

BENZIE COUNTY, MICHIGAN

REPORT ON FINANCIAL STATEMENTS
(with required and other
supplementary information)

YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-14
BASIC FINANCIAL STATEMENTS.....	15
Government-wide Financial Statements	
Statement of Net Position.....	16
Statement of Activities	17
Fund Financial Statements	
Governmental Funds	
Balance Sheet	18-19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Proprietary Funds	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Fiduciary Funds	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Component Units	
Combining Statement of Net Position	29-30
Combining Statement of Activities	31
Notes to Financial Statements	32-63
REQUIRED SUPPLEMENTARY INFORMATION.....	64
General Fund	
Budgetary Comparison Schedule	65-66
Jail Operations Fund	
Budgetary Comparison Schedule	67
Commission on Aging Fund	
Budgetary Comparison Schedule	68
ARPA Grant Fund	
Budgetary Comparison Schedule	69
Opioid Settlement Fund	
Budgetary Comparison Schedule	70

TABLE OF CONTENTS

	<u>Page</u>
Benzie County Pension Plan	
Schedule of Changes in Employer's Net Pension Liability and Related Ratios	71
Schedule of Employer Contributions.....	72
Notes to Required Supplementary Information.....	73
OTHER SUPPLEMENTARY INFORMATION	74
Nonmajor Governmental Funds	
Combining Balance Sheet.....	75-84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	85-94
Nonmajor Enterprise Funds	
Combining Statement of Net Position	95
Combining Statement of Revenues, Expenses, and Changes in Net Position	96
Combining Statement of Cash Flows	97
Custodial Funds	
Combining Statement of Fiduciary Net Position.....	98
Combining Statement of Changes in Fiduciary Net Position	99
Component Unit Funds	
Land Bank Authority	
Balance Sheet.....	100
Reconciliation of the Balance Sheet to the Statement of Net Position	101
Statement of Revenues, Expenditures, and Changes in Fund Balance	102
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	103
Brownfield Redevelopment Authority	
Balance Sheet.....	104
Statement of Revenues, Expenditures, and Changes in Fund Balance	105
Economic Development Corporation	
Balance Sheet.....	106
Statement of Revenues, Expenditures, and Changes in Fund Balance	107
Continuing Disclosures (Unaudited).....	108-112



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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Benzie County
Beulah, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benzie County, Michigan (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Benzie County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benzie County, as of September 30, 2023, 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 Benzie County Medical Care Facility, the Benzie County Road Commission, or the Benzie County Transportation Authority, which represent 99%, 99%, and 99%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Benzie County Medical Care Facility, Benzie County Road Commission, and the Benzie County Transportation Authority, are based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Benzie 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 Benzie County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Maney Costeiran PC

March 15, 2024

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Benzie County's (the County's) financial performance and position, providing an overview of the activities for the year ended September 30, 2023. This analysis should be read in conjunction with the *Independent Auditor's Report*, beginning on page 1 of this report, and with the County's financial statements, which follow this section.

Certain limited financial information is presented with respect to the Benzie County Medical Care Facility, Benzie County Road Commission, and Benzie County Transportation Authority. The reader should refer to the Medical Care Facility's, Road Commission's, and Transportation Authority's separately issued financial statements for more detailed information.

FINANCIAL HIGHLIGHTS

Government-wide

- Total net position as of September 30, 2023, was \$21,622,927 (excluding component units).
- Governmental activities net position was \$14,038,055.
- Business-type activities net position was \$7,584,872.
- Component Unit net position was \$45,094,876.

Fund Level

- At the close of the fiscal year, the County's governmental funds reported a total ending fund balance of \$8,915,874 with \$4,720,982 being nonspendable, restricted, committed, or assigned for specific purposes.
- The General Fund realized \$2,391,218 more in revenue and other financing sources than anticipated for the fiscal year. General Fund operations also expended \$252,762 less than appropriated.
- Overall, the General Fund balance increased by \$2,391,218 as a result of current year operations with \$4,194,892 being considered unassigned or available for general purposes.

Capital and Long-term Debt Activities

- The total long-term obligations for the primary government were \$407,255 with a net increase of \$114,405 from the prior year.
- The long-term obligations for the Road Commission were \$115,015.
- The long term obligations for the Medical Care Facility were \$3,577,933.
- The County remains well below its authorized legal debt limit.
- The total increases to the capital assets for the primary government were \$613,257.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) *Independent Auditors Report*; 2) *Management's Discussion and Analysis* and 3) the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), *Required Supplementary Information* such as budget to actual comparisons for the General Fund and major Special Revenue Funds, and *Other Supplementary Information* including combining financial statements for all nonmajor governmental funds and proprietary funds and other financial data.

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements (Reporting the County as a Whole)

The set of government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the County as a whole, and about its activities. Their purpose is to assist in answering the question, is the County, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all non-fiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. This means revenues are accounted for when they are *earned*, and expenses are accounted for when *incurred*, regardless of when the actual cash is received or disbursed.

The Statement of Net Position (page 16) presents all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as "net position". Over time, increases or decreases in net position measure whether the County's financial position is improving or deteriorating.

The Statement of Activities (page 17) presents information showing how the County's net position changed during 2023. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

- ***Governmental Activities*** - Most of the County's basic services are reported under this category. Taxes, charges for services and intergovernmental revenue primarily fund these services. Most of the County's general government departments, law enforcement, the courts, the Board of Commissioner operations, and other countywide elected official operations are reported under these activities. This also includes the special revenue funds such as the Jail Operations, Commission on Aging and Friend of the Court Funds.
- ***Business-type Activities*** - These activities operate like private businesses. The County charges fees to recover the cost of the services provided. The Delinquent Tax Revolving Fund and Emergency Medical Services Fund are examples of these activities.
- ***Discretely Presented Component Units*** - Discretely Presented Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. Six organizations are included as component units: The Benzie County Road Commission, Benzie County Medical Care Facility, Benzie Transportation Authority, Land Bank Authority, Brownfield Redevelopment Authority, and Economic Development Corporation.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual* basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, pages 20 and 23 present reconciliations between the two statement types. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the fund financial statements of the governmental funds; however, depreciation expense is reported on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the fund financial statements of the governmental funds.
- Long-term obligations, such as pension and reserves for sick and annual leave (compensated absences), etc. appear as liabilities on the government-wide statements; however, they will not appear on the fund financial statements unless current resources are used to pay a specific obligation.
- Bond proceeds are reported as liabilities on the government-wide statements but are recorded as other financing sources on the fund financial statements.

In addition, it should be noted that the government-wide financial statements include the net value of the County's general capital assets such as buildings, land, vehicles, computer equipment, etc. These values are not included in the fund financial statements.

Fund Financial Statements (Reporting the County's Major Funds)

The fund financial statements, which begin on page 18, provide information on the County's significant (major) funds, and aggregated nonmajor funds. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar.

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as the Jail Operations, Commission on Aging and Child Care Fund; other funds are required by bond or grant agreements, such as the Friend of the Court Fund. Funds are also utilized to track specific operations; these include the enterprise funds such as the Delinquent Tax Revolving Fund and the Emergency Medical Services Fund.

The *basic financial statements* report major funds as defined by the Government Accounting Standards Board (GASB) in separate columns. GASB Statement No. 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues, or total expenditures/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for Benzie County include the General Fund, the Jail Operations Fund, Commission on Aging Fund, ARPA Grant Fund, Opioid Settlement Fund, Capital Improvement Fund, the Delinquent Tax Revolving Fund, the Emergency Medical Services Fund, and the Tax Foreclosures Fund. All other funds, unless specifically designated by management as major, are classified as nonmajor funds and are reported in aggregate by the applicable fund type. The County includes detailed information on its nonmajor funds in the other supplementary information section of this report.

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

- **Governmental Funds** - Most of the County's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the County's programs. Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted), *Capital Projects Funds* (used to report major capital acquisitions and construction), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest).
- **Proprietary Funds** - Services for which the County charges customers (whether outside the County structure or a County department) a fee is generally reported in proprietary funds. Proprietary funds use the same *accrual* basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and/or services to the general public. An example is the Delinquent Tax Revolving Fund. *Internal Service funds* report activities that provide supplies or service to the County's other operations. Benzie County does not currently any internal service funds. Internal Service funds are reported as governmental activities on the government-wide statements.
- **Fiduciary Funds** - The County acts as a trustee or fiduciary in certain instances. It is also responsible for other assets that, because of trust arrangements, can only be used for the trust beneficiaries. These funds, which include custodial funds, are reported using the accrual basis of accounting. The government-wide statements *exclude* the fiduciary fund activities and balances because these assets are not available to the County to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 32 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedule for the General Fund and the major Special Revenue Funds.

Other Supplementary Information

Other Supplementary Information includes combining financial statements for nonmajor governmental, proprietary, and fiduciary funds. These funds, except for the fiduciary funds, are added together, by fund type, and are presented in aggregate single columns in the appropriate basic financial statements.

**BENZIE COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Benzie County's combined net position was \$21,622,927 at the end of this fiscal year's operations. The net position of the governmental activities was \$14,038,055; the business-type activities were \$7,584,872. The following table shows, in a condensed format, a comparative analysis of the net position, as of September 30, 2023 and 2022.

Net Position as of September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 10,705,467	\$ 11,062,209	\$ 8,574,306	\$ 8,206,943	\$ 19,279,773	\$ 19,269,152
Capital assets, net	10,693,253	10,124,590	565,887	521,293	11,259,140	10,645,883
TOTAL ASSETS	21,398,720	21,186,799	9,140,193	8,728,236	30,538,913	29,915,035
DEFERRED OUTFLOWS OF RESOURCES	2,319,270	1,339,660	579,817	334,915	2,899,087	1,674,575
LIABILITIES						
Current liabilities	1,520,086	4,602,980	95,175	71,844	1,615,261	4,674,824
Noncurrent liabilities	8,121,450	5,380,358	2,030,363	1,345,089	10,151,813	6,725,447
TOTAL LIABILITIES	9,641,536	9,983,338	2,125,538	1,416,933	11,767,074	11,400,271
DEFERRED INFLOWS OF RESOURCES	38,399	1,099,689	9,600	274,922	47,999	1,374,611
NET POSITION						
Investment in capital assets	10,693,253	10,124,590	565,887	521,293	11,259,140	10,645,883
Restricted	3,555,872	3,005,346	-	-	3,555,872	3,005,346
Unrestricted	(211,070)	(1,686,504)	7,018,985	6,850,003	6,807,915	5,163,499
TOTAL NET POSITION	\$ 14,038,055	\$ 11,443,432	\$ 7,584,872	\$ 7,371,296	\$ 21,622,927	\$ 18,814,728

BENZIE COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position for the fiscal year ending September 30, 2023 and 2022

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's primary government net position changed during the fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenue						
Charges for services	\$ 2,915,004	\$ 2,632,272	\$ 1,619,450	\$ 1,798,957	\$ 4,534,454	\$ 4,431,229
Operating grants and contributions	5,263,233	1,081,833	1,574	1,527	5,264,807	1,083,360
Capital grants and contributions	100,000	-	-	-	100,000	-
General revenues						
Property taxes	9,184,741	8,398,076	1,213,349	1,100,674	10,398,090	9,498,750
Revenue sharing	384,055	362,357	-	-	384,055	362,357
Investment earnings	322,211	40,406	145,841	(387,270)	468,052	(346,864)
Miscellaneous	717,051	204,377	42,989	21,753	760,040	226,130
Transfers	270,024	400,980	(270,024)	(400,980)	-	-
TOTAL REVENUES	19,156,319	13,120,301	2,753,179	2,134,661	21,909,498	15,254,962
EXPENSES						
Program expenses						
Governmental activities						
General government	4,048,696	2,191,585	-	-	4,048,696	2,191,585
Judicial	1,864,905	1,768,688	-	-	1,864,905	1,768,688
Public safety	6,803,144	5,828,726	-	-	6,803,144	5,828,726
Public works	571,234	524,179	-	-	571,234	524,179
Health and welfare	2,490,994	2,439,339	-	-	2,490,994	2,439,339
Community and economic development	400,494	222,559	-	-	400,494	222,559
Recreation and culture	382,229	343,561	-	-	382,229	343,561
Business-type activities						
Delinquent Tax Revolving	-	-	1,100	1,100	1,100	1,100
Emergency Medical Services	-	-	2,362,079	2,032,979	2,362,079	2,032,979
Tax Foreclosures	-	-	167,078	348,177	167,078	348,177
Other	-	-	9,346	7,884	9,346	7,884
TOTAL EXPENSES	16,561,696	13,318,637	2,539,603	2,390,140	19,101,299	15,708,777
Change in net position	<u>\$ 2,594,623</u>	<u>\$ (198,336)</u>	<u>\$ 213,576</u>	<u>\$ (255,479)</u>	<u>\$ 2,808,199</u>	<u>\$ (453,815)</u>

Governmental Activities

The result of 2023 governmental activity was an increase of \$2,594,623 to bring net position to \$14,038,055. Of the total governmental activities' net position, \$10,693,253 is considered an investment in capital assets; \$3,555,872 is reported as restricted, meaning these assets are legally committed for a specific purpose through statute, or by another authority outside the County government. The balance is listed as unrestricted, having no legal commitment.

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues

The three largest revenue categories for governmental activities were property taxes at 48%, operating grants and contributions at 28%, and charges for services at 15%. The County levied property tax millages for the 2022 tax levy which is recognized as revenue in 2023, including 0.8000 mills for ambulance operations, 0.1222 mills for conservation district, 1.2660 mills for jail operations, 0.3626 mills for medical care facility operations, 0.4500 for medical care facility debt, 0.1000 mills for TNT officer, 0.9666 mills for roads, 0.8177 mills for commission on aging, 0.1800 mills for school resource officer, 0.0400 mills for veterans, and 0.1400 mills for animal control. The County also levied 3.3378 mills for general operations in July of 2023 which is recognized as revenue in 2023. Charges for services, which reimburse the County for specific activities, are the second largest source of governmental activity revenue. Examples include District Court fees and services, Clerk's office filing fees, Register of Deeds filing fees, and inmate telephone charges. Grants and contributions are the third largest source of governmental activity revenue. Overall, revenues increased approximately 46% from the prior year as investment earnings and capital grants and contributions both increased significantly.

Expenses

Public safety is the largest governmental activity, expending \$6,803,144 of the \$16,578,434 governmental activities total and includes sheriff and jail operations. General government is the second largest area, expending \$4,048,696 and includes the general operating and administrative costs of the County such as building and grounds, clerk, treasurer, and administrator functions. Overall, expenses increased by approximately 24% as the County made numerous investments in capital assets and infrastructure utilizing ARPA grant revenues.

Business-type Activities

Net position in business-type activities increased by \$213,576 during 2023.

Of the total business-type activities net position, \$565,887 is invested in capital assets. The remaining balance, \$7,018,985, is reported as unrestricted. However, it is important to note that although reported as unrestricted, many of these assets are anticipated to be designated through Board of Commissioners action to be spent on General Fund activities and self-funding of delinquent tax payments in future years.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As the County completed 2023, its governmental funds reported *combined* fund balances of \$8,915,874 a net increase of \$2,854,094. The net changes of the major governmental funds are summarized in the following chart:

	General Fund	Jail Operations	Commission on Aging	ARPA Grant	Opioid Settlement	Capital Improvements
Fund Balance 9/30/2023	\$ 4,665,687	\$ 113,281	\$ 211,812	\$ -	\$ 116,953	\$ 352,777
Fund Balance 9/30/2022	2,274,469	36,937	191,621	16,882	-	349,436
Net Change	<u>\$ 2,391,218</u>	<u>\$ 76,344</u>	<u>\$ 20,191</u>	<u>\$ (16,882)</u>	<u>\$ 116,953</u>	<u>\$ 3,341</u>

**BENZIE COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As the County completed 2023, its enterprise funds reported *combined* net position of \$7,584,872 a net increase of \$213,576. The net change of the major enterprise fund is summarized in the following chart:

	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures
Net Position 9/30/2023	\$ 5,536,673	\$ 911,161	\$ 1,082,200
Net Position 9/30/2022	<u>5,383,084</u>	<u>877,848</u>	<u>1,056,775</u>
Net Change	<u>\$ 153,589</u>	<u>\$ 33,313</u>	<u>\$ 25,425</u>

General Fund

The General Fund is the chief operating fund of the County. Unless otherwise required by statute, contractual agreement, or Board policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2023, the General Fund reported a fund balance of \$4,665,687. This amount is an increase of \$2,391,218 from the fund balance of \$2,274,469 reported as of September 30, 2022.

The General Fund 2023 revenues exceeded 2023 expenditures by \$1,218,976. After including other financing sources and uses, there was a net increase of \$2,391,218 in fund balance.

General Fund Budgetary Highlights

Benzie County's budget is a dynamic document. Although adopted in September (prior to the start of the year), the budget is frequently amended during the course of the year to reflect changing operational demands.

The County increased the budget for revenues and other financing sources during the year by \$103,070, or approximately 1%. Actual General Fund revenue and other financing sources totaled \$10,202,194, \$2,438,460 over the final amended budget. Transfers in were \$1,806,869 more than budgeted and taxes and penalties were \$357,382 more than budgeted amounts.

The County increased the budget for expenditures and other financing uses during the year by \$403,074, or approximately 5%. The County's General Fund total expenditures and other financing uses during 2023 were \$252,762 less than budgeted expenditures and other financing uses. Significantly, general government and public safety expenditures were \$151,508 and \$76,172, respectively, less than budgeted as the County worked tirelessly to minimize spending, increase equity, and be below budget wherever possible with significant savings noted in insurance.

Jail Operations Fund

The Jail Operations Fund received \$76,344 of fund balance during the year ended September 30, 2023, ending the year with a restricted fund balance of \$113,281.

**BENZIE COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Commission on Aging Fund

The Commission on Aging Fund received \$20,191 of fund balance during the year ended September 30, 2023, ending the year with a restricted fund balance of \$211,812.

ARPA Grant Fund

The ARPA Grant Fund used \$16,882 of fund balance during the year as it recognized unearned grant revenue received in past years and utilized those funds for infrastructure projects and operating costs. As of September 30, 2023 the fund reported \$0 fund balance.

Opioid Settlement Fund

The Opioid Settlement Fund received \$116,953 of fund balance during the year ended September 30, 2023, ending the year with a restricted fund balance of \$116,953.

Capital Improvement Fund

The Capital Improvement Fund received \$3,341 of fund balance during the year ended September 30, 2023, ending the year with a restricted fund balance of \$352,777.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2023, the County had invested \$11,259,140 for the primary government, net of accumulated depreciation, in a broad range of capital assets (see table below). Accumulated depreciation was \$8,346,468 for the primary government. Depreciation charges for the fiscal year totaled \$389,782 for the primary government. Additions to capital assets totaled \$1,053,257 for the primary government and included land, vehicle and other equipment acquisitions. Additional information on capital assets can be found in Note 5 of this report.

	Governmental Activities	Business-type Activities	Total
Land	\$ 6,016,816	\$ 35,000	\$ 6,051,816
Buildings and improvements	3,504,238	138,365	3,642,603
Land improvements	81,082	-	81,082
Machinery and equipment	577,574	392,522	970,096
Capital Assets, net	<u>\$ 10,693,253</u>	<u>\$ 565,887</u>	<u>\$ 11,259,140</u>

**BENZIE COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Long-term Obligations

At the end of Fiscal Year 2023, the County had net outstanding obligations of \$407,255 for the primary government (see table below). Additional information on long-term debt can be found in Note 6 of this report.

	<u>Balance Oct. 1, 2022</u>	<u>Change</u>	<u>Balance Sept. 30, 2023</u>
PRIMARY GOVERNMENT			
Governmental Activities			
Compensated absences	<u>\$ 292,850</u>	<u>\$ 114,405</u>	<u>\$ 407,255</u>

COUNTY ECONOMIC OUTLOOK

One large capital project is expected to continue in FY 2023-2024, notably construction with the Point Betsie Lighthouse. These projects will impact two operational departments, notably the Administrator's office (who provides grant administration) and the Building Department (permits and inspections).

Benzie County's financial challenges are being addressed through a new strategic plan that will eventually provide multi-year budgeting and projections. The County will also establish processes to closely monitor capital and operational expenses. While the fiscal performance in FY 2023-2024 was significantly better than expected, the concerns with personal property tax reduction, court reform and state revenue sharing, along with containing operational costs will be diligently monitored.

CONTACTING THE COUNTY

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to: Benzie County, 448 Court Place, Beulah, Michigan, 49617.

BASIC FINANCIAL STATEMENTS

BENZIE COUNTY, MICHIGAN
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 8,225,087	\$ 6,860,559	\$ 15,085,646	\$ 8,144,556
Cash and investments - restricted	-	-	-	618,882
Receivables				
Accounts, net	377,515	735,465	1,112,980	2,759,451
Loans	753,144	-	753,144	-
Taxes	913,277	936,386	1,849,663	-
Due from other governmental units	404,580	-	404,580	305,852
Internal balances	(26,527)	26,527	-	-
Prepays	58,391	15,369	73,760	280,805
Inventories	-	-	-	609,125
Capital assets not being depreciated	6,530,359	35,000	6,565,359	2,590,378
Capital assets, net of accumulated depreciation	4,162,894	530,887	4,693,781	37,766,636
Net pension asset	-	-	-	27,426
TOTAL ASSETS	21,398,720	9,140,193	30,538,913	53,103,111
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	2,319,270	579,817	2,899,087	2,811,063
Deferred outflows of resources related to OPEB	-	-	-	34,124
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,319,270	579,817	2,899,087	2,845,187
LIABILITIES				
Accounts payable	612,877	23,362	636,239	688,832
Accrued liabilities	499,954	71,813	571,767	288,674
Deposits	-	-	-	30,000
Unearned revenue	-	-	-	495,705
Noncurrent liabilities				
Due within one year				
Current portion of compensated absences	407,255	-	407,255	-
Current portion of long-term debt	-	-	-	457,838
Due in more than one year				
Advance from other governmental units	-	-	-	374,790
Noncurrent portion of compensated absences	-	-	-	233,599
Noncurrent portion of long-term debt	-	-	-	3,001,511
Net pension liability	8,121,450	2,030,363	10,151,813	4,790,908
Net other post-employment benefits liability	-	-	-	106,604
TOTAL LIABILITIES	9,641,536	2,125,538	11,767,074	10,468,461
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	38,399	9,600	47,999	145,624
Deferred inflows of resources related to OPEB	-	-	-	239,337
TOTAL DEFERRED INFLOWS OF RESOURCES	38,399	9,600	47,999	384,961
NET POSITION				
Investment in capital assets	10,693,253	565,887	11,259,140	36,897,665
Restricted				
Public safety	1,294,630	-	1,294,630	-
Health and welfare	1,324,670	-	1,324,670	-
Capital projects	9,391	-	9,391	-
Other purposes	927,181	-	927,181	-
Debt service	-	-	-	489,570
Unrestricted	(211,070)	7,018,985	6,807,915	7,707,641
TOTAL NET POSITION	\$ 14,038,055	\$ 7,584,872	\$ 21,622,927	\$ 45,094,876

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 4,048,696	\$ 372,825	\$ 3,836,778	\$ -	\$ 160,907	\$ -	\$ 160,907	\$ -
Judicial	1,864,905	207,989	305,402	-	(1,351,514)	-	(1,351,514)	-
Public safety	6,803,144	1,590,859	174,836	100,000	(4,937,449)	-	(4,937,449)	-
Public works	571,234	332,370	13,281	-	(225,583)	-	(225,583)	-
Health and welfare	2,490,994	32,634	744,803	-	(1,713,557)	-	(1,713,557)	-
Community and economic development	400,494	377,075	-	-	(23,419)	-	(23,419)	-
Recreation and culture	382,229	1,252	188,133	-	(192,844)	-	(192,844)	-
Total governmental activities	<u>16,561,696</u>	<u>2,915,004</u>	<u>5,263,233</u>	<u>100,000</u>	<u>(8,283,459)</u>	<u>-</u>	<u>(8,283,459)</u>	<u>-</u>
Business-type activities								
Delinquent Tax Revolving	1,100	265,350	-	-	-	264,250	264,250	-
Emergency Medical Services	2,362,079	1,137,480	1,574	-	-	(1,223,025)	(1,223,025)	-
Tax Foreclosures	167,078	206,025	-	-	-	38,947	38,947	-
Other	9,346	10,595	-	-	-	1,249	1,249	-
Total business-type activities	<u>2,539,603</u>	<u>1,619,450</u>	<u>1,574</u>	<u>-</u>	<u>-</u>	<u>(918,579)</u>	<u>(918,579)</u>	<u>-</u>
Total primary government	<u>\$ 19,101,299</u>	<u>\$ 4,534,454</u>	<u>\$ 5,264,807</u>	<u>\$ 100,000</u>	<u>(8,283,459)</u>	<u>(918,579)</u>	<u>(9,202,038)</u>	<u>-</u>
Component units								
Road Commission	\$ 7,130,250	\$ 1,748,416	\$ 5,309,733	\$ 430,483	-	-	-	358,382
Medical Care Facility	12,644,863	11,165,809	262,853	-	-	-	-	(1,216,201)
Benzie Transportation Authority	2,967,535	227,928	1,769,061	14,044	-	-	-	(956,502)
Land Bank Authority	22,410	15,383	10,000	-	-	-	-	2,973
Brownfield Redevelopment Authority	2,244	-	-	-	-	-	-	(2,244)
Economic Development Corporation	23,886	-	23,886	-	-	-	-	-
Total component units	<u>\$ 22,791,188</u>	<u>\$ 13,157,536</u>	<u>\$ 7,375,533</u>	<u>\$ 444,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,813,592)</u>
General revenues								
Property taxes					9,184,741	1,213,349	10,398,090	3,217,225
Revenue sharing					384,055	-	384,055	-
Investment earnings					322,211	145,841	468,052	291,615
Miscellaneous					717,051	42,989	760,040	114,099
Transfers					270,024	(270,024)	-	-
Total general revenues and transfers					<u>10,878,082</u>	<u>1,132,155</u>	<u>12,010,237</u>	<u>3,622,939</u>
Change in net position					2,594,623	213,576	2,808,199	1,809,347
Net position, beginning of the year					<u>11,443,432</u>	<u>7,371,296</u>	<u>18,814,728</u>	<u>43,285,529</u>
Net position, end of the year					<u>\$ 14,038,055</u>	<u>\$ 7,584,872</u>	<u>\$ 21,622,927</u>	<u>\$ 45,094,876</u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2023**

		Special	
	General	Jail Operations	Commission on Aging
ASSETS			
Cash and investments	\$ 4,405,704	\$ 170,040	\$ 211,812
Receivables			
Accounts	68,572	15,955	-
Loans	-	-	-
Taxes	913,277	-	-
Due from other governmental units	-	-	-
Prepays	40,795	9,806	-
TOTAL ASSETS	\$ 5,428,348	\$ 195,801	\$ 211,812
LIABILITIES			
Accounts payable	\$ 91,370	\$ 28,597	\$ -
Accrued liabilities	387,701	53,923	-
Due to other funds	-	-	-
TOTAL LIABILITIES	479,071	82,520	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	283,590	-	-
FUND BALANCES			
Nonspendable	40,795	9,806	-
Restricted	-	103,475	211,812
Committed	430,000	-	-
Assigned	-	-	-
Unassigned	4,194,892	-	-
TOTAL FUND BALANCES	4,665,687	113,281	211,812
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,428,348	\$ 195,801	\$ 211,812

See accompanying notes to financial statements.

Revenue		Capital Projects		Nonmajor Governmental Funds	Total
ARPA Grant	Opioid Settlement	Capital Improvements			
\$ 6,000	\$ 105,545	\$ 674,079	\$ 2,651,907	\$ 8,225,087	
-	-	-	292,988	377,515	
-	-	-	753,144	753,144	
-	-	-	-	913,277	
-	404,580	-	-	404,580	
-	-	-	7,790	58,391	
<u>\$ 6,000</u>	<u>\$ 510,125</u>	<u>\$ 674,079</u>	<u>\$ 3,705,829</u>	<u>\$ 10,731,994</u>	
\$ 6,000	\$ -	\$ 321,302	\$ 165,608	\$ 612,877	
-	-	-	58,330	499,954	
-	-	-	26,527	26,527	
<u>6,000</u>	<u>-</u>	<u>321,302</u>	<u>250,465</u>	<u>1,139,358</u>	
-	393,172	-	-	676,762	
-	-	-	760,934	811,535	
-	116,953	-	2,353,287	2,785,527	
-	-	-	142,940	572,940	
-	-	352,777	198,203	550,980	
-	-	-	-	4,194,892	
<u>-</u>	<u>116,953</u>	<u>352,777</u>	<u>3,455,364</u>	<u>8,915,874</u>	
<u>\$ 6,000</u>	<u>\$ 510,125</u>	<u>\$ 674,079</u>	<u>\$ 3,705,829</u>	<u>\$ 10,731,994</u>	

BENZIE COUNTY, MICHIGAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances - governmental funds **\$ 8,915,874**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 18,209,212	
Accumulated depreciation is	<u>(7,515,959)</u>	
Capital assets, net		10,693,253

Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	2,319,270	
Deferred inflows of resources related to pensions	<u>(38,399)</u>	
		2,280,871

Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the funds. 676,762

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Compensated absences	(407,255)	
Net pension liability	<u>(8,121,450)</u>	
		<u>(8,528,705)</u>

Net position of governmental activities **\$ 14,038,055**

BENZIE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

		Special	
	General	Jail Operations	Commission on Aging
REVENUES			
Taxes	\$ 5,940,052	\$ 1,920,746	\$ 1,240,778
Licenses and permits	36,700	-	-
Intergovernmental	947,757	40,127	1,768
Charges for services	896,876	144,327	-
Fines and forfeits	2,394	-	-
Investment earnings and rents	172,702	-	4,969
Other	268,844	82,073	-
TOTAL REVENUES	8,265,325	2,187,273	1,247,515
EXPENDITURES			
Current			
General government	1,704,426	-	-
Judicial	1,460,568	-	-
Public safety	1,519,888	2,110,929	-
Public works	21,940	-	-
Health and welfare	607,661	-	1,243,319
Community and economic development	274,509	-	-
Recreation and culture	92,864	-	-
Other	1,364,493	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	7,046,349	2,110,929	1,243,319
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,218,976	76,344	4,196
OTHER FINANCING SOURCES (USES)			
Transfers in	1,936,869	-	15,995
Transfers out	(764,627)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,172,242	-	15,995
NET CHANGE IN FUND BALANCES	2,391,218	76,344	20,191
Fund balances, beginning of year	2,274,469	36,937	191,621
Fund balances, end of year	\$ 4,665,687	\$ 113,281	\$ 211,812

See accompanying notes to financial statements.

Revenue		Capital Projects		Nonmajor Governmental Funds	Total
ARPA Grant	Opioid Settlement	Capital Improvements			
\$ -	\$ -	\$ -	\$ 698,606	\$ 9,800,182	
-	-	-	442,949	479,649	
3,550,837	116,953	-	499,869	5,157,311	
-	-	-	1,132,765	2,173,968	
-	-	-	5,017	7,411	
155,307	-	-	49,177	382,155	
-	-	168,702	379,537	899,156	
<u>3,706,144</u>	<u>116,953</u>	<u>168,702</u>	<u>3,207,920</u>	<u>18,899,832</u>	
1,801,301	-	-	35,596	3,541,323	
-	-	-	152,819	1,613,387	
-	-	-	1,904,167	5,534,984	
-	-	-	415,575	437,515	
-	-	-	345,763	2,196,743	
-	-	-	35,136	309,645	
-	-	-	187,375	280,239	
-	-	-	-	1,364,493	
-	-	945,361	92,072	1,037,433	
<u>1,801,301</u>	<u>-</u>	<u>945,361</u>	<u>3,168,503</u>	<u>16,315,762</u>	
<u>1,904,843</u>	<u>116,953</u>	<u>(776,659)</u>	<u>39,417</u>	<u>2,584,070</u>	
-	-	780,000	233,872	2,966,736	
(1,921,725)	-	-	(10,360)	(2,696,712)	
<u>(1,921,725)</u>	<u>-</u>	<u>780,000</u>	<u>223,512</u>	<u>270,024</u>	
(16,882)	116,953	3,341	262,929	2,854,094	
<u>16,882</u>	<u>-</u>	<u>349,436</u>	<u>3,192,435</u>	<u>6,061,780</u>	
<u>\$ -</u>	<u>\$ 116,953</u>	<u>\$ 352,777</u>	<u>\$ 3,455,364</u>	<u>\$ 8,915,874</u>	

BENZIE COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds **\$ 2,854,094**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	996,468
Net effect of disposal of assets		(50,218)
Depreciation expense		<u>(377,587)</u>

Excess of capital outlay over depreciation expense and other items		568,663
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in long-term receivables reported in the funds is:		(13,537)
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Some items reported in the statement of activities do not add to or require the use of current financial resources and therefore are not reported in governmental funds. These activities consist of:

(Increase) in compensated absences	(114,405)
(Increase) in net pension liability	(2,741,092)
Increase in deferred outflows of resources related to pensions	979,610
Decrease in deferred inflows of resources related to pensions	<u>1,061,290</u>

(814,597)

Change in net position of governmental activities		<u>\$ 2,594,623</u>
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**BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
ASSETS					
Cash and investments	\$ 4,573,766	\$ 1,140,840	\$ 1,091,115	\$ 54,838	\$ 6,860,559
Receivables					
Accounts, net	-	735,465	-	-	735,465
Delinquent taxes	936,386	-	-	-	936,386
Due from other funds	26,527	-	-	-	26,527
Prepays	-	15,369	-	-	15,369
Capital assets not being depreciated	-	35,000	-	-	35,000
Capital assets, net of accumulated depreciation	-	530,887	-	-	530,887
TOTAL ASSETS	5,536,679	2,457,561	1,091,115	54,838	9,140,193
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	-	579,817	-	-	579,817
LIABILITIES					
Accounts payable	6	14,441	8,915	-	23,362
Accrued liabilities	-	71,813	-	-	71,813
Noncurrent liabilities:					
Due in more than one year:					
Net pension liability	-	2,030,363	-	-	2,030,363
TOTAL LIABILITIES	6	2,116,617	8,915	-	2,125,538
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	-	9,600	-	-	9,600
NET POSITION					
Investment in capital assets	-	565,887	-	-	565,887
Unrestricted	5,536,673	345,274	1,082,200	54,838	7,018,985
TOTAL NET POSITION	\$ 5,536,673	\$ 911,161	\$ 1,082,200	\$ 54,838	\$ 7,584,872

See accompanying notes to financial statements.

BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Charges for services	\$ 88,934	\$ 1,137,480	\$ 206,025	\$ 10,595	\$ 1,443,034
Interest and penalties on taxes	176,416	-	-	-	176,416
Other revenue	-	42,989	-	-	42,989
TOTAL OPERATING REVENUES	265,350	1,180,469	206,025	10,595	1,662,439
OPERATING EXPENSES					
Personnel costs	-	1,779,038	-	-	1,779,038
Contractual services	-	54,050	-	-	54,050
Utilities	-	25,384	-	-	25,384
Repairs and maintenance	-	171,327	-	-	171,327
Insurance	-	54,044	-	-	54,044
Other supplies and expenses	1,100	266,041	167,078	9,346	443,565
Depreciation	-	12,195	-	-	12,195
TOTAL OPERATING EXPENSES	1,100	2,362,079	167,078	9,346	2,539,603
OPERATING INCOME (LOSS)	264,250	(1,181,610)	38,947	1,249	(877,164)
NONOPERATING REVENUES					
Property taxes	-	1,213,349	-	-	1,213,349
Intergovernmental	-	1,574	-	-	1,574
Investment earnings	129,363	-	16,478	-	145,841
TOTAL NONOPERATING REVENUES	129,363	1,214,923	16,478	-	1,360,764
INCOME BEFORE TRANSFERS	393,613	33,313	55,425	1,249	483,600
Transfers in	139,976	-	-	-	139,976
Transfers out	(380,000)	-	(30,000)	-	(410,000)
CHANGE IN NET POSITION	153,589	33,313	25,425	1,249	213,576
Net position, beginning of year	5,383,084	877,848	1,056,775	53,589	7,371,296
Net position, end of year	<u>\$ 5,536,673</u>	<u>\$ 911,161</u>	<u>\$ 1,082,200</u>	<u>\$ 54,838</u>	<u>\$ 7,584,872</u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 191,754	\$ 1,127,160	\$ 563,764	\$ 10,595	\$ 1,893,273
Cash paid to employees	-	(1,154,696)	-	-	(1,154,696)
Cash paid to suppliers	(1,100)	(1,014,435)	(164,825)	(9,346)	(1,189,706)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	190,654	(1,041,971)	398,939	1,249	(451,129)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes	-	1,213,349	-	-	1,213,349
Intergovernmental sources	-	1,574	-	-	1,574
Transfers in/(out)	(240,024)	-	(30,000)	-	(270,024)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(240,024)	1,214,923	(30,000)	-	944,899
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital purchases	-	(56,789)	-	-	(56,789)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	129,363	-	16,478	-	145,841
NET INCREASE IN CASH AND INVESTMENTS	79,993	116,163	385,417	1,249	582,822
Cash and investments, beginning of year	4,493,773	1,024,677	705,698	53,589	6,277,737
Cash and investments, end of year	<u>\$ 4,573,766</u>	<u>\$ 1,140,840</u>	<u>\$ 1,091,115</u>	<u>\$ 54,838</u>	<u>\$ 6,860,559</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 264,250	\$ (1,181,610)	\$ 38,947	\$ 1,249	\$ (877,164)
Adjustments to reconcile operating income (loss) to net cash and investments provided (used) by operating activities					
Depreciation	-	12,195	-	-	12,195
(Increase) decrease in:					
Receivables	(197,575)	(53,309)	357,739	-	106,855
Due from other funds	123,973	-	-	-	123,973
Prepays	-	(15,369)	-	-	(15,369)
Deferred outflows of resources related to pensions	-	(244,902)	-	-	(244,902)
Increase (decrease) in:					
Accounts payable	6	6,204	2,253	-	8,463
Accrued liabilities	-	14,868	-	-	14,868
Net pension liability	-	685,274	-	-	685,274
Deferred inflows of resources related to pensions	-	(265,322)	-	-	(265,322)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 190,654</u>	<u>\$ (1,041,971)</u>	<u>\$ 398,939</u>	<u>\$ 1,249</u>	<u>\$ (451,129)</u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	<u>\$ 8,251,118</u>
LIABILITIES	
Undistributed tax collections payable	5,348,435
Due to other governmental units	258,070
Due to others	<u>95,581</u>
TOTAL LIABILITIES	<u>5,702,086</u>
NET POSITION	
Restricted for individuals, organizations, and other governmental units	<u><u>\$ 2,549,032</u></u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Funds
ADDITIONS	
Investment earnings	\$ 42,401
Property tax collections for other governmental units	11,322,904
Collections for other governmental units	7,956,439
Collections for individuals and agencies	<u>398,100</u>
TOTAL ADDITIONS	<u>19,719,844</u>
DEDUCTIONS	
Property tax distributions to other governmental units	11,322,904
Distributions to other governmental units	7,191,468
Distributions to individuals and agencies	<u>377,479</u>
TOTAL DEDUCTIONS	<u>18,891,851</u>
NET CHANGE IN FIDUCIARY NET POSITION	827,993
Net position, beginning of year	<u>1,721,039</u>
Net position, end of year	<u><u>\$ 2,549,032</u></u>

**BENZIE COUNTY, MICHIGAN
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Road Commission	Medical Care Facility	Benzie Transportation Authority
ASSETS			
Cash and investments	\$ 2,255,504	\$ 4,207,254	\$ 1,497,769
Cash and investments - restricted	-	618,882	-
Receivables	1,171,270	1,547,471	18,542
Due from other governmental units	-	-	305,852
Prepays and deposits	122,212	141,343	17,250
Inventories	590,283	-	18,842
Capital assets not being depreciated	2,554,341	36,037	-
Capital assets, net of accumulated depreciation	22,947,712	12,742,813	2,076,111
Net pension asset	-	-	27,426
TOTAL ASSETS	29,641,322	19,293,800	3,961,792
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,443,318	1,096,827	270,918
Deferred outflows of resources related to OPEB	34,124	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,477,442	1,096,827	270,918
LIABILITIES			
Accounts payable	246,748	410,170	31,824
Accrued liabilities	32,600	160,683	95,391
Deposits	30,000	-	-
Unearned revenue	495,705	-	-
Noncurrent liabilities			
Due within one year			
Current portion of long-term debt	29,788	428,050	-
Due in more than one year			
Advance from other governmental units	374,790	-	-
Noncurrent portion of compensated absences	85,227	148,372	-
Noncurrent portion of long-term debt	-	3,001,511	-
Net pension liability	2,547,326	2,243,582	-
Net other post-employment benefits liability	106,604	-	-
TOTAL LIABILITIES	3,948,788	6,392,368	127,215
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	58,972	-	86,652
Deferred inflows of resources related to OPEB	239,337	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	298,309	-	86,652
NET POSITION			
Net investment in capital assets	25,472,265	9,349,289	2,076,111
Restricted for capital and debt services	-	489,570	-
Unrestricted	1,399,402	4,159,400	1,942,732
TOTAL NET POSITION	\$ 26,871,667	\$ 13,998,259	\$ 4,018,843

See accompanying notes to financial statements.

Land Bank Authority	Brownfield Redevelopment Authority	Economic Development Corporation	Total
\$ 167,317	\$ 16,712	\$ -	\$ 8,144,556
-	-	-	618,882
22,168	-	-	2,759,451
-	-	-	305,852
-	-	-	280,805
-	-	-	609,125
-	-	-	2,590,378
-	-	-	37,766,636
-	-	-	27,426
189,485	16,712	-	53,103,111
-	-	-	2,811,063
-	-	-	34,124
-	-	-	2,845,187
90	-	-	688,832
-	-	-	288,674
-	-	-	30,000
-	-	-	495,705
-	-	-	457,838
-	-	-	374,790
-	-	-	233,599
-	-	-	3,001,511
-	-	-	4,790,908
-	-	-	106,604
90	-	-	10,468,461
-	-	-	145,624
-	-	-	239,337
-	-	-	384,961
-	-	-	36,897,665
-	-	-	489,570
189,395	16,712	-	7,707,641
\$ 189,395	\$ 16,712	\$ -	\$ 45,094,876

**BENZIE COUNTY, MICHIGAN
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position						Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Medical Care Facility	Benzie Transportation Authority	Land Bank Authority	Brownfield Redevelopment Authority	Economic Development Corporation	
Road Commission	\$ 7,130,250	\$ 1,748,416	\$ 5,309,733	\$ 430,483	\$ 358,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,382
Medical Care Facility	12,644,863	11,165,809	262,853	-	-	(1,216,201)	-	-	-	-	(1,216,201)
Benzie Transportation Authority	2,967,535	227,928	1,769,061	14,044	-	-	(956,502)	-	-	-	(956,502)
Land Bank Authority	22,410	15,383	10,000	-	-	-	-	2,973	-	-	2,973
Brownfield Redevelopment Authority	2,244	-	-	-	-	-	-	-	(2,244)	-	(2,244)
Economic Development Corporation	23,886	-	23,886	-	-	-	-	-	-	-	-
Total component units	<u>\$ 22,791,188</u>	<u>\$ 13,157,536</u>	<u>\$ 7,375,533</u>	<u>\$ 444,527</u>	<u>358,382</u>	<u>(1,216,201)</u>	<u>(956,502)</u>	<u>2,973</u>	<u>(2,244)</u>	<u>-</u>	<u>(1,813,592)</u>
General revenues											
Property taxes					1,253,777	1,235,334	724,329	2,840	945	-	3,217,225
Investment earnings					107,215	125,031	59,369	-	-	-	291,615
Miscellaneous					-	-	114,099	-	-	-	114,099
Total general revenues					1,360,992	1,360,365	897,797	2,840	945	-	3,622,939
Change in net position					1,719,374	144,164	(58,705)	5,813	(1,299)	-	1,809,347
Net position, beginning of year					25,152,293	13,854,095	4,077,548	183,582	18,011	-	43,285,529
Net position, end of year					<u>\$ 26,871,667</u>	<u>\$ 13,998,259</u>	<u>\$ 4,018,843</u>	<u>\$ 189,395</u>	<u>\$ 16,712</u>	<u>\$ -</u>	<u>\$ 45,094,876</u>

See accompanying notes to financial statements.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

The County of Benzie, Michigan (the County), was organized in 1869 and covers an area of approximately 316 square miles in northwest Michigan. The County seat is located in Beulah, Michigan. The County operates under an elected Board of Commissioners (seven members) with an appointed County Administrator who assists with day-to-day operations. The County provides services to its more than 17,500 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

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

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Benzie County (primary government) and its component units, entities for which the government is considered to be financially accountable. The component units described below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities, are, in substance, part of the County's operations, so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Blended Component Unit

The Benzie County Building Authority is an entity legally separate from the County. The Authority is governed by a board, appointed by the Commission, and is reported as if it were part of the County's operations because its primary purpose is the procurement and management of debt financing for the County.

Discretely Presented Component Units

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

The Benzie County Road Commission, which is established pursuant to the County Road Law (MCL 224.1), is governed by a five-member board of county road commissioners elected by the voters of Benzie County. Although the County does not have the authority to approve or modify the Road Commission's operational and capital budgets, bonded debt must be approved by the County Commission. This component unit is audited individually, and the financial statements may be obtained from the administrative office of the Road Commission.

The Benzie County Medical Care Facility is a nursing and rehabilitation facility providing care to Benzie County residents. The Medical Care Facility is governed by a three-member Board of Directors, two of whom are appointed by the County's Board of Commissioners and one appointed by the Michigan governor. Its operations are financed primarily through user charges (Medicaid, Medicare, private pay, etc.). This component unit is audited individually, and the financial statements may be obtained at its administrative office.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Discretely Presented Component Units (continued)

The Benzie Transportation Authority, which is established under Public Act 196 of 1986, is governed by an eight-member board of directors appointed by the County Board. The County does not exercise oversight responsibly and does not have accountability of fiscal matters. This component unit is audited individually, and the financial statements may be obtained from the administrative office of the Transportation Authority.

The Benzie County Land Bank Authority was organized pursuant to the Michigan Land Bank Fast Track Act and an intergovernmental agreement between the Michigan Land Bank Fast Track Authority and the Treasurer of the Benzie County.

The Benzie County Brownfield Redevelopment Authority, which was established under MCL 125.2651 et al., is governed by a nine-member Board appointed by the County's Board of Commissioners. The County is responsible for promoting the revitalization, redevelopment, and reuse of certain properties.

The Benzie County Economic Development Corporation, which was established pursuant to the provisions of Public Act 338 of 1974, as amended, is a legally separate non-profit corporation whose primary purpose is to promote economic development in the County of Benzie. The board of the Economic Development Corporation is appointed by the Board of Commissioners. The corporation's annual budget is subject to the approval of the Board of Commissioners and is financially accountable to the County.

Joint Ventures

The County participates in the following activities, which are considered to be joint ventures in relation to the County due to the formation of the organization by contractual agreement between two or more participants that maintain joint control, financial interest, and financial responsibility.

The County is a member of the City-County Airport Authority, which is a joint venture between Benzie County, the City of Frankfort, and Crystal Lake Township. The Authority is governed by a seven-member board. Two members are appointed from the County; two members are appointed from the City of Frankfort; two members are appointed from Crystal Lake Township, and the seventh member is appointed by the other members. For financial reporting purposes, the Authority is reported as a separate unit because the Authority can legally issue debt (although it has a letter of understanding with the City of Frankfort that no debt will be issued); levy tax revenue if desired; and adopt and amend its own budget. In the event of the Authority being dissolved, it will be reverted to the City of Frankfort. The Authority operates on a June 30 year end. Benzie County's contribution for the year ended September 30, 2023, was \$12,000.

The County is a member of the Benzie-Leelanau District Health Department, which is a joint venture between the Benzie and Leelanau Counties and was established to provide public health services. The District Health Board has representation from and provides services to Benzie and Leelanau Counties. Each County provides annual appropriations and passes through the statutory amounts of cigarette and hotel liquor tax funding to subsidize operations. The Benzie-Leelanau District Health Department is reported in the County's fiduciary funds financial statements since it is material to the County's financial statements and the County has some fiduciary responsibility for the entity. Benzie County's contribution for the year ended September 30, 2023, was \$255,248. Separate audited financial statements are available at the District Health Department's administrative offices.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All non-fiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, except for interfund services provided and used, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

FUND FINANCIAL STATEMENTS

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

The *Major Governmental Funds* of the County are:

- a. The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The *Jail Operations Fund* is used to account for expenditures incurred related to the County's jail operations that are financed primarily through property taxes, state and federal grants, and user charges.
- c. The *Commission on Aging Fund* is used to account for expenditures incurred related to providing services to aged and/or disabled residents of Benzie County that are financed primarily through property taxes.
- d. The *ARPA Grant Fund* is used to account for the restricted resources provided by the American Rescue Plan Act.
- e. The *Opioid Settlement Fund* is used to account for the restricted resources received through the National Opioid Settlement.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

- f. The *Capital Improvements Fund* is used to account for expenditures incurred related to capital purchase and projects within the County.

The *Major Enterprise Funds* of the County are:

- a. The *Delinquent Tax Revolving Fund* accounts for money advanced by the County to other local taxing units and various county funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties, and interest.
- b. The *Emergency Medical Services Fund* is used to account for expenditures incurred related to emergency services provided within the County that are financed primarily through property taxes and user charges.
- c. The *Tax Foreclosures Fund* is used to account for proceeds generated from the sale of foreclosed property within the County.

The County also reports fiduciary funds to account for assets held for others in a custodial capacity.

Measurement Focus

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

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

Basis of Accounting

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

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Basis of Accounting (continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unearned/unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Investments

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County’s investments. Cash and investments consist of checking and savings accounts as well as temporary investments in certificates of deposit, money market accounts, pooled investments funds, commercial paper, and municipal bonds. Earnings from deposits are allocated to numerous funds as required by Federal regulations, State statutes, and local ordinances. Investments are recorded at market (fair) value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

The County’s pooled cash and investments are utilized by the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Fiduciary Funds, and Component Unit Funds. Each fund’s portion of these pooled accounts is included in the cash and investments caption on the combined balance sheet and statement of net position.

The other funds of the County utilize separate savings and interest-bearing checking accounts. In addition, certificates of deposit and investment trust funds are separately held by several of the County’s funds.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Cash and Investments (continued)

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

- a. Bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belong to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. United States government or Federal agency obligation repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Receivables

Receivables consist of amounts due from governmental units for various financial assistance programs; taxes; accounts; and other receivables related to current and delinquent tax levies, charges for services, interest, and other related activities. The County also has loans receivable from low to moderate income homeowners for major home repairs. The loans are provided through the County's Community Development Block Grant.

Inventories

Inventories are priced at cost as determined on the average unit cost method. Inventory items are charged to road construction and maintenance, equipment repairs, and operations as used.

Prepays

Prepays consist of certain insurance premiums and other expenditures representing costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Prepays do not reflect current expendable resources of the governmental funds and, therefore, an equal portion of fund balance is nonspendable.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Capital Assets

PRIMARY GOVERNMENT AND COMPONENT UNITS (EXCEPT ROAD COMMISSION AND TRANSPORTATION AUTHORITY)

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	40-60 years
Buildings improvements	15-30 years
Vehicles	3-5 years
Office equipment	5-7 years
Computer equipment	3-7 years

COMPONENT UNIT - ROAD COMMISSION

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements (statement of net position and statement of activities). Capital assets are defined by the Road Commission as assets with an initial, individual cost of more than \$1,000 and with an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost of purchase or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Buildings	30-50 years
Road Equipment	5-8 years
Shop Equipment	10 years
Engineer's Equipment	4-10 years
Yard and Storage	7-15 years
Office Equipment	3-10 years
Infrastructure - Bridges	12-30 years
Infrastructure - Roads	8-20 years

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Capital Assets

COMPONENT UNIT - TRANSPORTATION AUTHORITY

Capital assets are stated at cost or estimated acquisition value at date of gift. Costs relating to maintenance and repairs are charged expense, whereas those for renewals and betterments, when significant in amount, are capitalized. Provisions for depreciation of equipment are computed on the straight-line method. Depreciation rates are designed to amortize the cost of the assets over their estimated useful lives. The Authority's policy is to capitalize qualified purchases in excess of \$1,000 unless they are part of a capital grant whereas there is no minimum threshold.

Net Pension Liability (Asset) and Net Other Post-Employment Benefits Liability

The net pension liability (asset) and net other post-employment benefits liability are deemed to be noncurrent liabilities (asset) and are recognized on the statement of net position.

Deferred Outflows/Inflows of Resources

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

The County reports deferred amounts which correspond to the pension and OPEB benefits and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual pension plan investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred in the government-wide financial statements and are recognized as an outflow or inflow of resources in the period to which they apply.

The County also reports deferred inflows of resources which arise only under a modified accrual basis of accounting and which qualify for reporting in this category. Accordingly, *unavailable revenue* is reported only on the governmental funds balance sheet for revenues collected subsequent to 60 days after year end.

Long-Term Obligations

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

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

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Compensated Absences

In accordance with County personnel policies and/or contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the respective personnel policies and/or contracts. Vested vacation and sick leave earned as of September 30, 2023, including related payroll taxes, is recorded in the government-wide and proprietary fund financial statements.

Fund Balance

The County classifies governmental fund balance as follows:

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

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

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

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

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

Fund Balance Classification Policies and Procedures

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

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

The County has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first. When an expenditure is incurred for which both restricted and unrestricted fund balance is available, restricted fund balance will be used first. When components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Interfund Transactions

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

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level for the General Fund and total expenditure level for special revenue funds. The County employs the following procedures in establishing budgets:

- a. Each August, after receiving input from the individual departments, the Board of Commissioners prepares a proposed operating budget for the fiscal period commencing October 1 and lapses on September 30. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through a resolution passed by the Board of Commissioners.
- d. The budgetary control is exercised at the departmental level of the General Fund. Any revisions that alter the total expenditures of any department or fund (i.e., budget amendments) require approval by the Board of Commissioners. Such amendments are made in accordance with the procedures prescribed under Public Act 621 of 1978.
- e. The budget and approved appropriations lapse at the end of the fiscal year.
- f. The County does not record encumbrances in the accounting records during the year as normal practice and, therefore, no outstanding encumbrances exist at year end.
- g. Budgeted amounts are as originally adopted or amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations which were amended.

**BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

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

Use of Estimates

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of September 30, 2023, the County had deposits and investments subject to the following risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of September 30, 2023, \$6,496,923 of the County's bank balance of \$21,009,003 was exposed to custodial credit risk because it was uninsured and uncollateralized. The County's carrying value on the books for deposits at the end of the year was \$21,192,819. The County had \$4,578 of imprest cash at September 30, 2023.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County will minimize custodial credit risk by limiting investments to the types of securities allowed by law; and investing through pre-approved third-party custodians.

Interest Rate Risk

The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designing the portfolio with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
PRIMARY GOVERNMENT		
Municipal bonds	\$ 1,645,003	5.3038
Michigan CLASS Investment Pool	4,699,435	0.1288
Mortgage backed securities	271,203	2.4110
	<u>6,615,641</u>	

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Investment Type	Fair Value	Weighted Average Maturity (Years)
COMPONENT UNITS		
Michigan CLASS Investment Pool	3,688,991	0.1288
FIDUCIARY FUNDS		
Michigan CLASS Investment Pool	598,173	0.1288
Total fair value	<u>\$ 10,902,805</u>	
Portfolio weighted average maturity		<u>0.9664</u>

One day maturity equals 0.0027; one year equals 1.00.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating by nationally recognized statistical rating organizations (NSRO's). As of September 30, 2023, rating information on the County's investments are as follows:

Investment Type	Fair Value	Standard & Poor's Rating
PRIMARY GOVERNMENT		
Municipal bonds (Sanilac County, MI)	\$ 388,298	AA-
Municipal bonds (Wayne State Univ., MI)	435,670	A+
Municipal bonds (MI State Strategic Fund)	211,812	AA2
Municipal bonds (MI Finance Authority)	368,581	AA-
Municipal bonds (Macomb County, MI)	240,642	AA+
Michigan CLASS Investment Pool	4,699,435	AAAm
Mortgage backed securities	271,203	AA+
	6,615,641	
COMPONENT UNITS		
Michigan CLASS Investment Pool	3,688,991	AAAm
FIDUCIARY FUNDS		
Michigan CLASS Investment Pool	598,173	AAAm
Total fair value	<u>\$ 10,902,805</u>	

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

The County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Foreign Currency Risk

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

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

As of September 30, 2023, the carrying amounts and fair values for each investment type are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
PRIMARY GOVERNMENT				
Municipal bonds	\$ -	\$ 1,645,003	\$ -	\$ 1,645,003
Mortgage backed securities	-	271,203	-	271,203
Total primary government	<u>\$ -</u>	<u>\$ 1,916,206</u>	<u>\$ -</u>	<u>\$ 1,916,206</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value Per Share

The County holds shares in the Michigan CLASS investment pool where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At September 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
PRIMARY GOVERNMENT				
Michigan CLASS Investment Pool	\$ 4,699,435	\$ -	No restrictions	None
COMPONENT UNITS				
Michigan CLASS Investment Pool	3,688,991	-	No restrictions	None
FIDUCIARY FUNDS				
Michigan CLASS Investment Pool	598,173	-	No restrictions	None
Total investments at NAV	<u>\$ 8,986,599</u>	<u>\$ -</u>		

The deposits and investments referred to above have been reported in the financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of September 30, 2023:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash and investments	\$ 15,085,646	\$ 8,144,556	\$ 8,251,118	\$ 31,481,320
Restricted cash and investments	-	618,882	-	618,882
	<u>\$ 15,085,646</u>	<u>\$ 8,763,438</u>	<u>\$ 8,251,118</u>	<u>\$ 32,100,202</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule details primary government interfund receivables and payables at September 30, 2023:

Due to Delinquent Tax Revolving Fund from:	
Nonmajor governmental funds	<u>\$ 26,527</u>

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

NOTE 4 - INTERFUND TRANSFERS

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

Transfers to General Fund from:	
Delinquent Tax Revolving Fund	\$ 80,000
Tax Foreclosures Fund	30,000
ARPA Grant Fund	1,821,725
Nonmajor governmental funds	<u>5,144</u>
	<u>\$ 1,936,869</u>
Transfers to Commission on Aging Fund from:	
General Fund	<u>\$ 15,995</u>
Transfers to Delinquent Tax Revolving Fund from:	
General Fund	<u>\$ 139,976</u>
Transfers to Capital Improvements Fund from:	
General Fund	\$ 380,000
Delinquent Tax Revolving Fund	300,000
ARPA Grant Fund	<u>100,000</u>
	<u>\$ 780,000</u>
Transfers to nonmajor governmental funds from:	
General Fund	\$ 228,656
Nonmajor governmental funds	<u>5,216</u>
	<u>\$ 233,872</u>

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

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

PRIMARY GOVERNMENT

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 5,931,926	\$ 84,890	\$ -	\$ 6,016,816
Construction in progress	-	513,543	-	513,543
Subtotal	5,931,926	598,433	-	6,530,359
Capital assets being depreciated				
Buildings and improvements	9,033,253	159,999	(81,376)	9,111,876
Land improvements	161,039	-	-	161,039
Machinery and equipment	3,635,140	238,036	(1,467,238)	2,405,938
Subtotal	12,829,432	398,035	(1,548,614)	11,678,853
Less accumulated depreciation for:				
Buildings and improvements	(5,429,465)	(238,755)	60,582	(5,607,638)
Land improvements	(69,222)	(10,735)	-	(79,957)
Machinery and equipment	(3,138,081)	(128,097)	1,437,814	(1,828,364)
Subtotal	(8,636,768)	(377,587)	1,498,396	(7,515,959)
Net capital assets being depreciated	4,192,664	20,448	(50,218)	4,162,894
Capital assets, net	<u>\$ 10,124,590</u>	<u>\$ 618,881</u>	<u>\$ (50,218)</u>	<u>\$ 10,693,253</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 112,901
Public safety	212,728
Health and welfare	2,500
Recreation and culture	49,458
Total depreciation expense	<u>\$ 377,587</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (continued)

PRIMARY GOVERNMENT (continued)

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Capital assets being depreciated				
Buildings and improvements	222,823	23,880	-	246,703
Machinery and equipment	1,569,295	32,909	(487,511)	1,114,693
Subtotal	1,792,118	56,789	(487,511)	1,361,396
Less accumulated depreciation for:				
Buildings and improvements	(102,479)	(5,859)	-	(108,338)
Machinery and equipment	(1,203,346)	(6,336)	487,511	(722,171)
Subtotal	(1,305,825)	(12,195)	487,511	(830,509)
Net capital assets being depreciated	486,293	44,594	-	530,887
Capital assets, net	\$ 521,293	\$ 44,594	\$ -	\$ 565,887

Depreciation expense of \$12,195 was reported in the Emergency Medical Services fund.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (continued)

COMPONENT UNITS

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Road Commission				
Capital assets not being depreciated				
Land	\$ 112,708	\$ -	\$ -	\$ 112,708
Land improvements	1,687,153	754,480	-	2,441,633
Subtotal	1,799,861	754,480	-	2,554,341
Capital assets being depreciated				
Buildings	1,356,346	-	-	1,356,346
Road equipment	8,449,801	942,297	(236,631)	9,155,467
Shop equipment	261,575	-	-	261,575
Office equipment	67,719	-	-	67,719
Engineer equipment	39,345	-	-	39,345
Yard and storage	443,174	-	-	443,174
Infrastructure	30,199,241	1,049,422	-	31,248,663
Subtotal	40,817,201	1,991,719	(236,631)	42,572,289
Less accumulated depreciation for:				
Buildings	(1,157,731)	(27,518)	-	(1,185,249)
Road equipment	(6,187,877)	(708,203)	236,631	(6,659,449)
Shop equipment	(161,259)	(12,075)	-	(173,334)
Office equipment	(47,019)	(4,334)	-	(51,353)
Engineer equipment	(39,345)	-	-	(39,345)
Yard and storage	(287,316)	(11,549)	-	(298,865)
Infrastructure	(9,721,052)	(1,495,930)	-	(11,216,982)
Subtotal	(17,601,599)	(2,259,609)	236,631	(19,624,577)
Net capital assets being depreciated	23,215,602	(267,890)	-	22,947,712
Capital assets, net	\$ 25,015,463	\$ 486,590	\$ -	\$ 25,502,053

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (continued)

COMPONENT UNITS (continued)

	Balance Oct. 1, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Sept. 30, 2023
Medical Care Facility				
Capital assets not being depreciated				
Land	\$ 12,424	\$ -	\$ -	\$ 12,424
Construction in progress	371,284	14,100	(361,771)	23,613
Subtotal	383,708	14,100	(361,771)	36,037
Capital assets being depreciated				
Buildings and improvements	15,653,227	789,909	(73,636)	16,369,500
Land improvements	246,886	86,516	-	333,402
Fixed equipment	1,863,130	85,752	(17,743)	1,931,139
Subtotal	17,763,243	962,177	(91,379)	18,634,041
Less accumulated depreciation for:				
Buildings and improvements	(4,205,358)	(610,228)	71,908	(4,743,678)
Land improvements	(50,173)	(21,925)	-	(72,098)
Fixed equipment	(976,699)	(116,495)	17,742	(1,075,452)
Subtotal	(5,232,230)	(748,648)	89,650	(5,891,228)
Net capital assets being depreciated	12,531,013	213,529	(1,729)	12,742,813
Capital assets, net	<u>\$ 12,914,721</u>	<u>\$ 227,629</u>	<u>\$ (363,500)</u>	<u>\$ 12,778,850</u>
Transportation Authority				
Capital assets being depreciated				
Building and improvements	\$ 2,210,053	\$ -	\$ -	\$ 2,210,053
Vehicles	2,123,925	28,585	-	2,152,510
Shop equipment	181,672	73,332	-	255,004
Office equipment	264,001	-	-	264,001
Subtotal	4,779,651	101,917	-	4,881,568
Less accumulated depreciation	(2,438,522)	(366,935)	-	(2,805,457)
Capital assets, net	<u>\$ 2,341,129</u>	<u>\$ (265,018)</u>	<u>\$ -</u>	<u>\$ 2,076,111</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portions) of the County for the year ended September 30, 2023.

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
Other long-term obligations					
Compensated absences	\$ 292,850	\$ 450,525	\$ (336,120)	\$ 407,255	\$ 407,255
COMPONENT UNITS					
Road Commission					
Direct borrowings/placements					
Installment loans	190,998	-	(161,210)	29,788	29,788
Other long-term obligations					
Compensated absences	84,389	158,252	(157,414)	85,227	-
Medical Care Facility					
Bonded debt					
2020 Capital Improvement Refunding Bond	3,305,000	-	(335,000)	2,970,000	360,000
Bond premium	527,611	-	(68,050)	459,561	68,050
Total bonded debt	3,832,611	-	(403,050)	3,429,561	428,050
Other long-term obligations					
Compensated absences	149,654	-	(1,282)	148,372	-
TOTAL COMPONENT UNITS	4,257,652	158,252	(722,956)	3,692,948	457,838
TOTAL REPORTING ENTITY	\$ 4,550,502	\$ 608,777	\$ (1,059,076)	\$ 4,100,203	\$ 865,093

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

PRIMARY GOVERNMENT

Compensated Absences

In accordance with County personnel policies and/or contracts negotiated with various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$407,255 for vacation and sick, at September 30, 2023, and has been recorded as a current liability in the government-wide financial statements under the governmental activities column based on management's estimate.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - MEDICAL CARE FACILITY

General Obligation Bond

\$3,905,000 Capital Improvement Refunding Bonds, Series 2020, dated July 16, 2020, due in annual installments ranging from \$360,000 to \$490,000 through September 1, 2030, with interest ranging from 2.00% to 5.00%, payable semi-annually.

\$ 2,970,000

Compensated Absences

Medical Care Facility employees are granted compensated absences under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$148,372 at September 30, 2023.

COMPONENT UNIT - ROAD COMMISSION

Installment Loans

Installment payable to CAT Financial Services, 4.84% interest rate, payable in monthly installments of \$943, secured by equipment.

\$ 29,788

Compensated Absences

In accordance with Road Commissions personnel policies and/or contracts negotiated with various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$85,227 for vacation and sick, at September 30, 2023.

The annual requirements to pay the debt principal and interest outstanding for the following bonds and installment loans are as follows:

Year Ending September 30,	Component Units			
	Medical Care Facility		Road Commission	
	Bonds Payable		Direct Borrowings/Placements	
	Principal	Interest	Principal	Interest
2024	\$ 360,000	\$ 114,300	\$ 29,788	\$ 541
2025	385,000	96,300	-	-
2026	405,000	80,900	-	-
2027	420,000	72,800	-	-
2028	440,000	56,000	-	-
2029-2030	960,000	58,000	-	-
	<u>\$ 2,970,000</u>	<u>\$ 478,300</u>	<u>\$ 29,788</u>	<u>\$ 541</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PROPERTY TAXES AND TAX RECEIVABLE

The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31. Unpaid property taxes are considered to be delinquent as of March 1 of the year after the tax was levied.

The County's Winter 2022 and Summer 2023 ad valorem taxes were levied and collectible on December 1, 2022 and July 1, 2023, respectively. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's Winter 2022 and Summer 2023 tax levies have been recognized as revenue in the current fiscal year. The 2022 and 2023 taxable value of Benzie County amounted to \$1,517,581,461 and \$1,642,783,250 respectively, on which ad valorem taxes levied for County general operating purposes consisted of 3.3378 mills for Summer 2023. Benzie County has levied 0.8000 mills for ambulance operations, 0.1222 mills for conservation district operations, 1.2660 mills for jail operations, 0.3626 mills for Medical Care Facility operations, 0.3720 mills for Medical Care Facility debt service, 0.1000 mills for TNT Officer, 1.0000 mills for roads, 0.8177 mills for Commission on Aging, 0.0550 mills for school resource officer, 0.0750 mills for veterans relief, and 0.1400 for animal control.

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2023. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving Fund. This activity is accounted for in the Delinquent Tax Revolving (Enterprise) Fund.

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS

Defined Benefit Pension Plan

PRIMARY GOVERNMENT

Plan Description

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

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System 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 these purposes, 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.

**BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

Benefits Provided

Benefits provided by the County's plan vary by division, as summarized in the following table:

	Courthouse Employees	Sheriff Department	Elected Officials	Commissioners	Nonunion Nonelected
Open or closed to new hires	Closed	Closed	Closed	Closed	Closed
Benefit multiplier	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.25% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal retirement age	60	60	60	60	60
Vesting	8 years	8 years	8 years	8 years	8 years
Early retirement (unreduced)	-	25 & Out	Age 55/25 years of service	-	-
Early retirement (reduced)	Age 50/25 years of service; Age 55/15 years of service	Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service
Final average compensation (FAC)	5 years	5 years	5 years	5 years	5 years
Employee contributions	6.00%	6.00%	6.00%	6.00%	6.00%
Act 88	Yes	Yes	Yes	Yes	Yes

	Courthouse Employees	EMS Union	COAM	Sheriff after 10/01/11	COAM after 10/01/11
Open or closed to new hires	Closed	Closed	Closed	Closed	Closed
Benefit multiplier	2.00% Multiplier (no max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal retirement age	60	60	60	60	60
Vesting	10 years	8 years	8 years	10 years	10 years
Early retirement (unreduced)	Age 55/25 years of service	-	25 & Out	Age 55/25 years of service	Age 55/25 years of service
Early retirement (reduced)	Age 50/25 years of service; Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service	Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service	Age 50/25 years of service; Age 55/15 years of service
Final average compensation (FAC)	5 years	5 years	5 years	5 years	5 years
Employee contributions	6.00%	6.00%	6.00%	6.00%	6.00%
Act 88	Yes	Yes	Yes	Yes	Yes

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees in ten divisions. Nine divisions are closed to new hires; one division is open to new hires.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

Benefits Provided (continued)

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

Plan Membership

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

Inactive plan members or beneficiaries currently receiving benefits	100
Inactive plan members entitled to but not yet receiving benefits	90
Active members	<u>61</u>
	<u><u>251</u></u>

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.

Payable to the Pension Plan

At September 30, 2023, there were no amount outstanding by the County for contributions to the pension plan required for the year ended September 30, 2023.

Net Pension Liability

The County's net pension liability reported at September 30, 2023 was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022 annual 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 plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

Actuarial Assumptions (continued)

Investment Rate of Return: 7.00%, net of investment expenses, including inflation.

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

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

Projected Cash Flows

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global Equity	60.00%	4.50%	2.70%
Global Fixed Income	20.00%	2.00%	0.40%
Private Investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		<u>4.50%</u>
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.25%</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

Discount Rate

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

Changes in Net Pension Liability

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2021	\$ 24,348,511	\$ 17,623,064	\$ 6,725,447
Changes for the year			
Service cost	382,748	-	382,748
Interest on total pension liability	1,729,121	-	1,729,121
Difference between expected and actual experience	764,655	-	764,655
Employer contributions	-	897,129	(897,129)
Employee contributions	-	534,064	(534,064)
Net investment loss	-	(1,948,399)	1,948,399
Benefit payments, including employee refunds	(1,379,874)	(1,379,874)	-
Administrative expense	-	(32,636)	32,636
Net changes	1,496,650	(1,929,716)	3,426,366
Balances at December 31, 2022	\$ 25,845,161	\$ 15,693,348	\$ 10,151,813

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 13,323,973	\$ 10,151,813	\$ 7,517,478

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

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

For the year ended September 30, 2023, the County recognized pension expense of \$1,837,124. The County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 382,327	\$ 47,999
Differences in assumptions	311,135	-
Net difference between projected and actual earnings on pension plan investments	1,511,239	-
Contributions subsequent to the measurement date*	694,386	-
Total	<u>\$ 2,899,087</u>	<u>\$ 47,999</u>

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2024.

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

<u>Year Ending September 30,</u>	<u>Pension Expense</u>
2024	\$ 780,196
2025	271,437
2026	459,720
2027	645,349
	<u>2,156,702</u>

Change in Assumptions

There were no changes in assumptions during plan year 2022.

Change in Benefit Terms

There were no changes in benefit terms during plan year 2022.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

COMPONENT UNITS - MEDICAL CARE FACILITY, ROAD COMMISSION AND TRANSPORTATION AUTHORITY.

The Medical Care Facility, Road Commission, and Transportation Authority (component units) have separate defined benefit retirement plans from the County (Primary Government). Details applicable to their plans are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB Statement No. 61. It appears actuarially determined contribution requirements have been met for the fiscal year presented.

Defined Contribution Pension Plan

PRIMARY GOVERNMENT

As of January 1, 2020, the County established a defined contribution pension plan through the Michigan Municipal Employees' Retirement System. All eligible employees are covered under the defined contribution plan.

The plan is administered by the Michigan Municipal Employees' Retirement System. Contributions are determined, and may be amended, by an employment agreement requiring employee contributions of 6% and employer contributions between 2% and 7% of covered payroll, depending on years of service.

The County's contributions to the plan were \$69,447 for the year ended September 30, 2023.

COMPONENT UNIT - TRANSPORTATION AUTHORITY

The Transportation Authority (component unit) has a separate defined contribution retirement plan from the County (Primary Government). Details applicable to their plan are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB Statement No. 61.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

COMPONENT UNIT - ROAD COMMISSION

The Road Commission (component unit) has a defined contribution other post-employment benefits plan. Details applicable to their plan are readily available in their separately issued financial statements and are not duplicated here in accordance with GASB Statement No. 61. It appears actuarially determined contribution requirements have been met for the fiscal year presented.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RISK MANAGEMENT

PRIMARY GOVERNMENT AND COMPONENT UNITS (EXCEPT MEDICAL CARE FACILITY, ROAD COMMISSION, AND TRANSPORTATION AUTHORITY)

The County is a voluntary member of the Michigan Municipal Risk Management Authority, which is organized under Public Act 138 of 1982, as amended as a governmental group self-insurance pool. Public Act 138 authorizes local units of government to exercise jointly any power, privilege, or authority which each might exercise separately. The Authority administers a risk management fund providing the County with protection for general liability, vehicle physical damage, property damage, and losses due to crime. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The County has not been informed of any special assessments being required.

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

COMPONENT UNITS - MEDICAL CARE FACILITY, ROAD COMMISSION, AND TRANSPORTATION AUTHORITY

The Medical Care Facility, Road Commission, and Transportation Authority (component units) have their own coverages for risk management as disclosed in their readily available, separately issued financial statements.

NOTE 11 - CONTINGENT LIABILITIES

PRIMARY GOVERNMENT

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

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

DISCRETELY PRESENTED COMPONENT UNITS

Road Commission and Transportation Authority

The Road Commission and Transportation Authority have their own contingent liabilities disclosures in their readily available, separately issued financial statements.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - RESTRICTED NET POSITION

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes.

The following are the various net position restrictions as of September 30, 2023:

PRIMARY GOVERNMENT	
Governmental Activities	
Restricted	
Public safety	
Seasonal road patrol	\$ 33,170
Marine patrol	5,854
Snowmobile patrol	14,401
School resource officer	351,873
Animal control	80,800
Sheriff's K-9	51,397
Sheriff's Reserve	12
Dive Team	1,208
Kid's Program	5,676
Jail operations	113,281
Homeland security	2,040
911 emergency service	533,233
Building department	71,891
Dispatcher training	17,328
Local corrections officer training	5,340
Sheriff forfeiture	18
Benzie criminal justice system	<u>7,108</u>
Total public safety	<u>1,294,630</u>
Health and welfare	
Veteran activities	21,631
Aging activities	211,812
Opioid activities	116,953
Housing activities	798,808
Child Care	145,935
Soldiers' relief	<u>29,531</u>
Total health and welfare	<u>1,324,670</u>
Other purposes	
Remonumentation	24,434
Clerk	87,044
Ice Rink	5,292
CARES Act	263,698
Airport	124
Friend of the court	97,031
Light house	11,039
Betsy Valley trail	6,488
GIS Information System	9,911
Register of Deeds	108,012
Law library	3,567
Family court	54,913
Indigent defense	494
Juvenile justice	2,658
Solid waste/recycling	196,924
Soil erosion	<u>55,552</u>
Total other purposes	<u>927,181</u>
Capital projects	<u>9,391</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,555,872</u>
COMPONENT UNITS	
Medical Care Facility	
Restricted	
Debt service	<u>\$ 489,570</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - DETAILS OF FUND BALANCE CLASSIFICATIONS

The following are the fund balance constraints as of September 30, 2023:

	General Fund	Jail Operations	Commission on Aging	Opioid Settlement	Capital Improvements	Nonmajor Governmental Funds	Total
Fund balances							
Nonspendable							
Prepaid expenditures	\$ 40,795	\$ 9,806	\$ -	\$ -	\$ -	\$ 7,790	\$ 58,391
Loans receivable	-	-	-	-	-	753,144	753,144
Restricted							
General government							
Remonumentation	-	-	-	-	-	24,434	24,434
Clerk	-	-	-	-	-	87,044	87,044
CARES Act	-	-	-	-	-	263,698	263,698
GIS Information System	-	-	-	-	-	9,911	9,911
Register of Deeds	-	-	-	-	-	108,012	108,012
Judicial							
Friend of the court	-	-	-	-	-	97,031	97,031
Law library	-	-	-	-	-	3,567	3,567
Family court	-	-	-	-	-	54,913	54,913
Indigent defense	-	-	-	-	-	494	494
Juvenile justice	-	-	-	-	-	2,658	2,658
Public safety							
Sheriff's K-9	-	-	-	-	-	51,397	51,397
Benzie Co. Sheriff Reserve's	-	-	-	-	-	12	12
Benzie Co. Dive Team	-	-	-	-	-	1,208	1,208
Benzie Co. Kids	-	-	-	-	-	5,676	5,676
Seasonal road patrol	-	-	-	-	-	33,170	33,170
Marine patrol	-	-	-	-	-	5,854	5,854
Snowmobile patrol	-	-	-	-	-	14,401	14,401
School resource officer	-	-	-	-	-	349,745	349,745
Animal control	-	-	-	-	-	79,224	79,224
Jail operations	-	103,475	-	-	-	-	103,475
Homeland security	-	-	-	-	-	2,040	2,040
911 emergency service	-	-	-	-	-	529,936	529,936
Building department	-	-	-	-	-	71,891	71,891
Dispatcher training	-	-	-	-	-	17,328	17,328
Local corrections officer training	-	-	-	-	-	5,340	5,340
Sheriff forfeiture	-	-	-	-	-	18	18
Benzie criminal justice system	-	-	-	-	-	7,108	7,108
Public Works							
Airport Authority	-	-	-	-	-	124	124
Solid Waste/Recycling	-	-	-	-	-	196,530	196,530
Soil Erosion	-	-	-	-	-	55,552	55,552
Health and welfare							
Veteran activities	-	-	-	-	-	21,631	21,631
Aging activities	-	-	211,812	-	-	-	211,812
Opioid Settlement	-	-	-	116,953	-	-	116,953
Housing activities	-	-	-	-	-	45,664	45,664
Child Care - DHS	-	-	-	-	-	145,935	145,935
Soldiers' relief	-	-	-	-	-	29,531	29,531
Recreation and culture							
Parks and Recreation Ice Rink	-	-	-	-	-	5,292	5,292
Betsy Valley Trail Management	-	-	-	-	-	6,488	6,488
Light house	-	-	-	-	-	11,039	11,039
Capital projects	-	-	-	-	-	9,391	9,391
Committed							
Emergency communications tower	350,000	-	-	-	-	-	350,000
Crystal Lake outlet	80,000	-	-	-	-	-	80,000
TNT Officer	-	-	-	-	-	71,809	71,809
Equipment replacement	-	-	-	-	-	71,131	71,131
Assigned							
Debt service	-	-	-	-	-	198,203	198,203
Capital projects	-	-	-	-	352,777	-	352,777
Unassigned	4,194,892	-	-	-	-	-	4,194,892
TOTAL FUND BALANCES	\$ 4,665,687	\$ 113,281	\$ 211,812	\$ 116,953	\$ 352,777	\$ 3,455,364	\$ 8,915,874

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2023, the County implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

There was no material impact on the County's financial statement after the adoption of GASB Statement No. 96.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**BENZIE COUNTY, MICHIGAN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Amended	Actual	
REVENUES				
Taxes and penalties	\$ 5,582,670	\$ 5,582,670	\$ 5,940,052	\$ 357,382
Licenses and permits	37,300	37,300	36,700	(600)
Intergovernmental				
Federal/State	855,724	855,724	944,837	89,113
Local	-	-	2,920	2,920
Charges for services	948,730	948,730	896,876	(51,854)
Fines and forfeits	3,200	3,200	2,394	(806)
Investment earnings and rents	61,440	61,440	172,702	111,262
Other	41,600	144,670	268,844	124,174
TOTAL REVENUES	7,530,664	7,633,734	8,265,325	631,591
EXPENDITURES				
Current				
General government				
Board of Commissioners	94,238	144,485	129,418	15,067
Administrator	221,841	287,209	264,977	22,232
Clerk	264,077	291,748	248,662	43,086
Treasurer	189,227	244,460	233,876	10,584
Equalization	171,338	219,134	210,905	8,229
Elections	35,800	32,716	29,877	2,839
Building and grounds	291,140	318,894	317,694	1,200
Technology support	51,000	71,752	69,508	2,244
Central services	80,500	91,617	86,784	4,833
Legal and contracted services	175,350	153,919	112,725	41,194
Total general government	1,574,511	1,855,934	1,704,426	151,508
Judicial				
Circuit court	372,892	375,321	347,623	27,698
District court	523,569	599,593	579,563	20,030
Friend of the court	140,200	157,319	157,119	200
Prosecuting attorney	339,150	385,996	376,263	9,733
Total judicial	1,375,811	1,518,229	1,460,568	57,661
Public safety				
Sheriff	1,119,730	1,334,840	1,299,093	35,747
Sheriff secondary road patrol	69,670	98,041	93,715	4,326
Zero tolerance	54,587	45,152	44,728	424
Emergency management	87,268	118,027	82,352	35,675
Total public safety	1,331,255	1,596,060	1,519,888	76,172
Public works				
Drain commission	13,300	13,391	9,940	3,451
Airport authority	12,000	12,000	12,000	-
Total public works	25,300	25,391	21,940	3,451

**BENZIE COUNTY, MICHIGAN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (continued)
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Amended	Actual	
EXPENDITURES (continued)				
Current (continued)				
Health and welfare				
Health department	\$ 256,248	\$ 256,248	\$ 255,248	\$ 1,000
Department of Human Services	2,050	2,050	1,224	826
Intergovernmental cooperation	55,125	55,125	54,166	959
Juvenile division	63,817	49,679	27,929	21,750
Medical examiner	70,000	92,055	91,505	550
Mental health board	176,639	176,639	176,639	-
Other	2,500	2,500	950	1,550
Total health and welfare	626,379	634,296	607,661	26,635
Community and economic development				
Register of deeds	169,317	210,649	202,749	7,900
Cooperative extension	57,093	57,126	53,166	3,960
Surveyor	2,000	2,091	1,788	303
Economic Development Corporation	10,000	15,800	16,806	(1,006)
Total community and economic development	238,410	285,666	274,509	11,157
Recreation and culture				
Parks and recreation	16,150	94,140	92,864	1,276
Other				
Medical insurance	730,861	451,935	451,935	-
Unemployment insurance	5,000	91	91	-
Insurance and bonds	269,960	270,727	270,727	-
Social security	205,926	141,896	141,896	-
Retirement benefits	492,535	499,844	499,844	-
Total other	1,704,282	1,364,493	1,364,493	-
TOTAL EXPENDITURES	6,892,098	7,374,209	7,046,349	327,860
EXCESS OF REVENUES OVER EXPENDITURES	638,566	259,525	1,218,976	959,451
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	130,000	1,936,869	1,806,869
Transfers out	(768,566)	(689,529)	(764,627)	(75,098)
TOTAL OTHER FINANCING SOURCES (USES)	(638,566)	(559,529)	1,172,242	1,731,771
NET CHANGE IN FUND BALANCE	-	(300,004)	2,391,218	2,691,222
Fund balance, beginning of year	2,274,469	2,274,469	2,274,469	-
Fund balance, end of year	\$ 2,274,469	\$ 1,974,465	\$ 4,665,687	\$ 2,691,222

**BENZIE COUNTY, MICHIGAN
JAIL OPERATIONS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,924,938	\$ 1,924,938	\$ 1,920,746	\$ (4,192)
Intergovernmental	27,563	34,563	40,127	5,564
Charges for services	58,300	131,734	144,327	12,593
Other	9,943	67,776	82,073	14,297
TOTAL REVENUES	2,020,744	2,159,011	2,187,273	28,262
EXPENDITURES				
Current				
Public safety	2,019,557	2,157,826	2,110,929	46,897
NET CHANGE IN FUND BALANCE	1,187	1,185	76,344	75,159
Fund balance, beginning of year	36,937	36,937	36,937	-
Fund balance, end of year	\$ 38,124	\$ 38,122	\$ 113,281	\$ 75,159

**BENZIE COUNTY, MICHIGAN
COMMISSION ON AGING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 1,240,927	\$ 1,240,927	\$ 1,240,778	\$ (149)
Intergovernmental	-	-	1,768	1,768
Investment earnings	-	-	4,969	4,969
TOTAL REVENUES	<u>1,240,927</u>	<u>1,240,927</u>	<u>1,247,515</u>	<u>6,588</u>
EXPENDITURES				
Current				
Health and welfare	<u>1,230,926</u>	<u>1,230,926</u>	<u>1,243,319</u>	<u>(12,393)</u>
EXCESS OF REVENUES OVER EXPENDITURES	10,001	10,001	4,196	(5,805)
OTHER FINANCING SOURCES				
Transfer in	<u>-</u>	<u>-</u>	<u>15,995</u>	<u>15,995</u>
NET CHANGE IN FUND BALANCE	10,001	10,001	20,191	10,190
Fund balance, beginning of year	<u>191,621</u>	<u>191,621</u>	<u>191,621</u>	<u>-</u>
Fund balance, end of year	<u>\$ 201,622</u>	<u>\$ 201,622</u>	<u>\$ 211,812</u>	<u>\$ 10,190</u>

**BENZIE COUNTY, MICHIGAN
ARPA GRANT FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 500,000	\$ 1,800,000	\$ 3,550,837	\$ 1,750,837
Interest	-	1,301	155,307	154,006
TOTAL REVENUES	<u>500,000</u>	<u>1,801,301</u>	<u>3,706,144</u>	<u>1,904,843</u>
EXPENDITURES				
Current				
General government	<u>500,000</u>	<u>1,801,301</u>	<u>1,801,301</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,904,843	1,904,843
OTHER FINANCING (USES)				
Transfer out	<u>-</u>	<u>-</u>	<u>(1,921,725)</u>	<u>(1,921,725)</u>
NET CHANGE IN FUND BALANCE	-	-	(16,882)	(16,882)
Fund balance, beginning of year	<u>16,882</u>	<u>16,882</u>	<u>16,882</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,882</u>	<u>\$ 16,882</u>	<u>\$ -</u>	<u>\$ (16,882)</u>

**BENZIE COUNTY, MICHIGAN
OPIOID SETTLEMENT FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,953</u>	<u>\$ 116,953</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	116,953	116,953
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 116,953</u></u>	<u><u>\$ 116,953</u></u>

BENZIE COUNTY, MICHIGAN
BENZIE COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 382,748	\$ 413,384	\$ 452,617	\$ 449,256	\$ 457,679	\$ 424,054	\$ 367,231	\$ 372,988	\$ 363,227
Interest	1,729,121	1,695,567	1,544,257	1,497,227	1,435,346	1,384,197	1,340,551	1,215,689	1,151,131
Changes of benefit terms	-	-	-	(2,687)	-	-	(110,144)	-	-
Difference between expected and actual experience	764,655	(143,997)	506,093	141,592	(55,658)	(206,334)	(153,120)	469,454	-
Changes of assumptions	-	933,407	761,920	672,874	-	-	-	826,589	-
Benefit payments, including employee refunds	(1,379,874)	(1,306,502)	(1,202,165)	(1,110,094)	(1,009,175)	(949,620)	(905,095)	(816,063)	(657,350)
Other	-	-	-	-	(1)	-	-	2	-
Net Change in Total Pension Liability	1,496,650	1,591,859	2,062,722	1,648,168	828,191	652,297	539,423	2,068,659	857,008
Total Pension Liability, beginning	24,348,511	22,756,652	20,693,930	19,045,762	18,217,571	17,565,274	17,025,851	14,957,192	14,100,184
Total Pension Liability, ending	<u>\$ 25,845,161</u>	<u>\$ 24,348,511</u>	<u>\$ 22,756,652</u>	<u>\$ 20,693,930</u>	<u>\$ 19,045,762</u>	<u>\$ 18,217,571</u>	<u>\$ 17,565,274</u>	<u>\$ 17,025,851</u>	<u>\$ 14,957,192</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 897,129	\$ 1,065,571	\$ 772,830	\$ 719,385	\$ 774,966	\$ 603,227	\$ 547,413	\$ 643,589	\$ 670,851
Contributions - employee	534,064	281,338	409,544	260,514	247,199	234,271	133,061	86,789	75,158
Net investment income (loss)	(1,948,399)	2,106,798	1,971,438	1,644,459	(502,865)	1,489,809	1,169,835	(160,875)	621,978
Benefit payments, including employee refunds	(1,379,874)	(1,306,502)	(1,202,165)	(1,110,094)	(1,009,175)	(949,620)	(905,095)	(816,063)	(657,350)
Administrative expense	(32,636)	(24,918)	(27,606)	(28,361)	(24,590)	(23,573)	(23,099)	(23,326)	(28,289)
Net Change in Plan Fiduciary Net Position	(1,929,716)	2,122,287	1,924,041	1,485,903	(514,465)	1,354,114	922,115	(269,886)	682,348
Plan Fiduciary Net Position, beginning	17,623,064	15,500,777	13,576,736	12,090,833	12,605,298	11,251,184	10,329,069	10,598,955	9,904,015
Plan Fiduciary Net Position, ending	<u>\$ 15,693,348</u>	<u>\$ 17,623,064</u>	<u>\$ 15,500,777</u>	<u>\$ 13,576,736</u>	<u>\$ 12,090,833</u>	<u>\$ 12,605,298</u>	<u>\$ 11,251,184</u>	<u>\$ 10,329,069</u>	<u>\$ 10,586,363</u>
County's Net Pension Liability	<u>\$ 10,151,813</u>	<u>\$ 6,725,447</u>	<u>\$ 7,255,875</u>	<u>\$ 7,117,194</u>	<u>\$ 6,954,929</u>	<u>\$ 5,612,273</u>	<u>\$ 6,314,090</u>	<u>\$ 6,696,782</u>	<u>\$ 4,370,829</u>
Plan Fiduciary Net Position as a percentage of the Net Pension Liability	61%	72%	68%	66%	63%	69%	64%	61%	71%
Covered payroll	\$ 3,266,060	\$ 3,592,463	\$ 4,062,856	\$ 4,151,050	\$ 4,082,032	\$ 3,717,011	\$ 3,493,504	\$ 3,667,165	\$ 3,514,717
County's Net Pension Liability as a percentage of covered payroll	311%	187%	179%	171%	170%	151%	181%	183%	124%

**BENZIE COUNTY, MICHIGAN
 BENZIE COUNTY PENSION PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 LAST NINE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
 (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions ⁽¹⁾	\$ 925,848	\$ 839,247	\$ 698,786	\$ 646,236	\$ 637,012	\$ 603,227	\$ 547,413	\$ 643,589	\$ 643,589
Contributions in relation to the actuarially determined contribution	<u>1,009,852</u>	<u>923,251</u>	<u>929,586</u>	<u>733,236</u>	<u>717,012</u>	<u>603,227</u>	<u>547,413</u>	<u>643,589</u>	<u>670,851</u>
Contribution deficiency (excess)	<u>\$ (84,004)</u>	<u>\$ (84,004)</u>	<u>\$ (230,800)</u>	<u>\$ (87,000)</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,262)</u>
Covered payroll	\$ 3,343,510	\$ 3,495,083	\$ 3,993,443	\$ 4,352,359	\$ 4,082,032	\$ 3,717,011	\$ 3,493,504	\$ 3,667,165	\$ 3,667,165
Contributions as a percentage of covered payroll	30%	26%	23%	17%	18%	16%	16%	18%	18%

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

BENZIE COUNTY, MICHIGAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The County's budgeted expenditures in the General and major Special Revenue Funds have been shown at the functional classification level. The approved budgets of the County have been adopted at the department level for the General Fund and the total expenditure level for the Special Revenue Funds.

During the year ended September 30, 2023, the County incurred expenditures in the General Fund and various Special Revenue funds in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
Community and economic development			
Economic Development Corporation	\$ 15,800	\$ 16,806	\$ 1,006
Transfers out	689,529	764,627	75,098
Commission on Aging	1,230,926	1,243,319	12,393
ARPA Grant	1,801,301	3,723,026	1,921,725

NOTE 2 - BENZIE COUNTY PENSION PLAN

Changes in Assumptions: There were no changes in assumptions for the plan year 2022.

Changes of benefits terms: There were no changes of benefit terms for the plan year 2022.

OTHER SUPPLEMENTARY INFORMATION

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023**

	Special		
	Sheriff's K-9	TNT Officer	Benzie Co. Sheriff Reserve's
ASSETS			
Cash and investments	\$ 51,397	\$ 75,061	\$ 12
Accounts receivable	-	207	-
Loans receivable	-	-	-
Prepays	-	395	-
TOTAL ASSETS	\$ 51,397	\$ 75,663	\$ 12
LIABILITIES			
Accounts payable	\$ -	\$ 202	\$ -
Accrued liabilities	-	3,257	-
Due to other funds	-	-	-
TOTAL LIABILITIES	-	3,459	-
FUND BALANCES			
Nonspendable	-	395	-
Restricted	51,397	-	12
Committed	-	71,809	-
Assigned	-	-	-
TOTAL FUND BALANCES	51,397	72,204	12
TOTAL LIABILITIES AND FUND BALANCES	\$ 51,397	\$ 75,663	\$ 12

Revenue

Benzie Co. Dive Team	Benzie Co. Kids	Friend of the Court	Seasonal Road Patrol	Marine Patrol	Snowmobile Patrol
\$ 1,208	\$ 5,676	\$ 97,031	\$ 33,433	\$ 6,228	\$ 14,401
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,208</u>	<u>\$ 5,676</u>	<u>\$ 97,031</u>	<u>\$ 33,433</u>	<u>\$ 6,228</u>	<u>\$ 14,401</u>
\$ -	\$ -	\$ -	\$ -	\$ 37	\$ -
-	-	-	263	337	-
-	-	-	-	-	-
-	-	-	263	374	-
-	-	-	-	-	-
1,208	5,676	97,031	33,170	5,854	14,401
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,208</u>	<u>5,676</u>	<u>97,031</u>	<u>33,170</u>	<u>5,854</u>	<u>14,401</u>
<u>\$ 1,208</u>	<u>\$ 5,676</u>	<u>\$ 97,031</u>	<u>\$ 33,433</u>	<u>\$ 6,228</u>	<u>\$ 14,401</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2023**

	Special		
	School Resource Officer	Parks and Recreation Ice Rink	Airport Authority
ASSETS			
Cash and investments	\$ 354,543	\$ 5,292	\$ -
Accounts receivable	2,564	-	14,910
Loans receivable	-	-	-
Prepays	2,128	-	-
TOTAL ASSETS	\$ 359,235	\$ 5,292	\$ 14,910
LIABILITIES			
Accounts payable	\$ 612	\$ -	\$ -
Accrued liabilities	6,750	-	1,615
Due to other funds	-	-	13,171
TOTAL LIABILITIES	7,362	-	14,786
FUND BALANCES			
Nonspendable	2,128	-	-
Restricted	349,745	5,292	124
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	351,873	5,292	124
TOTAL LIABILITIES AND FUND BALANCES	\$ 359,235	\$ 5,292	\$ 14,910

Revenue

Solid Waste/ Recycling	Betsie Valley Trail Management	Soil Erosion	Remonumentation Survey Grant	GIS Information System	Animal Control
\$ 246,106	\$ -	\$ 57,352	\$ 24,434	\$ 9,911	\$ 86,032
359	11,252	-	-	-	641
-	-	-	-	-	-
394	-	-	-	-	1,576
<u>\$ 246,859</u>	<u>\$ 11,252</u>	<u>\$ 57,352</u>	<u>\$ 24,434</u>	<u>\$ 9,911</u>	<u>\$ 88,249</u>
\$ 46,670	\$ -	\$ 1,800	\$ -	\$ -	\$ 631
3,265	-	-	-	-	6,818
-	4,764	-	-	-	-
<u>49,935</u>	<u>4,764</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>7,449</u>
394	-	-	-	-	1,576
196,530	6,488	55,552	24,434	9,911	79,224
-	-	-	-	-	-
-	-	-	-	-	-
<u>196,924</u>	<u>6,488</u>	<u>55,552</u>	<u>24,434</u>	<u>9,911</u>	<u>80,800</u>
<u>\$ 246,859</u>	<u>\$ 11,252</u>	<u>\$ 57,352</u>	<u>\$ 24,434</u>	<u>\$ 9,911</u>	<u>\$ 88,249</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2023

	Special		
	Building Department	Register of Deeds Automation	Homeland Security
ASSETS			
Cash and investments	\$ 112,578	\$ 111,532	\$ 2,040
Accounts receivable	-	-	-
Loans receivable	-	-	-
Prepays	-	-	-
TOTAL ASSETS	\$ 112,578	\$ 111,532	\$ 2,040
LIABILITIES			
Accounts payable	\$ 40,687	\$ 3,520	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	40,687	3,520	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	71,891	108,012	2,040
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	71,891	108,012	2,040
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,578	\$ 111,532	\$ 2,040

Revenue					
911 Emergency Service	Dispatcher Training Grant	Local Corrections Officer Training	Sheriff Forfeiture	Benzie Criminal Justice Training	Law Library
\$ 403,164	\$ 11,632	\$ 5,340	\$ 18	\$ 3,689	\$ 3,818
172,943	5,696	-	-	3,419	-
-	-	-	-	-	-
3,297	-	-	-	-	-
<u>\$ 579,404</u>	<u>\$ 17,328</u>	<u>\$ 5,340</u>	<u>\$ 18</u>	<u>\$ 7,108</u>	<u>\$ 3,818</u>
\$ 12,186	\$ -	\$ -	\$ -	\$ -	\$ 251
33,985	-	-	-	-	-
-	-	-	-	-	-
46,171	-	-	-	-	251
3,297	-	-	-	-	-
529,936	17,328	5,340	18	7,108	3,567
-	-	-	-	-	-
-	-	-	-	-	-
<u>533,233</u>	<u>17,328</u>	<u>5,340</u>	<u>18</u>	<u>7,108</u>	<u>3,567</u>
<u>\$ 579,404</u>	<u>\$ 17,328</u>	<u>\$ 5,340</u>	<u>\$ 18</u>	<u>\$ 7,108</u>	<u>\$ 3,818</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2023

	Special		
	Child Care	Soldiers' Relief	Veterans' Memorial
ASSETS			
Cash and investments	\$ 144,452	\$ 32,333	\$ 21,631
Accounts receivable	10,725	256	-
Loans receivable	-	-	-
Prepays	-	-	-
TOTAL ASSETS	<u>\$ 155,177</u>	<u>\$ 32,589</u>	<u>\$ 21,631</u>
LIABILITIES			
Accounts payable	\$ 9,242	\$ 1,018	\$ -
Accrued liabilities	-	2,040	-
Due to other funds	-	-	-
TOTAL LIABILITIES	<u>9,242</u>	<u>3,058</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	145,935	29,531	21,631
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	<u>145,935</u>	<u>29,531</u>	<u>21,631</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 155,177</u>	<u>\$ 32,589</u>	<u>\$ 21,631</u>

Revenue

CDBG Housing Grant	Light House	Juvenile Justice	Family Court Grants	Clerk Technology	Building Authority
\$ 45,664	\$ 3,039	\$ -	\$ 54,913	\$ 87,044	\$ -
-	56,016	11,250	-	-	-
753,144	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 798,808</u>	<u>\$ 59,055</u>	<u>\$ 11,250</u>	<u>\$ 54,913</u>	<u>\$ 87,044</u>	<u>\$ -</u>
\$ -	\$ 48,016	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	8,592	-	-	-
-	48,016	8,592	-	-	-
753,144	-	-	-	-	-
45,664	11,039	2,658	54,913	87,044	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>798,808</u>	<u>11,039</u>	<u>2,658</u>	<u>54,913</u>	<u>87,044</u>	<u>-</u>
<u>\$ 798,808</u>	<u>\$ 59,055</u>	<u>\$ 11,250</u>	<u>\$ 54,913</u>	<u>\$ 87,044</u>	<u>\$ -</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2023

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>Indigent Defense Counsel</u>	<u>CARES Act</u>	<u>Government Center Addition</u>
ASSETS			
Cash and investments	\$ 494	\$ 263,698	\$ 198,203
Accounts receivable	-	-	-
Loans receivable	-	-	-
Prepays	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 494</u>	<u>\$ 263,698</u>	<u>\$ 198,203</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	494	263,698	-
Committed	-	-	-
Assigned	-	-	198,203
	<u>-</u>	<u>-</u>	<u>198,203</u>
TOTAL FUND BALANCES	<u>494</u>	<u>263,698</u>	<u>198,203</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 494</u>	<u>\$ 263,698</u>	<u>\$ 198,203</u>

Capital Projects

<u>Railroad Point</u>	<u>Equipment Replacement</u>	<u>Total</u>
\$ 9,391	\$ 69,117	\$ 2,651,907
-	2,750	292,988
-	-	753,144
-	-	7,790
<u>\$ 9,391</u>	<u>\$ 71,867</u>	<u>\$ 3,705,829</u>
\$ -	\$ 736	\$ 165,608
-	-	58,330
-	-	26,527
<u>-</u>	<u>736</u>	<u>250,465</u>
-	-	760,934
9,391	-	2,353,287
-	71,131	142,940
-	-	198,203
<u>9,391</u>	<u>71,131</u>	<u>3,455,364</u>
<u>\$ 9,391</u>	<u>\$ 71,867</u>	<u>\$ 3,705,829</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2023**

	Special		
	Sheriff's K-9	TNT Officer	Benzie Co. Sheriff Reserve's
REVENUES			
Taxes	\$ -	\$ 151,668	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	196	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	14,179	207	-
	<u>14,179</u>	<u>152,071</u>	<u>-</u>
TOTAL REVENUES	<u>14,179</u>	<u>152,071</u>	<u>-</u>
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	7,481	115,944	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
	<u>7,481</u>	<u>115,944</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,481</u>	<u>115,944</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,698</u>	<u>36,127</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6,698	36,127	-
Fund balances, beginning of year	<u>44,699</u>	<u>36,077</u>	<u>12</u>
Fund balances, end of year	<u>\$ 51,397</u>	<u>\$ 72,204</u>	<u>\$ 12</u>

Revenue

Benzie Co. Dive Team	Benzie Co. Kids	Friend of the Court	Seasonal Road Patrol	Marine Patrol	Snowmobile Patrol
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	19,541	8,637	3,998
-	-	4,280	-	22	-
-	-	-	-	-	-
-	-	73	-	-	-
-	500	-	-	1,937	-
-	500	4,353	19,541	10,596	3,998
-	-	-	-	-	-
-	-	-	-	-	-
-	406	-	28,592	9,481	4,221
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	406	-	28,592	9,481	4,221
-	94	4,353	(9,051)	1,115	(223)
-	-	-	-	812	2,000
-	-	-	-	-	-
-	-	-	-	812	2,000
-	94	4,353	(9,051)	1,927	1,777
1,208	5,582	92,678	42,221	3,927	12,624
\$ 1,208	\$ 5,676	\$ 97,031	\$ 33,170	\$ 5,854	\$ 14,401

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2023**

	Special		
	School Resource Officer	Parks and Recreation Ice Rink	Airport Authority
REVENUES			
Taxes	\$ 273,524	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	1,000	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	209,381	-	49,297
	<u>482,905</u>	<u>1,000</u>	<u>49,297</u>
TOTAL REVENUES			
	<u>482,905</u>	<u>1,000</u>	<u>49,297</u>
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	251,781	-	-
Public works	-	-	49,173
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
	<u>251,781</u>	<u>-</u>	<u>49,173</u>
TOTAL EXPENDITURES			
	<u>251,781</u>	<u>-</u>	<u>49,173</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>231,124</u>	<u>1,000</u>	<u>124</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(2,690)	-	-
	<u>(2,690)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
	<u>(2,690)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES			
	<u>228,434</u>	<u>1,000</u>	<u>124</u>
Fund balances, beginning of year			
	<u>123,439</u>	<u>4,292</u>	<u>-</u>
Fund balances, end of year			
	<u>\$ 351,873</u>	<u>\$ 5,292</u>	<u>\$ 124</u>

Revenue

Solid Waste/ Recycling	Betsie Valley Trail Management	Soil Erosion	Remonumentation Survey Grant	GIS Information System	Animal Control
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,802
-	-	21,120	-	-	977
-	10,248	-	25,510	-	-
311,250	-	-	-	-	7,387
-	-	-	-	-	-
-	-	-	-	-	-
401	2,764	-	-	-	16,004
<u>311,651</u>	<u>13,012</u>	<u>21,120</u>	<u>25,510</u>	<u>-</u>	<u>237,170</u>
-	-	-	24,039	-	-
-	-	-	-	-	-
-	-	-	-	-	245,585
351,002	-	15,400	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,002	-	-	-	-
-	-	-	-	-	-
<u>351,002</u>	<u>12,002</u>	<u>15,400</u>	<u>24,039</u>	<u>-</u>	<u>245,585</u>
<u>(39,351)</u>	<u>1,010</u>	<u>5,720</u>	<u>1,471</u>	<u>-</u>	<u>(8,415)</u>
-	-	-	-	-	21,714
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,714</u>
(39,351)	1,010	5,720	1,471	-	13,299
<u>236,275</u>	<u>5,478</u>	<u>49,832</u>	<u>22,963</u>	<u>9,911</u>	<u>67,501</u>
<u>\$ 196,924</u>	<u>\$ 6,488</u>	<u>\$ 55,552</u>	<u>\$ 24,434</u>	<u>\$ 9,911</u>	<u>\$ 80,800</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2023

	Special		
	Building Department	Register of Deeds Automation	Homeland Security
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	409,010	-	-
Intergovernmental	-	-	-
Charges for services	-	21,530	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	2,102	-
Other	-	-	410
TOTAL REVENUES	409,010	23,632	410
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	429,929	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	35,136	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	429,929	35,136	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,919)	(11,504)	410
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	(20,919)	(11,504)	410
Fund balances, beginning of year	92,810	119,516	1,630
Fund balances, end of year	\$ 71,891	\$ 108,012	\$ 2,040

Revenue					
911 Emergency Service	Dispatcher Training Grant	Local Corrections Officer Training	Sheriff Forfeiture	Benzie Criminal Justice Training	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	9,914	-	-	6,336	-
772,204	-	2,840	-	-	-
-	-	-	17	-	5,000
-	-	-	-	-	-
7,447	-	-	-	-	-
<u>779,651</u>	<u>9,914</u>	<u>2,840</u>	<u>17</u>	<u>6,336</u>	<u>5,000</u>
-	-	-	-	-	-
-	-	-	-	-	20,163
800,917	8,831	-	-	999	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>800,917</u>	<u>8,831</u>	<u>-</u>	<u>-</u>	<u>999</u>	<u>20,163</u>
<u>(21,266)</u>	<u>1,083</u>	<u>2,840</u>	<u>17</u>	<u>5,337</u>	<u>(15,163)</u>
2,690	-	-	-	-	14,000
-	-	-	-	-	-
<u>2,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
(18,576)	1,083	2,840	17	5,337	(1,163)
<u>551,809</u>	<u>16,245</u>	<u>2,500</u>	<u>1</u>	<u>1,771</u>	<u>4,730</u>
<u>\$ 533,233</u>	<u>\$ 17,328</u>	<u>\$ 5,340</u>	<u>\$ 18</u>	<u>\$ 7,108</u>	<u>\$ 3,567</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2023**

	Special		
	Child Care	Soldiers' Relief	Veterans' Memorial
REVENUES			
Taxes	\$ -	\$ 60,612	\$ -
Licenses and permits	-	-	-
Intergovernmental	138,602	52,656	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	3,312	256	210
TOTAL REVENUES	141,914	113,524	210
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	190,143	140,498	120
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	190,143	140,498	120
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,229)	(26,974)	90
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	-	-
NET CHANGE IN FUND BALANCES	51,771	(26,974)	90
Fund balances, beginning of year	94,164	56,505	21,541
Fund balances, end of year	\$ 145,935	\$ 29,531	\$ 21,631

Revenue					
CDBG Housing Grant	Light House	Juvenile Justice	Family Court Grants	Clerk Technology	Building Authority
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	11,842	-
-	175,373	42,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,654	-	-	-	1,516	-
-	-	-	-	100	-
18,654	175,373	42,500	-	13,458	-
-	-	-	-	1,557	-
-	-	40,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,002	-	-	-	-	-
-	-	-	-	-	-
-	175,373	-	-	-	-
-	-	-	-	-	-
15,002	175,373	40,000	-	1,557	-
3,652	-	2,500	-	11,901	-
-	-	-	-	-	-
-	-	-	-	-	(5,144)
-	-	-	-	-	(5,144)
3,652	-	2,500	-	11,901	(5,144)
795,156	11,039	158	54,913	75,143	5,144
\$ 798,808	\$ 11,039	\$ 2,658	\$ 54,913	\$ 87,044	\$ -

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2023

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>Indigent Defense Counsel</u>	<u>CARES Act</u>	<u>Government Center Addition</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	26,832
Other	-	20,000	-
	<u>-</u>	<u>20,000</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>20,000</u>	<u>26,832</u>
EXPENDITURES			
Current			
General government	-	10,000	-
Judicial	92,656	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
	<u>92,656</u>	<u>10,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>92,656</u>	<u>10,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(92,656)</u>	<u>10,000</u>	<u>26,832</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	92,656	-	-
Transfers out	-	(1,714)	-
	<u>-</u>	<u>(1,714)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>92,656</u>	<u>(1,714)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	8,286	26,832
Fund balances, beginning of year	<u>494</u>	<u>255,412</u>	<u>171,371</u>
Fund balances, end of year	<u>\$ 494</u>	<u>\$ 263,698</u>	<u>\$ 198,203</u>

Capital Projects

<u>Railroad Point</u>	<u>Equipment Replacement</u>	<u>Total</u>
\$ -	\$ -	\$ 698,606
-	-	442,949
-	5,358	499,869
-	13,252	1,132,765
-	-	5,017
-	-	49,177
<u>6,110</u>	<u>47,022</u>	<u>379,537</u>
<u>6,110</u>	<u>65,632</u>	<u>3,207,920</u>
-	-	35,596
-	-	152,819
-	-	1,904,167
-	-	415,575
-	-	345,763
-	-	35,136
-	-	187,375
<u>13,478</u>	<u>78,594</u>	<u>92,072</u>
<u>13,478</u>	<u>78,594</u>	<u>3,168,503</u>
<u>(7,368)</u>	<u>(12,962)</u>	<u>39,417</u>
-	-	233,872
<u>-</u>	<u>(812)</u>	<u>(10,360)</u>
<u>-</u>	<u>(812)</u>	<u>223,512</u>
(7,368)	(13,774)	262,929
<u>16,759</u>	<u>84,905</u>	<u>3,192,435</u>
<u>\$ 9,391</u>	<u>\$ 71,131</u>	<u>\$ 3,455,364</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	<u>Tax Admin</u>	<u>Sheriff Commissary</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and investments	\$ 52,160	\$ 2,678	\$ 54,838
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	<u>\$ 52,160</u>	<u>\$ 2,678</u>	<u>\$ 54,838</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
YEAR ENDED SEPTEMBER 30, 2023**

	Tax Admin	Sheriff Commissary	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 10,595	\$ 10,595
OPERATING EXPENSES			
Other supplies and other expenses	-	9,346	9,346
OPERATING INCOME	-	1,249	1,249
Net position, beginning of year	52,160	1,429	53,589
Net position, end of year	\$ 52,160	\$ 2,678	\$ 54,838

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

	Tax Admin	Sheriff Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from users	\$ -	\$ 10,595	\$ 10,595
Cash paid to suppliers	-	(9,346)	(9,346)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	1,249	1,249
Cash and investments, beginning of year	52,160	1,429	53,589
Cash and investments, end of year	\$ 52,160	\$ 2,678	\$ 54,838
Reconciliation of operating income to net cash and investments provided by operating activities			
Operating income	\$ -	\$ 1,249	\$ 1,249

**BENZIE COUNTY, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023**

	General Custodial	Library Penal Fines	Sheriff's Inmate Trust	Benzie- Leelanau District Health Department	Total
ASSETS					
Cash and investments	\$ 5,695,298	\$ 24,171	\$ 25,736	\$ 2,505,913	\$ 8,251,118
LIABILITIES					
Undistributed tax collections payable	5,348,435	-	-	-	5,348,435
Due to other governmental units	233,899	24,171	-	-	258,070
Due to others	95,581	-	-	-	95,581
TOTAL LIABILITIES	5,677,915	24,171	-	-	5,702,086
NET POSITION					
Restricted for individuals, organizations, and other governmental units	\$ 17,383	\$ -	\$ 25,736	\$ 2,505,913	\$ 2,549,032

**BENZIE COUNTY, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2023**

	General Custodial	Library Penal Fines	Sheriff's Inmate Trust	Benzie- Leelanau District Health Department	Total
ADDITIONS					
Investment earnings	\$ -	\$ 748	\$ 6	\$ 41,647	\$ 42,401
Property tax collections for other governmental units	11,322,904	-	-	-	11,322,904
Collections for other governmental units	1,336,500	66,751	-	6,553,188	7,956,439
Collections for individuals and agencies	164,991	-	233,109	-	398,100
TOTAL ADDITIONS	12,824,395	67,499	233,115	6,594,835	19,719,844
DEDUCTIONS					
Property tax distributions to other governmental units	11,322,904	-	-	-	11,322,904
Distributions to other governmental units	1,336,500	67,499	-	5,787,469	7,191,468
Distributions to individuals and agencies	164,991	-	212,488	-	377,479
TOTAL DEDUCTIONS	12,824,395	67,499	212,488	5,787,469	18,891,851
NET CHANGE IN FIDUCIARY NET POSITION	-	-	20,627	807,366	827,993
Net position, beginning of year	17,383	-	5,109	1,698,547	1,721,039
Net position, end of year	<u>\$ 17,383</u>	<u>\$ -</u>	<u>\$ 25,736</u>	<u>\$ 2,505,913</u>	<u>\$ 2,549,032</u>

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 BALANCE SHEET - LAND BANK AUTHORITY
 SEPTEMBER 30, 2023**

ASSETS

Cash and investments	\$ 167,317
Accounts receivable	<u>22,168</u>

TOTAL ASSETS	<u><u>\$ 189,485</u></u>
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LIABILITIES

Accounts payable	<u>\$ 90</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	<u>21,568</u>
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FUND BALANCE

Unassigned	<u>167,827</u>
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 189,485</u></u>
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**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
 OF NET POSITION - LAND BANK AUTHORITY
 SEPTEMBER 30, 2023**

Total fund balance - governmental fund	\$	167,827
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Amounts reported for the governmental activities in the statement of net position are different because:

Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the fund.		21,568
		21,568

Net position of governmental activities	\$	189,395
		189,395

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - LAND BANK AUTHORITY
 YEAR ENDED SEPTEMBER 30, 2023**

REVENUES	
Property tax capture	\$ 2,840
Intergovernmental	10,000
Other revenue	<u>17,236</u>
TOTAL REVENUES	<u>30,076</u>
EXPENDITURES	
Current	
Community and economic development	<u>22,410</u>
NET CHANGE IN FUND BALANCE	7,666
Fund balance, beginning of year	<u>160,161</u>
Fund balance, end of year	<u><u>\$ 167,827</u></u>

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE
 STATEMENT OF ACTIVITIES - LAND BANK AUTHORITY
 YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balance - governmental fund	\$	7,666
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. The change in long-term receivables reported in the fund is:

(1,853)

Change in net position of governmental activities

\$ 5,813

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 BALANCE SHEET - BROWNFIELD REDEVELOPMENT AUTHORITY
 SEPTEMBER 30, 2023**

ASSETS	
Cash and investments	<u>\$ 16,712</u>
LIABILITIES	
	<u>\$ -</u>
FUND BALANCE	
Unassigned	<u> 16,712</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u> \$ 16,712</u></u>

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to the net position as of September 30, 2023.

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BROWNFIELD REDEVELOPMENT AUTHORITY
 YEAR ENDED SEPTEMBER 30, 2023**

REVENUES	
Property tax capture	<u>\$ 945</u>
EXPENDITURES	
Current	
Community and economic development	<u>2,244</u>
CHANGE IN FUND BALANCE	(1,299)
Fund balance, beginning of year	<u>18,011</u>
Fund balance, end of year	<u><u>\$ 16,712</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities for this component unit is not required as the net change in fund balance was equal to the change in net position for the year ended September 30, 2023.

**BENZIE COUNTY, MICHIGAN
COMPONENT UNIT FUNDS
BALANCE SHEET - ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2023**

ASSETS	\$ -
LIABILITIES	\$ -
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to the net position as of September 30, 2023.

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - ECONOMIC DEVELOPMENT CORPORATION
 YEAR ENDED SEPTEMBER 30, 2023**

REVENUES	
Intergovernmental	<u>\$ 23,886</u>
EXPENDITURES	
Current	
Community and economic development	<u>23,886</u>
NET CHANGE IN FUND BALANCES	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities for this component unit is not required as the net change in fund balance was equal to the change in net position for the year ended September 30, 2023.

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2023

Debt issues of \$1,000,000 or more sold on or after July 3, 1995, are subject to SEC rule 15c2-12 disclosure requirements. As of September 30, 2023, the County has the following debt issues subject to SEC Rule 15c2-12:

\$2,610,000 2020 Capital Improvement Refunding Bonds

The following tables are included in the debt issues and are required to be updated annually to comply with the Municipal Securities disclosures requirements of the SEC Rule 15c2-12:

Taxable and State Equalized Valuation

Year	Taxable Valuation	State Equalized Valuation (50% of True Value)
2023	\$ 1,642,783,280	\$ 2,559,100,542
2022	1,517,581,461	2,255,965,981
2021	1,424,537,327	2,060,689,551
2020	1,362,850,807	1,888,200,018
2019	1,311,437,736	1,811,873,769
2018	1,263,396,604	1,737,231,564
2017	1,213,795,673	1,693,278,917
2016	1,160,540,117	1,602,436,793
2015	1,158,546,881	1,595,021,895
2014	1,131,377,921	1,516,760,157
2013	1,110,839,737	1,455,041,795

Source: Benzie County

Breakdown of Taxable Value

2023 Breakdown by Use		2023 Breakdown by Class	
Residential	89.59%	Real	96.62%
Commercial	6.48%	Personal	<u>3.38%</u>
Industrial	0.74%		
Utility	2.23%	Total	<u><u>100.00%</u></u>
Agricultural	0.96%		
Timber-Cutover	<u>0.00%</u>		
Total	<u><u>100.00%</u></u>		

Source: Benzie County

**BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2023**

Major Taxpayers

Top Ten Taxpayers By Taxable Value	2023 Taxable Value
Consumers Energy Co	\$ 18,996,318
Crystal Enterprises Inc	12,177,407
DTE Gas Company	8,746,083
Graceland Fruit Inc	5,974,736
Crystalaire, LLC	3,374,007
Crystal Downs Country Club	3,157,856
Michigan Shores Cooperative	2,680,443
Cherryland Rural	2,666,100
Jencks, Hollis W III Trust	2,296,929
4 Seasons Storage Interlochen, LLC	2,171,452
TOTALS	<u>\$ 62,241,331</u>
Total 2023 Taxable Value	\$ 1,642,783,280
Top 10 Taxpayers as a % of 2023 Total Taxable Value	3.79%

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2023

Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County operating	3.3378	3.3378	3.3808	3.4334	3.4479
MCF debt and operations	0.7346	0.8125	0.8031	0.9936	0.9952
Commission on Aging	0.8177	0.8177	0.8283	0.8412	0.8448
Animal Control	0.1400	0.1400	-	0.0970	0.0975
Ambulance	0.8000	0.8000	0.7743	0.7864	0.7898
Soldier relief	0.0750	0.0400	0.0400	0.0400	0.0400
Conservation District	0.1222	0.1222	0.1222	0.1242	0.1248
TNT operations	0.1000	0.1000	0.0964	0.0979	0.0984
Jail operations	1.2660	1.2660	0.8862	0.8790	0.8828
Resource Officer	<u>0.0550</u>	<u>0.1800</u>	<u>0.1761</u>	<u>0.1789</u>	<u>0.1797</u>
 Total County	 7.4483	 7.6162	 7.1074	 7.4716	 7.5009
 Road Commission	 1.0000	 0.9666	 0.9791	 0.9944	 0.9986
 Traverse Bay Area ISD	 <u>2.8871</u>	 <u>2.8871</u>	 <u>2.9003</u>	 <u>2.9091</u>	 <u>2.9161</u>
 Total All Jurisdictions	 <u><u>11.3354</u></u>	 <u><u>11.4699</u></u>	 <u><u>10.9868</u></u>	 <u><u>11.3751</u></u>	 <u><u>11.4156</u></u>

The County's authorized operating tax rate is 5.2900 mills.

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2023

Property Tax Collections

Benzie County pays from a Delinquent Tax Revolving Fund real property taxes of all municipalities in the County, including the County. Delinquent personal property taxes are negligible. The County's fiscal year begins October 1. County taxes are due July 1 and December 1 and become delinquent the following March 1. This table reflects only real property delinquencies and assumes 100% collection of personal property taxes.

<u>Year</u>	<u>Tax Levy</u>	<u>Amount Collected</u>	<u>Real %</u>	<u>Personal %</u>
2023	\$ 56,338,945	\$ 53,697,151	95.31%	100.00%
2022	52,184,730	50,084,994	95.98%	100.00%
2021	47,997,081	46,028,302	95.90%	100.00%
2020	45,351,033	43,469,762	95.85%	100.00%
2019	44,496,469	42,328,369	95.13%	100.00%
2018	43,401,787	41,276,953	95.10%	100.00%
2017	41,526,215	39,499,746	95.12%	100.00%
2016	39,193,822	37,176,154	94.85%	100.00%
2015	39,084,549	37,092,170	94.90%	100.00%
2014	37,168,620	35,224,059	94.76%	100.00%

Source: Benzie County

General Fund Revenue and Expenditures

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues and other financing sources	\$ 10,202,194	\$ 7,434,089	\$ 7,246,238	\$ 6,763,418
Expenditures and other financing uses	<u>7,810,976</u>	<u>7,419,584</u>	<u>7,055,529</u>	<u>6,471,237</u>
Net change in fund balance	2,391,218	14,505	190,709	292,181
Beginning Fund Balance	<u>2,274,469</u>	<u>2,259,964</u>	<u>2,069,255</u>	<u>1,777,074</u>
Ending Fund Balance	<u><u>\$ 4,665,687</u></u>	<u><u>\$ 2,274,469</u></u>	<u><u>\$ 2,259,964</u></u>	<u><u>\$ 2,069,255</u></u>

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2023

Top Employers

<u>Employer</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Crystal Mountain	671	250 (FT)/750 (PT)	250 (FT)/750 (PT)
Benzie Central Schools	275	275	315
Smeltzer Orchard	215	50 (FT)/200 (S)	50 (FT)/200 (S)
Graceland Fruit	197	200	199
Munson Healthcare	412	200	198
Frankfort Elberta Area Schools	186	186	172
Benzie Conty Government	153	129	129
The Maples Medical Care Facility	113	113	113
Crystal Lake Clinics	100	100	100

Source: Benzie County

FT = Estimated Full-time, PT = Estimated Part-time, S = Estimated Seasonal

Debt Statement

	<u>Gross</u>	<u>Self-supporting or Portion Paid Directly by Benefit Municipalities</u>	<u>Net</u>
Direct debt of County:			
Medical Care Facility	\$ 2,970,000	\$ -	\$ 2,970,000

In addition to the above, the County issues self-supporting Limited Tax Delinquent Fund Tax Notes each year which mature in 1 to 3 years.

Per capita County Net Direct Debt	\$ 165.28
Percent County Net Direct Debt to 2023 TV	0.20%

Overlapping Debt of County:	
School Districts	\$ 35,931,511
Cities	1,977,000
Townships	-
Villages	713,600
Intermediate School Districts	-

Net Overlapping Debt	<u>38,622,111</u>
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Net County and Overlapping Debt	<u><u>\$ 41,592,111</u></u>
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Per Capita County Net Direct and Overlapping Debt	\$ 2,315
Percent Net Direct and Overlapping Debt to 2023 TV	2.74%

Source: Benzie County and Municipal Advisory Council of Michigan