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NorthCare Network	N/A	13,110	-
Preventative Health and Health Services Grant	93.991	Michigan Department of Health and Human Services	251019	774	-
Public Health Infrastructure	93.967	Michigan Department of Health and Human Services	251223	138,229	-
Maternal and Child Health Services Block Grant to the States	93.994	Michigan Department of Health and Human Services	252208	27,315	-
Total U.S. Department of Health and Human Services				906,155	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

IRON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Agency</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
Federal Boating Safety Financial Assistance Program	97.012	Michigan Department of Natural Resources and Environment	N/A	\$ 4,419	\$ -
Emergency Management Performance Grants	97.042	Michigan State Police	N/A	2,397	-
Non-Cash Assistance:					
Homeland Security Grant Program	97.067	Dickinson County, Michigan	N/A	<u>15,012</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>21,828</u>	<u>-</u>
Total Expenditures of Federal Awards				<u><u>\$ 2,154,144</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

IRON COUNTY, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2025

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, 2025, 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 2025 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, 2025

NOTE 5 FEDERAL REVENUE RECONCILIATION

Federal Revenue Per Governmental Fund Financial Statements	\$ 826,110
Federal Expenditures Per Schedule of Expenditures and Federal Awards	<u>2,154,144</u>
Difference	(1,328,034)
Reconciling Items:	
Federal revenues reported in the component units which are included on the Schedule of Expenditures of Federal Awards:	
District Health Department	1,164,532
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>163,502</u>
Reconciled Difference	<u><u>\$ -</u></u>

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

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? No

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? No

Identification of major federal program:

Assistance Listing Numbers	Name of Federal Program or Cluster
15.226	Payment in Lieu of Taxes

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee Yes

**IRON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings

2025-001

**Preparation of Annual Financial Report
Repeat finding of 2024-001**

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, 2025**

Section II – Financial Statement Findings (Continued)

2025-001

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

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Iron County, Michigan

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2025

PRIOR YEAR AUDIT FINDINGS

Iron County, Michigan, respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2025.

Audit period: December 31, 2025

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2024-001 Preparation of Annual Financial Report

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. The finding is repeated as 2025-001.

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.

Status: See current year finding 2025-001.

Reason for Finding's Recurrence and Corrective Action: 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.

Corrective Action: Iron County has chosen their independent auditor to prepare the financial statements and required footnote disclosures on their behalf.

