

BENZIE COUNTY, MICHIGAN

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

YEAR ENDED SEPTEMBER 30, 2024

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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, 2024, 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, 2024, 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 following component units included in the basic financial statements of Benzie County.

<u>Component</u>	<u>Classification</u>	<u>Assets</u>	<u>Net Position</u>	<u>Revenue</u>
Discretely Presented Component Units				
Road Commission	Component Unit	55.97%	60.27%	36.63%
Medical Care Facility	Component Unit	35.32%	30.06%	49.70%
Benzie Transportation Authority	Component Unit	8.28%	9.19%	12.98%

These 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 component units noted above, 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 20, 2025 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 20, 2025

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, 2024. 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, 2024, was \$22,922,006 (excluding component units).
- Governmental activities net position was \$15,506,335.
- Business-type activities net position was \$7,415,671.

Fund Level

- At the close of the fiscal year, the County's governmental funds reported a total ending fund balance of \$7,490,076 with \$4,164,788 being nonspendable, restricted, committed, or assigned for specific purposes.
- The General Fund realized \$22,703 more in revenue and other financing sources than anticipated for the fiscal year. General Fund operations also expended \$1,038,621 less than appropriated.
- Overall, the General Fund balance decreased by \$910,399 as a result of current year operations with \$3,325,288 being considered unassigned or available for general purposes.

Capital and Long-term Debt Activities

- The total capital assets for the primary government were \$14,507,086 with a net increases of \$3,280,855.
- The total long-term obligations for the primary government were \$487,051 with a net increase of \$79,796 from the prior year.
- The County remains well below its authorized legal debt limit.

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 2024. 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. Five organizations are included as component units: The Benzie County Road Commission, Benzie County Medical Care Facility, Benzie Transportation Authority, Land Bank Authority, and Brownfield Redevelopment Authority.

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, 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

Benzie County's combined net position was \$22,922,006 at the end of this fiscal year's operations. The net position of the governmental activities was \$15,506,335; the business-type activities were \$7,415,671. The following table shows, in a condensed format, a comparative analysis of the net position, as of September 30, 2024 and 2023.

Net Position as of September 30, 2024 and 2023 (2023 information has been restated)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 9,408,033	\$ 10,705,467	\$ 8,756,156	\$ 8,574,306	\$ 18,164,189	\$ 19,279,773
Capital assets, net	14,117,694	10,693,253	389,392	532,978	14,507,086	11,226,231
TOTAL ASSETS	23,525,727	21,398,720	9,145,548	9,107,284	32,671,275	30,506,004
DEFERRED OUTFLOWS OF RESOURCES	1,330,193	2,319,270	332,548	579,817	1,662,741	2,899,087
LIABILITIES						
Current liabilities	1,415,659	1,520,086	78,944	95,175	1,494,603	1,615,261
Noncurrent liabilities	7,933,926	8,121,450	1,983,481	2,030,363	9,917,407	10,151,813
TOTAL LIABILITIES	9,349,585	9,641,536	2,062,425	2,125,538	11,412,010	11,767,074
DEFERRED INFLOWS OF RESOURCES	-	38,399	-	9,600	-	47,999
NET POSITION						
Investment in capital assets	14,117,694	10,693,253	389,392	532,978	14,507,086	11,226,231
Restricted	3,280,684	3,555,872	-	-	3,280,684	3,555,872
Unrestricted	(1,892,043)	(211,070)	7,026,279	7,018,985	5,134,236	6,807,915
TOTAL NET POSITION	\$ 15,506,335	\$ 14,038,055	\$ 7,415,671	\$ 7,551,963	\$ 22,922,006	\$ 21,590,018

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

Changes in Net Position for the fiscal years ended September 30, 2024 and 2023 (2023 information has been restated)

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	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenue						
Charges for services	\$ 3,100,335	\$ 2,915,004	\$ 1,252,932	\$ 1,619,450	\$ 4,353,267	\$ 4,534,454
Operating grants and contributions	1,742,205	5,263,233	1,533	1,574	1,743,738	5,264,807
Capital grants and contributions	1,100,000	100,000	-	-	1,100,000	100,000
General revenues						
Property taxes	10,133,144	9,184,741	1,315,106	1,213,349	11,448,250	10,398,090
Revenue sharing	407,120	384,055	-	-	407,120	384,055
Investment earnings	325,431	322,211	406,659	145,841	732,090	468,052
Miscellaneous	386,447	717,051	49,914	42,989	436,361	760,040
Transfers	660,000	270,024	(660,000)	(270,024)	-	-
TOTAL REVENUES	17,854,682	19,156,319	2,366,144	2,753,179	20,220,826	21,909,498
EXPENSES						
Program expenses						
Governmental activities						
General government	3,203,986	4,048,696	-	-	3,203,986	4,048,696
Judicial	2,011,140	1,864,905	-	-	2,011,140	1,864,905
Public safety	6,946,387	6,803,144	-	-	6,946,387	6,803,144
Public works	1,132,859	571,234	-	-	1,132,859	571,234
Health and welfare	2,418,263	2,490,994	-	-	2,418,263	2,490,994
Community and economic development	419,366	400,494	-	-	419,366	400,494
Recreation and culture	254,401	382,229	-	-	254,401	382,229
Business-type activities						
Delinquent Tax Revolving	-	-	1,100	1,100	1,100	1,100
Emergency Medical Services	-	-	2,457,710	2,394,988	2,457,710	2,362,079
Tax Foreclosures	-	-	39,746	167,078	39,746	167,078
Other	-	-	3,880	9,346	3,880	9,346
TOTAL EXPENSES	16,386,402	16,561,696	2,502,436	2,572,512	18,888,838	19,101,299
Change in net position	\$ 1,468,280	\$ 2,594,623	\$ (136,292)	\$ 180,667	\$ 1,331,988	\$ 2,808,199

Governmental Activities

The result of 2024 governmental activity was an increase of \$1,468,280 to bring net position to \$15,506,335. Of the total governmental activities' net position, \$14,117,694 is considered an investment in capital assets; \$3,280,684 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 57%, charges for services at 17%, and operating grants and contributions at 10%. The County levied property tax millages for the 2023 tax levy which is recognized as revenue in 2024, 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, 0.3720 for medical care facility debt, 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, and 0.1400 mills for animal control. The County also levied 3.2960 mills for general operations in July of 2024 which is recognized as revenue in 2024. 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 decreased approximately 7% from the prior year as operating grants and contributions decreased significantly due to recognition of ARPA grant revenue in the prior year.

Expenses

Public safety is the largest governmental activity, expending \$6,946,387 of the \$16,386,402 governmental activities total and includes sheriff and jail operations. General government is the second largest area, expending \$3,203,986 and includes the general operating and administrative costs of the County such as building and grounds, clerk, treasurer, and administrator functions. Overall, expenses decreased by less than 1%.

Business-type Activities

Net position in business-type activities decreased by \$136,292 during 2024.

Of the total business-type activities net position, \$389,392 is invested in capital assets. The remaining balance, \$7,026,279, 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 2024, its governmental funds reported *combined* fund balances of \$7,490,076 a net decrease of \$1,425,798. The net changes of the major governmental funds are summarized in the following chart:

	General Fund	Jail Operations	Commission on Aging	Opioid Settlement	Capital Improvements
Fund Balance 9/30/2024	\$ 3,755,288	\$ 149,608	\$ 226,260	\$ 183,783	\$ 128,003
Fund Balance 9/30/2023	<u>4,665,687</u>	<u>113,281</u>	<u>211,812</u>	<u>116,953</u>	<u>352,777</u>
Net Change	<u><u>\$ (910,399)</u></u>	<u><u>\$ 36,327</u></u>	<u><u>\$ 14,448</u></u>	<u><u>\$ 66,830</u></u>	<u><u>\$ (224,774)</u></u>

BENZIE COUNTY, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

As the County completed 2024, its enterprise funds reported *combined* net position of \$7,415,671 a net decrease of \$136,292. The net change of the major enterprise fund is summarized in the following chart:

	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures
Net Position 9/30/2024	\$ 5,548,923	\$ 668,882	\$ 1,141,350
Net Position (as restated) 9/30/2023	<u>5,536,673</u>	<u>878,252</u>	<u>1,082,200</u>
Net Change	<u>\$ 12,250</u>	<u>\$ (209,370)</u>	<u>\$ 59,150</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, 2024, the General Fund reported a fund balance of \$3,755,288.

The General Fund 2024 revenues exceeded 2024 expenditures by \$1,439,984. After including other financing sources and uses, there was a net decrease of \$910,399 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 \$547,296, or approximately 6%, primarily related to increases in investment earnings, charges for services, and other revenue. Actual General Fund revenue and other financing sources totaled \$9,157,490, \$22,703 over the final amended budget. Transfers in were \$386,715 less than budgeted and taxes and penalties were \$415,406 more than budgeted amounts.

The County increased the budget for expenditures and other financing uses during the year by \$2,519,019, or approximately 29%, primarily related to increases in transfers out to other funds. The County's General Fund total expenditures and other financing uses during 2024 were \$1,038,621 less than budgeted expenditures and other financing uses. Significantly, general government expenditures and transfers out were \$238,715 and \$491,618, respectively, less than budgeted as the County worked tirelessly to minimize spending, increase equity, and be below budget wherever possible.

Jail Operations Fund

The Jail Operations Fund increased fund balance by \$36,327 during the year ended September 30, 2024, ending the year with a restricted fund balance of \$149,608.

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

Commission on Aging Fund

The Commission on Aging Fund increased fund balance by \$14,448 during the year ended September 30, 2024, ending the year with a restricted fund balance of \$226,260.

Opioid Settlement Fund

The Opioid Settlement Fund increased fund balance by \$66,830 during the year ended September 30, 2024, ending the year with a restricted fund balance of \$183,783.

Capital Improvement Fund

The Capital Improvement Fund decreased fund balance by \$224,774 during the year ended September 30, 2024, ending the year with a restricted fund balance of \$128,003.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2024, the County had invested \$14,507,086 for the primary government, net of accumulated depreciation, in a broad range of capital assets (see table below). Accumulated depreciation was \$8,960,858 for the primary government. Depreciation charges for the fiscal year totaled \$581,481 for the primary government. Additions to capital assets totaled \$3,862,336 for the primary government and included building and land improvements, vehicles, 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
Construction in progress	1,500,000	-	1,500,000
Buildings and improvements	5,539,537	131,846	5,671,383
Land improvements	358,551	-	358,551
Machinery and equipment	702,790	222,546	925,336
	<u>\$ 14,117,694</u>	<u>\$ 389,392</u>	<u>\$ 14,507,086</u>
Capital Assets, net	<u>\$ 14,117,694</u>	<u>\$ 389,392</u>	<u>\$ 14,507,086</u>

Long-term Obligations

At the end of Fiscal Year 2024, the County had net outstanding obligations of \$487,051 for the primary government (see table below). Additional information on long-term obligations can be found in Note 6 of this report.

	Balance Oct. 1, 2023	Change	Balance Sept. 30, 2024
PRIMARY GOVERNMENT			
Governmental Activities			
Compensated absences	<u>\$ 407,255</u>	<u>\$ 79,796</u>	<u>\$ 487,051</u>

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

COUNTY ECONOMIC OUTLOOK

One large capital project is expected to continue in FY 2024-2025, 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, 2024

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Cash and investments	\$ 6,445,286	\$ 6,895,433	\$ 13,340,719	\$ 9,040,654
Cash and investments - restricted	-	-	-	577,238
Receivables				
Accounts, net	288,601	538,630	827,231	3,046,107
Loans	776,910	-	776,910	-
Taxes	995,150	1,243,900	2,239,050	-
Due from other governmental units	980,279	-	980,279	728,165
Internal balances	(78,193)	78,193	-	-
Prepays	-	-	-	375,100
Inventories	-	-	-	850,395
Capital assets not being depreciated	7,516,816	35,000	7,551,816	2,852,155
Capital assets, net of accumulated depreciation	6,600,878	354,392	6,955,270	37,623,319
Net pension asset	-	-	-	46,278
Net other post-employment benefits asset	-	-	-	63,241
TOTAL ASSETS	23,525,727	9,145,548	32,671,275	55,202,652
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	1,330,193	332,548	1,662,741	2,118,485
Deferred outflows of resources related to OPEB	-	-	-	17,313
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,330,193	332,548	1,662,741	2,135,798
LIABILITIES				
Accounts payable	489,238	6,465	495,703	635,089
Accrued liabilities	439,370	72,479	511,849	407,151
Deposits	-	-	-	58,244
Unearned revenue	-	-	-	8,925
Noncurrent liabilities				
Due within one year				
Current portion of compensated absences	487,051	-	487,051	123,684
Current portion of long-term debt	-	-	-	453,050
Due in more than one year				
Advance from other governmental units	-	-	-	472,973
Noncurrent portion of compensated absences	-	-	-	170,090
Noncurrent portion of long-term debt	-	-	-	2,548,461
Net pension liability	7,933,926	1,983,481	9,917,407	3,035,809
TOTAL LIABILITIES	9,349,585	2,062,425	11,412,010	7,913,476
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	-	-	-	83,698
Deferred inflows of resources related to OPEB	-	-	-	264,141
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	347,839
NET POSITION				
Net investment in capital assets	14,117,694	389,392	14,507,086	37,473,963
Restricted				
Public safety	1,216,737	-	1,216,737	-
Health and welfare	1,399,599	-	1,399,599	-
Capital and debt services	9,976	-	9,976	432,540
Other purposes	654,372	-	654,372	-
Unrestricted	(1,892,043)	7,026,279	5,134,236	11,170,632
TOTAL NET POSITION	\$ 15,506,335	\$ 7,415,671	\$ 22,922,006	\$ 49,077,135

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 3,203,986	\$ 389,626	\$ 314,606	\$ -	\$ (2,499,754)	\$ -	\$ (2,499,754)	\$ -
Judicial	2,011,140	214,692	391,687	-	(1,404,761)	-	(1,404,761)	-
Public safety	6,946,387	1,738,559	221,624	1,100,000	(3,886,204)	-	(3,886,204)	-
Public works	1,132,859	339,385	1,144	-	(792,330)	-	(792,330)	-
Health and welfare	2,418,263	12,344	636,307	-	(1,769,612)	-	(1,769,612)	-
Community and economic development	419,366	405,729	-	-	(13,637)	-	(13,637)	-
Recreation and culture	254,401	-	176,837	-	(77,564)	-	(77,564)	-
Total governmental activities	16,386,402	3,100,335	1,742,205	1,100,000	(10,443,862)	-	(10,443,862)	-
Business-type activities								
Delinquent Tax Revolving	1,100	320,752	-	-	-	319,652	319,652	-
Emergency Medical Services	2,457,710	874,922	1,533	-	-	(1,581,255)	(1,581,255)	-
Tax Foreclosures	39,746	51,700	-	-	-	11,954	11,954	-
Other	3,880	5,558	-	-	-	1,678	1,678	-
Total business-type activities	2,502,436	1,252,932	1,533	-	-	(1,247,971)	(1,247,971)	-
Total primary government	\$ 18,888,838	\$ 4,353,267	\$ 1,743,738	\$ 1,100,000	(10,443,862)	(1,247,971)	(11,691,833)	-
Component units								
Road Commission	\$ 7,559,915	\$ 2,215,178	\$ 6,021,339	\$ 402,981	-	-	-	1,079,583
Medical Care Facility	13,181,004	11,966,685	459,145	-	-	-	-	(755,174)
Benzie Transportation Authority	3,145,333	296,082	1,588,547	783,988	-	-	-	(476,716)
Land Bank Authority	165,273	17,680	129,021	-	-	-	-	(18,572)
Brownfield Redevelopment Authority	2,819	-	38,645	-	-	-	-	35,826
Total component units	\$ 24,054,344	\$ 14,495,625	\$ 8,236,697	\$ 1,186,969	-	-	-	(135,053)
		General revenues						
		Property taxes			10,133,144	1,315,106	11,448,250	3,407,376
		Revenue sharing			407,120	-	407,120	-
		Investment earnings			325,431	406,659	732,090	470,120
		Gain on disposal			-	-	-	36,978
		Miscellaneous			386,447	49,914	436,361	200,985
		Transfers			660,000	(660,000)	-	-
		Total general revenues and transfers			11,912,142	1,111,679	13,023,821	4,115,459
		Change in net position			1,468,280	(136,292)	1,331,988	3,980,406
		Net position, beginning of year, as originally presented			14,038,055	7,584,872	21,622,927	45,096,729
		Adjustments to beginning net position			-	(32,909)	(32,909)	-
		Net position, beginning of year, as restated			14,038,055	7,551,963	21,590,018	45,096,729
		Net position, end of the year			\$ 15,506,335	\$ 7,415,671	\$ 22,922,006	\$ 49,077,135

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2024**

		Special	
	General	Jail Operations	Commission on Aging
ASSETS			
Cash and investments	\$ 3,357,200	\$ 202,411	\$ 241,395
Receivables			
Accounts	32,810	34,187	-
Loans	-	-	-
Taxes	995,150	-	-
Due from other governmental units	155,388	-	-
TOTAL ASSETS	\$ 4,540,548	\$ 236,598	\$ 241,395
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 164,545	\$ 29,274	\$ 15,135
Accrued liabilities	325,001	57,716	-
Due to other funds	-	-	-
TOTAL LIABILITIES	489,546	86,990	15,135
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	295,714	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	149,608	226,260
Committed	430,000	-	-
Assigned	-	-	-
Unassigned	3,325,288	-	-
TOTAL FUND BALANCES	3,755,288	149,608	226,260
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,540,548	\$ 236,598	\$ 241,395

See accompanying notes to financial statements.

<u>Revenue</u>	<u>Capital Projects</u>		
<u>Opioid Settlement</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 183,783	\$ 275,372	\$ 2,185,125	\$ 6,445,286
-	-	221,604	288,601
-	-	776,910	776,910
-	-	-	995,150
693,635	-	131,256	980,279
<u>\$ 877,418</u>	<u>\$ 275,372</u>	<u>\$ 3,314,895</u>	<u>\$ 9,486,226</u>
\$ -	\$ 147,369	\$ 132,915	\$ 489,238
-	-	56,653	439,370
-	-	78,193	78,193
<u>-</u>	<u>147,369</u>	<u>267,761</u>	<u>1,006,801</u>
693,635	-	-	989,349
-	-	776,910	776,910
183,783	-	1,944,123	2,503,774
-	-	154,738	584,738
-	128,003	171,363	299,366
-	-	-	3,325,288
<u>183,783</u>	<u>128,003</u>	<u>3,047,134</u>	<u>7,490,076</u>
<u>\$ 877,418</u>	<u>\$ 275,372</u>	<u>\$ 3,314,895</u>	<u>\$ 9,486,226</u>

BENZIE COUNTY, MICHIGAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total fund balances - governmental funds \$ 7,490,076

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	\$ 22,071,548	
Accumulated depreciation is	(7,953,854)	
	14,117,694	
Capital assets, net		14,117,694

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	1,330,193
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Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the funds.	989,349
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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	(487,051)	
Net pension liability	(7,933,926)	
	(8,420,977)	

Net position of governmental activities	\$ 15,506,335
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BENZIE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

		Special	
	General	Jail Operations	Commission on Aging
REVENUES			
Taxes	\$ 6,324,277	\$ 2,080,510	\$ 1,344,763
Licenses and permits	34,079	-	-
Intergovernmental	1,038,954	21,588	1,724
Charges for services	951,465	188,893	-
Fines and forfeits	4,680	-	-
Investment earnings and rents	358,187	-	12,057
Other	322,239	51,955	-
TOTAL REVENUES	9,033,881	2,342,946	1,358,544
EXPENDITURES			
Current			
General government	2,713,014	-	-
Judicial	1,777,443	-	-
Public safety	2,111,196	2,196,619	-
Public works	7,964	-	-
Health and welfare	627,312	-	1,344,096
Community and economic development	322,972	-	-
Recreation and culture	33,996	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	7,593,897	2,196,619	1,344,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,439,984	146,327	14,448
OTHER FINANCING SOURCES (USES)			
Transfers in	123,609	-	-
Transfers out	(2,473,992)	(110,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,350,383)	(110,000)	-
NET CHANGE IN FUND BALANCES	(910,399)	36,327	14,448
Fund balances, beginning of year	4,665,687	113,281	211,812
Fund balances, end of year	\$ 3,755,288	\$ 149,608	\$ 226,260

See accompanying notes to financial statements.

<u>Revenue</u>	<u>Capital Projects</u>		
<u>Opioid Settlement</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 607,815	\$ 10,357,365
-	-	437,647	471,726
155,043	1,100,000	462,184	2,779,493
-	-	1,163,499	2,303,857
-	-	5,000	9,680
172	-	14,773	385,189
-	36,386	164,205	574,785
<u>155,215</u>	<u>1,136,386</u>	<u>2,855,123</u>	<u>16,882,095</u>
-	-	41,721	2,754,735
-	-	157,382	1,934,825
-	-	1,972,750	6,280,565
-	-	432,652	440,616
73,385	-	336,417	2,381,210
-	-	35,342	358,314
-	-	148,052	182,048
-	4,592,727	42,853	4,635,580
<u>73,385</u>	<u>4,592,727</u>	<u>3,167,169</u>	<u>18,967,893</u>
<u>81,830</u>	<u>(3,456,341)</u>	<u>(312,046)</u>	<u>(2,085,798)</u>
-	3,231,567	222,267	3,577,443
<u>(15,000)</u>	<u>-</u>	<u>(318,451)</u>	<u>(2,917,443)</u>
<u>(15,000)</u>	<u>3,231,567</u>	<u>(96,184)</u>	<u>660,000</u>
66,830	(224,774)	(408,230)	(1,425,798)
<u>116,953</u>	<u>352,777</u>	<u>3,455,364</u>	<u>8,915,874</u>
<u>\$ 183,783</u>	<u>\$ 128,003</u>	<u>\$ 3,047,134</u>	<u>\$ 7,490,076</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, 2024

Net change in fund balances - total governmental funds \$ (1,425,798)

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	\$	3,862,336
Depreciation expense		<u>(437,895)</u>

Excess of capital outlay over depreciation expense		3,424,441
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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:		312,587
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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		(79,796)
Decrease in net pension liability		187,524
(Decrease) in deferred outflows of resources related to pensions		(989,077)
Decrease in deferred inflows of resources related to pensions		<u>38,399</u>

(842,950)

Change in net position of governmental activities		<u><u>\$ 1,468,280</u></u>
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**BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
ASSETS					
Cash and investments	\$ 4,226,830	\$ 1,470,495	\$ 1,141,592	\$ 56,516	\$ 6,895,433
Receivables					
Accounts, net	-	538,630	-	-	538,630
Delinquent taxes	1,243,900	-	-	-	1,243,900
Due from other funds	78,193	-	-	-	78,193
Capital assets not being depreciated	-	35,000	-	-	35,000
Capital assets, net of accumulated depreciation	-	354,392	-	-	354,392
TOTAL ASSETS	5,548,923	2,398,517	1,141,592	56,516	9,145,548
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension	-	332,548	-	-	332,548
LIABILITIES					
Accounts payable	-	6,223	242	-	6,465
Accrued liabilities	-	72,479	-	-	72,479
Noncurrent liabilities					
Due in more than one year					
Net pension liability	-	1,983,481	-	-	1,983,481
TOTAL LIABILITIES	-	2,062,183	242	-	2,062,425
NET POSITION					
Investment in capital assets	-	389,392	-	-	389,392
Unrestricted	5,548,923	279,490	1,141,350	56,516	7,026,279
TOTAL NET POSITION	\$ 5,548,923	\$ 668,882	\$ 1,141,350	\$ 56,516	\$ 7,415,671

See accompanying notes to financial statements.

BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Charges for services	\$ 108,093	\$ 874,922	\$ 51,700	\$ 5,558	\$ 1,040,273
Interest and penalties on taxes	212,659	-	-	-	212,659
Other revenue	-	49,914	-	-	49,914
TOTAL OPERATING REVENUES	320,752	924,836	51,700	5,558	1,302,846
OPERATING EXPENSES					
Personnel costs	-	1,835,734	-	-	1,835,734
Contractual services	-	57,339	-	-	57,339
Utilities	-	26,961	-	-	26,961
Repairs and maintenance	-	63,007	-	-	63,007
Insurance	-	49,071	-	-	49,071
Other supplies and expenses	1,100	282,012	39,746	3,880	326,738
Depreciation	-	143,586	-	-	143,586
TOTAL OPERATING EXPENSES	1,100	2,457,710	39,746	3,880	2,502,436
OPERATING INCOME (LOSS)	319,652	(1,532,874)	11,954	1,678	(1,199,590)
NONOPERATING REVENUES					
Property taxes	-	1,315,106	-	-	1,315,106
Intergovernmental	-	1,533	-	-	1,533
Investment earnings	317,598	6,865	82,196	-	406,659
TOTAL NONOPERATING REVENUES	317,598	1,323,504	82,196	-	1,723,298
INCOME (LOSS) BEFORE TRANSFERS	637,250	(209,370)	94,150	1,678	523,708
Transfers out	(625,000)	-	(35,000)	-	(660,000)
CHANGE IN NET POSITION	12,250	(209,370)	59,150	1,678	(136,292)
Net position, beginning of year, as previously presented	5,536,673	911,161	1,082,200	54,838	7,584,872
Adjustments to beginning net position	-	(32,909)	-	-	(32,909)
Net position, beginning of year, as restated	5,536,673	878,252	1,082,200	54,838	7,551,963
Net position, end of year	<u>\$ 5,548,923</u>	<u>\$ 668,882</u>	<u>\$ 1,141,350</u>	<u>\$ 56,516</u>	<u>\$ 7,415,671</u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024**

	Business-type Activities				
	Delinquent Tax Revolving	Emergency Medical Services	Tax Foreclosures	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 13,238	\$ 1,121,671	\$ 51,700	\$ 5,558	\$ 1,192,167
Cash paid to employees	-	(1,246,429)	-	-	(1,246,429)
Cash paid to suppliers	(1,106)	(869,091)	(48,419)	(3,880)	(922,496)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	12,132	(993,849)	3,281	1,678	(976,758)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes	-	1,315,106	-	-	1,315,106
Intergovernmental sources	-	1,533	-	-	1,533
Payments (to) other funds	(51,666)	-	-	-	(51,666)
Transfers out	(625,000)	-	(35,000)	-	(660,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(676,666)	1,316,639	(35,000)	-	604,973
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	317,598	6,865	82,196	-	406,659
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(346,936)	329,655	50,477	1,678	34,874
Cash and investments, beginning of year	4,573,766	1,140,840	1,091,115	54,838	6,860,559
Cash and investments, end of year	<u>\$ 4,226,830</u>	<u>\$ 1,470,495</u>	<u>\$ 1,141,592</u>	<u>\$ 56,516</u>	<u>\$ 6,895,433</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 319,652	\$ (1,532,874)	\$ 11,954	\$ 1,678	\$ (1,199,590)
Adjustments to reconcile operating income (loss) to net cash and investments provided (used) by operating activities					
Depreciation	-	143,586	-	-	143,586
(Increase) decrease in:					
Receivables	(307,514)	196,835	-	-	(110,679)
Prepays	-	15,369	-	-	15,369
Deferred outflows of resources related to pensions	-	247,269	-	-	247,269
Increase (decrease) in:					
Accounts payable	(6)	(8,218)	(8,673)	-	(16,897)
Accrued liabilities	-	666	-	-	666
Net pension liability	-	(46,882)	-	-	(46,882)
Deferred inflows of resources related to pensions	-	(9,600)	-	-	(9,600)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 12,132	\$ (993,849)	\$ 3,281	\$ 1,678	\$ (976,758)

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	<u>\$ 9,195,584</u>
LIABILITIES	
Undistributed tax collections payable	6,122,804
Due to other governmental units	116,704
Due to others	<u>89,750</u>
TOTAL LIABILITIES	<u>6,329,258</u>
NET POSITION	
Restricted for individuals, organizations, and other governmental units	<u><u>\$ 2,866,326</u></u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Investment earnings	\$ 85,608
Property tax collections for other governmental units	12,991,848
Collections for other governmental units	9,240,865
Collections for individuals and agencies	<u>571,232</u>
 TOTAL ADDITIONS	 <u>22,889,553</u>
DEDUCTIONS	
Property tax distributions to other governmental units	12,991,848
Distributions to other governmental units	9,019,293
Distributions to individuals and agencies	<u>561,118</u>
 TOTAL DEDUCTIONS	 <u>22,572,259</u>
 NET CHANGE IN FIDUCIARY NET POSITION	 317,294
 Net position, beginning of year	 <u>2,549,032</u>
 Net position, end of year	 <u><u>\$ 2,866,326</u></u>

See accompanying notes to financial statements.

**BENZIE COUNTY, MICHIGAN
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Road Commission	Medical Care Facility	Benzie Transportation Authority
ASSETS			
Cash and investments	\$ 2,740,684	\$ 4,844,499	\$ 1,357,583
Cash and investments - restricted	-	577,238	-
Receivables	1,544,431	1,465,919	17,658
Due from other governmental units	-	-	609,144
Prepays and deposits	125,683	184,784	64,633
Inventories	830,414	-	19,981
Capital assets not being depreciated	2,554,341	297,814	-
Capital assets, net of accumulated depreciation	23,038,809	12,126,501	2,458,009
Net pension asset	-	-	46,278
Net other post-employment benefits asset	63,241	-	-
TOTAL ASSETS	30,897,603	19,496,755	4,573,286
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	1,167,108	747,824	203,553
Deferred outflows of resources related to OPEB	17,313	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,184,421	747,824	203,553
LIABILITIES			
Accounts payable	353,113	221,934	59,268
Accrued liabilities	38,221	255,729	113,201
Deposits	58,244	-	-
Unearned revenue	-	-	8,925
Noncurrent liabilities			
Due within one year			
Current portion of compensated absences	123,684	-	-
Current portion of long-term debt	-	453,050	-
Due in more than one year			
Advance from other governmental units	472,973	-	-
Noncurrent portion of compensated absences	-	170,090	-
Noncurrent portion of long-term debt	-	2,548,461	-
Net pension liability	1,191,841	1,843,968	-
TOTAL LIABILITIES	2,238,076	5,493,232	181,394
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	-	-	83,698
Deferred inflows of resources related to OPEB	264,141	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	264,141	-	83,698
NET POSITION			
Net investment in capital assets	25,593,150	9,422,804	2,458,009
Restricted for capital and debt services	-	432,540	-
Unrestricted	3,986,657	4,896,003	2,053,738
TOTAL NET POSITION	\$ 29,579,807	\$ 14,751,347	\$ 4,511,747

See accompanying notes to financial statements.

Land Bank Authority	Brownfield Redevelopment Authority	Total
\$ 43,745	\$ 54,143	\$ 9,040,654
-	-	577,238
18,099	-	3,046,107
119,021	-	728,165
-	-	375,100
-	-	850,395
-	-	2,852,155
-	-	37,623,319
-	-	46,278
-	-	63,241
180,865	54,143	55,202,652
-	-	2,118,485
-	-	17,313
-	-	2,135,798
155	619	635,089
-	-	407,151
-	-	58,244
-	-	8,925
-	-	123,684
-	-	453,050
-	-	472,973
-	-	170,090
-	-	2,548,461
-	-	3,035,809
155	619	7,913,476
-	-	83,698
-	-	264,141
-	-	347,839
-	-	37,473,963
-	-	432,540
180,710	53,524	11,170,632
\$ 180,710	\$ 53,524	\$ 49,077,135

**BENZIE COUNTY, MICHIGAN
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

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	
Road Commission	\$ 7,559,915	\$ 2,215,178	\$ 6,021,339	\$ 402,981	\$ 1,079,583	\$ -	\$ -	\$ -	\$ -	\$ 1,079,583
Medical Care Facility	13,181,004	11,966,685	459,145	-	-	(755,174)	-	-	-	(755,174)
Benzie Transportation Authority	3,145,333	296,082	1,588,547	783,988	-	-	(476,716)	-	-	(476,716)
Land Bank Authority	165,273	17,680	129,021	-	-	-	-	(18,572)	-	(18,572)
Brownfield Redevelopment Authority	2,819	-	38,645	-	-	-	-	-	35,826	35,826
Total component units	<u>\$ 24,054,344</u>	<u>\$ 14,495,625</u>	<u>\$ 8,236,697</u>	<u>\$ 1,186,969</u>	<u>1,079,583</u>	<u>(755,174)</u>	<u>(476,716)</u>	<u>(18,572)</u>	<u>35,826</u>	<u>(135,053)</u>
General revenues										
Property taxes					1,407,597	1,211,657	782,956	4,180	986	3,407,376
Investment earnings					177,756	213,925	74,585	3,854	-	470,120
Gain on disposal					32,004	-	4,974	-	-	36,978
Miscellaneous					11,200	82,680	107,105	-	-	200,985
Total general revenues					<u>1,628,557</u>	<u>1,508,262</u>	<u>969,620</u>	<u>8,034</u>	<u>986</u>	<u>4,115,459</u>
Change in net position					2,708,140	753,088	492,904	(10,538)	36,812	3,980,406
Net position, beginning of year					<u>26,871,667</u>	<u>13,998,259</u>	<u>4,018,843</u>	<u>191,248</u>	<u>16,712</u>	<u>45,096,729</u>
Net position, end of year					<u>\$ 29,579,807</u>	<u>\$ 14,751,347</u>	<u>\$ 4,511,747</u>	<u>\$ 180,710</u>	<u>\$ 53,524</u>	<u>\$ 49,077,135</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. The Corporation had no activity for the year ended September 30, 2024.

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, 2024, 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, 2024, 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 *Opioid Settlement Fund* is used to account for the restricted resources received through the National Opioid Settlement.
- e. The *Capital Improvements Fund* is used to account for expenditures incurred related to capital purchase and projects within the County.

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)

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.

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

- a. *Special Revenue Funds* account for revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects or permanent funds.
- b. *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
- d. *Enterprise Funds* account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.
- e. *Custodial Funds* account for financial resources collected and distributed to other governmental units and individuals.

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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Cash and Investments (continued)

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.

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.

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

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

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.

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.

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

Buildings and improvements	5-40 years
Land improvements	15-30 years
Machinery and equipment	4-20 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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Capital Assets

COMPONENT UNIT - ROAD COMMISSION (continued)

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

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 (Asset)

The net pension liability (asset) and net other post-employment benefits (asset) 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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Deferred Outflows/Inflows of Resources (continued)

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.

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, 2024, 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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

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

Budgets and Budgetary Accounting (continued)

- 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.

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, 2024, 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, 2024, \$14,555,419 of the County's bank balance of \$16,656,614 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 \$20,543,348. The County had \$5,856 of imprest cash at September 30, 2024.

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.

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)
PRIMARY GOVERNMENT		
Municipal bonds	\$ 1,759,203	4.4129
Michigan CLASS Investment Pool	3,264,836	0.2300
Mortgage backed securities	<u>775,253</u>	1.2536
	5,799,292	
COMPONENT UNITS		
Michigan CLASS Investment Pool	5,010,370	0.2300
FIDUCIARY FUNDS		
Michigan CLASS Investment Pool	<u>795,329</u>	0.2300
Total fair value	<u><u>\$ 11,604,991</u></u>	
Portfolio weighted average maturity		<u><u>0.9325</u></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, 2024, 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)	\$ 405,320	AA-
Municipal bonds (Wayne State Univ., MI)	489,769	A+
Municipal bonds (MI State Strategic Fund)	223,868	AA2
Municipal bonds (MI Finance Authority)	392,411	AA-
Municipal bonds (Macomb County, MI)	247,835	AA+
Michigan CLASS Investment Pool	3,264,836	AAAm
Mortgage backed securities	<u>775,253</u>	AA+
	5,799,292	
COMPONENT UNITS		
Michigan CLASS Investment Pool	5,010,370	AAAm
FIDUCIARY FUNDS		
Michigan CLASS Investment Pool	<u>795,329</u>	AAAm
Total fair value	<u><u>\$ 11,604,991</u></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, 2024, 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	\$ -	\$ 1,759,203	\$ -	\$ 1,759,203
Mortgage backed securities	-	775,253	-	775,253
Total primary government	\$ -	\$ 2,534,456	\$ -	\$ 2,534,456

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, 2024, 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	\$ 3,264,836	\$ -	No restrictions	None
COMPONENT UNITS				
Michigan CLASS Investment Pool	5,010,370	-	No restrictions	None
FIDUCIARY FUNDS				
Michigan CLASS Investment Pool	<u>795,329</u>	<u>-</u>	No restrictions	None
Total investments at NAV	<u>\$ 9,070,535</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, 2024:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash and investments	\$ 13,340,719	\$ 9,040,654	\$ 9,195,584	\$ 31,576,957
Restricted cash and investments	<u>-</u>	<u>577,238</u>	<u>-</u>	<u>577,238</u>
	<u>\$ 13,340,719</u>	<u>\$ 9,617,892</u>	<u>\$ 9,195,584</u>	<u>\$ 32,154,195</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, 2024:

Due to Delinquent Tax Revolving Fund from:	
Nonmajor governmental funds	<u>\$ 78,193</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:	
Tax Foreclosures Fund	\$ 35,000
Opioid Settlement Fund	15,000
Nonmajor governmental funds	<u>73,609</u>
	<u>\$ 123,609</u>
Transfers to Capital Improvements Fund from:	
General Fund	\$ 2,251,725
Delinquent Tax Revolving Fund	625,000
Jail Operations Fund	110,000
Nonmajor governmental funds	<u>244,842</u>
	<u>\$ 3,231,567</u>
Transfers to nonmajor governmental funds from:	
General Fund	<u>\$ 222,267</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, 2024, was as follows:

PRIMARY GOVERNMENT

	Balance Oct. 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Sept. 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6,016,816	\$ -	\$ -	\$ 6,016,816
Construction in progress	513,543	3,188,666	(2,202,209)	1,500,000
Subtotal	6,530,359	3,188,666	(2,202,209)	7,516,816
Capital assets being depreciated				
Buildings and improvements	9,111,876	2,300,079	-	11,411,955
Land improvements	161,039	291,978	-	453,017
Machinery and equipment	2,405,938	283,822	-	2,689,760
Subtotal	11,678,853	2,875,879	-	14,554,732
Less accumulated depreciation for:				
Buildings and improvements	(5,607,638)	(264,780)	-	(5,872,418)
Land improvements	(79,957)	(14,509)	-	(94,466)
Machinery and equipment	(1,828,364)	(158,606)	-	(1,986,970)
Subtotal	(7,515,959)	(437,895)	-	(7,953,854)
Net capital assets being depreciated	4,162,894	2,437,984	-	6,600,878
Capital assets, net	<u>\$ 10,693,253</u>	<u>\$ 5,626,650</u>	<u>\$ (2,202,209)</u>	<u>\$ 14,117,694</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 98,608
Public safety	287,329
Health and welfare	2,500
Recreation and culture	49,458
Total depreciation expense	<u>\$ 437,895</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (continued)

PRIMARY GOVERNMENT (continued)

	Restated Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Capital assets being depreciated				
Buildings and improvements	246,703	-	-	246,703
Machinery and equipment	1,081,784	-	-	1,081,784
Subtotal	1,328,487	-	-	1,328,487
Less accumulated depreciation for:				
Buildings and improvements	(108,338)	(6,519)	-	(114,857)
Machinery and equipment	(722,171)	(137,067)	-	(859,238)
Subtotal	(830,509)	(143,586)	-	(974,095)
Net capital assets being depreciated	497,978	(143,586)	-	354,392
Capital assets, net	\$ 532,978	\$ (143,586)	\$ -	\$ 389,392

Depreciation expense of \$143,586 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, 2023	Additions	Deletions	Balance Sept. 30, 2024
Road Commission				
Capital assets not being depreciated				
Land	\$ 112,708	\$ -	\$ -	\$ 112,708
Land improvements	2,441,633	-	-	2,441,633
Subtotal	2,554,341	-	-	2,554,341
Capital assets being depreciated				
Buildings	1,356,346	-	-	1,356,346
Road equipment	9,155,467	776,055	(139,815)	9,791,707
Shop equipment	261,575	27,484	(4,314)	284,745
Office equipment	67,719	-	-	67,719
Engineer equipment	39,345	-	-	39,345
Yard and storage	443,174	293,132	-	736,306
Infrastructure	31,248,663	1,341,569	-	32,590,232
Subtotal	42,572,289	2,438,240	(144,129)	44,866,400
Less accumulated depreciation for:				
Buildings	(1,185,249)	(25,313)	-	(1,210,562)
Road equipment	(6,659,449)	(780,120)	129,367	(7,310,202)
Shop equipment	(173,334)	(13,814)	4,314	(182,834)
Office equipment	(51,353)	(4,334)	-	(55,687)
Engineer equipment	(39,345)	-	-	(39,345)
Yard and storage	(298,865)	(11,344)	-	(310,209)
Infrastructure	(11,216,982)	(1,501,770)	-	(12,718,752)
Subtotal	(19,624,577)	(2,336,695)	133,681	(21,827,591)
Net capital assets being depreciated	22,947,712	101,545	(10,448)	23,038,809
Capital assets, net	<u>\$ 25,502,053</u>	<u>\$ 101,545</u>	<u>\$ (10,448)</u>	<u>\$ 25,593,150</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (continued)

COMPONENT UNITS (continued)

	Balance Oct. 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Sept. 30, 2024
Medical Care Facility				
Capital assets not being depreciated				
Land	\$ 12,424	\$ -	\$ -	\$ 12,424
Construction in progress	23,613	275,877	(14,100)	285,390
Subtotal	36,037	275,877	(14,100)	297,814
Capital assets being depreciated				
Buildings and improvements	16,369,500	31,042	-	16,400,542
Land improvements	333,402	16,743	-	350,145
Fixed equipment	1,931,139	142,627	-	2,073,766
Subtotal	18,634,041	190,412	-	18,824,453
Less accumulated depreciation for:				
Buildings and improvements	(4,743,678)	(646,251)	-	(5,389,929)
Land improvements	(72,098)	(30,902)	-	(103,000)
Fixed equipment	(1,075,452)	(129,571)	-	(1,205,023)
Subtotal	(5,891,228)	(806,724)	-	(6,697,952)
Net capital assets being depreciated	12,742,813	(616,312)	-	12,126,501
Capital assets, net	<u>\$ 12,778,850</u>	<u>\$ (340,435)</u>	<u>\$ (14,100)</u>	<u>\$ 12,424,315</u>
Transportation Authority				
Capital assets being depreciated				
Building and improvements	\$ 2,210,053	\$ 28,142	\$ -	\$ 2,238,195
Vehicles	2,152,510	684,381	(299,437)	2,537,454
Shop equipment	255,004	6,450	(63,065)	198,389
Office equipment	264,001	-	-	264,001
Subtotal	4,881,568	718,973	(362,502)	5,238,039
Less accumulated depreciation	(2,805,457)	(337,075)	362,502	(2,780,030)
Capital assets, net	<u>\$ 2,076,111</u>	<u>\$ 381,898</u>	<u>\$ -</u>	<u>\$ 2,458,009</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, 2024.

	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
Other long-term obligations					
Compensated absences	\$ 407,255	\$ 467,146	\$ (387,350)	\$ 487,051	\$ 487,051
COMPONENT UNITS					
Road Commission					
Direct borrowings/placements					
Installment loans	29,788	-	(29,788)	-	-
Other long-term obligations					
Compensated absences	85,227	176,337	(137,880)	123,684	123,684
Medical Care Facility					
Bonded debt					
2020 Capital Improvement Refunding Bond	2,970,000	-	(360,000)	2,610,000	385,000
Bond premium	459,561	-	(68,050)	391,511	68,050
Total bonded debt	3,429,561	-	(428,050)	3,001,511	453,050
Other long-term obligations					
Compensated absences	148,372	21,718	-	170,090	-
TOTAL COMPONENT UNITS	3,692,948	198,055	(595,718)	3,295,285	576,734
TOTAL REPORTING ENTITY	\$ 4,100,203	\$ 665,201	\$ (983,068)	\$ 3,782,336	\$ 1,063,785

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 \$487,051 for vacation and sick, at September 30, 2024, and has been recorded as a current liability in the government-wide financial statements under the governmental activities column based on management's estimate.

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 \$385,000 to \$490,000 through September 1, 2030, with interest ranging from 2.00% to 4.00%, payable semi-annually.

\$ 2,610,000

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

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

COMPONENT UNIT - MEDICAL CARE FACILITY (continued)

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 \$170,090 at September 30, 2024.

COMPONENT UNIT - ROAD COMMISSION

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 \$123,684 for vacation and sick, at September 30, 2024.

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

Year Ending September 30,	Component Unit	
	Medical Care Facility	
	Bond Payable	
	Principal	Interest
2025	\$ 385,000	\$ 96,300
2026	405,000	80,900
2027	420,000	72,800
2028	440,000	56,000
2029	470,000	38,400
2030	490,000	19,600
	<u>\$ 2,610,000</u>	<u>\$ 364,000</u>

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.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PROPERTY TAXES AND TAX RECEIVABLE (continued)

The County's Winter 2023 and Summer 2024 ad valorem taxes were levied and collectible on December 1, 2023 and July 1, 2024, 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 2023 and Summer 2024 tax levies have been recognized as revenue in the current fiscal year. The 2023 and 2024 taxable value of Benzie County amounted to \$1,642,783,250 and \$1,790,693,038 respectively, on which ad valorem taxes levied for County general operating purposes consisted of 3.2960 mills for Summer 2024. 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, 2024. 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.

At the December 31, 2023, valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	101
Inactive plan members entitled to but not yet receiving benefits	88
Active members	<u>59</u>
	<u><u>248</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, 2024, there were no amount outstanding by the County for contributions to the pension plan required for the year ended September 30, 2024.

Net Pension Liability

The County's net pension liability reported at September 30, 2024 was determined using a measure of the total pension liability and the pension net position as of December 31, 2023. The December 31, 2023 total pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2023 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: 7.18%, net of investment and administrative expense, including inflation.

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

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

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Total Allocation Gross Rate of Return</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	60.00%	4.38%	2.63%
Global Fixed Income	20.00%	2.00%	0.40%
Private Investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		4.43%
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.18%</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 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Changes in Net Pension Liability</u>	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2022	\$ 25,845,161	\$ 15,693,348	\$ 10,151,813
Changes for the year			
Service cost	402,346	-	402,346
Interest on total pension liability	1,835,645	-	1,835,645
Difference between expected and actual experience	153,094	-	153,094
Changes in assumptions	209,458	-	209,458
Employer contributions	-	901,552	(901,552)
Employee contributions	-	203,280	(203,280)
Net investment income	-	1,766,911	(1,766,911)
Benefit payments, including employee refunds	(1,454,155)	(1,454,155)	-
Administrative expense	-	(36,794)	36,794
Net changes	1,146,388	1,380,794	(234,406)
Balances at December 31, 2023	\$ 26,991,549	\$ 17,074,142	\$ 9,917,407

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

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 7.18%, 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	\$ 13,231,110	\$ 9,917,407	\$ 7,165,392

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

For the year ended September 30, 2024, the County recognized pension expense of \$1,780,578. 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	\$ 76,547	\$ -
Differences in assumptions	104,729	-
Net difference between projected and actual earnings on pension plan investments	861,995	-
Contributions subsequent to the measurement date*	619,470	-
Total	\$ 1,662,741	\$ -

* 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, 2025.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Benefit Pension Plan (continued)

PRIMARY GOVERNMENT (continued)

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>
2025	\$ 324,086
2026	331,091
2027	516,722
2028	<u>(128,628)</u>
	<u><u>\$ 1,043,271</u></u>

Change in Assumptions

Change in discount rate from 7.25% to 7.18%.

Change in Benefit Terms

There were no changes in benefit terms during plan year 2023.

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 \$99,699 for the year ended September 30, 2024.

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Contribution Pension Plan (continued)

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.

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.

BENZIE COUNTY, MICHIGAN
NOTES TO 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.

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended September 30, 2024, the County implemented GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*.

Summary:

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 periods, (b) changes to or within the financial reporting entity by reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in current period.

During fiscal year 2024, error corrections resulted in adjustments to beginning net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Emergency Medical Services Fund	Business-type Activities
September 30, 2023, net position, as previously presented	\$ 911,161	\$ 7,584,872
Error correction		
Overstated capital assets	(32,909)	(32,909)
September 30, 2023, net position, as restated	<u>\$ 878,252</u>	<u>\$ 7,551,963</u>

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - 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, 2024:

PRIMARY GOVERNMENT	
Governmental Activities	
Restricted	
Public safety	
Seasonal road patrol	\$ 48,147
Marine patrol	12,656
Snowmobile patrol	12,887
School resource officer	207,812
Animal control	152,029
Sheriff's K-9	31,487
Sheriff's Reserve	12
Dive Team	750
Kid's Program	5,947
Jail operations	149,608
MCOLES Training	6,227
Homeland security	2,040
911 emergency service	481,827
Building department	60,328
Dispatcher training	24,660
Local corrections officer training	6,739
Sheriff forfeiture	18
Benzie criminal justice system	13,563
Total public safety	1,216,737
Health and welfare	
Veteran activities	26,940
Aging activities	226,260
Opioid activities	183,783
Housing activities	784,869
Child Care	126,946
Soldiers' relief	50,801
Total health and welfare	1,399,599
Other purposes	
Remonumentation	19,625
Clerk	101,900
Ice Rink	6,292
Airport	1,515
Friend of the court	99,934
Light house	12,839
Betsy Valley trail	32,473
Register of Deeds	97,004
Law library	5,917
Family court	54,913
Indigent defense	494
Juvenile justice	97
Solid waste/recycling	161,256
Soil erosion	60,113
Total other purposes	654,372
Capital projects	9,976
TOTAL PRIMARY GOVERNMENT	\$ 3,280,684
COMPONENT UNITS	
Medical Care Facility	
Restricted	
Debt service	\$ 432,540

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - DETAILS OF FUND BALANCE CLASSIFICATIONS

The following are the fund balance constraints as of September 30, 2024:

	General Fund	Jail Operations	Commission on Aging	Opioid Settlement	Capital Improvements	Nonmajor Governmental Funds	Total
Fund balances							
Nonspendable							
Loans receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 776,910	\$ 776,910
Restricted							
General government							
Redocumentation	-	-	-	-	-	19,625	19,625
Clerk	-	-	-	-	-	101,900	101,900
Register of Deeds	-	-	-	-	-	97,004	97,004
Judicial							
Friend of the court	-	-	-	-	-	99,934	99,934
Law library	-	-	-	-	-	5,917	5,917
Family court	-	-	-	-	-	54,913	54,913
Indigent defense	-	-	-	-	-	494	494
Juvenile justice	-	-	-	-	-	97	97
Public safety							
Sheriff's K-9	-	-	-	-	-	31,487	31,487
Benzie Co. Sheriff Reserve's	-	-	-	-	-	12	12
Benzie Co. Dive Team	-	-	-	-	-	750	750
Benzie Co. Kids	-	-	-	-	-	5,947	5,947
Seasonal road patrol	-	-	-	-	-	48,147	48,147
Marine patrol	-	-	-	-	-	12,656	12,656
Snowmobile patrol	-	-	-	-	-	12,887	12,887
School resource officer	-	-	-	-	-	207,812	207,812
Animal control	-	-	-	-	-	152,029	152,029
Jail operations	-	149,608	-	-	-	-	149,608
MCOLES Training	-	-	-	-	-	6,227	6,227
Homeland security	-	-	-	-	-	2,040	2,040
911 emergency service	-	-	-	-	-	481,827	481,827
Building department	-	-	-	-	-	60,328	60,328
Dispatcher training	-	-	-	-	-	24,660	24,660
Local corrections officer training	-	-	-	-	-	6,739	6,739
Sheriff forfeiture	-	-	-	-	-	18	18
Benzie criminal justice system	-	-	-	-	-	13,563	13,563
Public Works							
Airport Authority	-	-	-	-	-	1,515	1,515
Solid Waste/Recycling	-	-	-	-	-	161,256	161,256
Soil Erosion	-	-	-	-	-	60,113	60,113
Health and welfare							
Veteran activities	-	-	-	-	-	26,940	26,940
Aging activities	-	-	226,260	-	-	-	226,260
Opioid Settlement	-	-	-	183,783	-	-	183,783
Housing activities	-	-	-	-	-	7,959	7,959
Child Care - DHS	-	-	-	-	-	126,946	126,946
Soldiers' relief	-	-	-	-	-	50,801	50,801
Recreation and culture							
Parks and Recreation Ice Rink	-	-	-	-	-	6,292	6,292
Betsy Valley Trail Management	-	-	-	-	-	32,473	32,473
Light house	-	-	-	-	-	12,839	12,839
Capital projects	-	-	-	-	-	9,976	9,976
Committed							
Emergency communications tower	350,000	-	-	-	-	-	350,000
Crystal Lake outlet	80,000	-	-	-	-	-	80,000
TNT Officer	-	-	-	-	-	79,931	79,931
Equipment replacement	-	-	-	-	-	74,807	74,807
Assigned							
Debt service	-	-	-	-	-	171,363	171,363
Capital projects	-	-	-	-	128,003	-	128,003
Unassigned	3,325,288	-	-	-	-	-	3,325,288
TOTAL FUND BALANCES	\$ 3,755,288	\$ 149,608	\$ 226,260	\$ 183,783	\$ 128,003	\$ 3,047,134	\$ 7,490,076

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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 2024-2025 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 2024-2025 fiscal year.

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

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

BENZIE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**BENZIE COUNTY, MICHIGAN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Amended	Actual	
REVENUES				
Taxes and penalties	\$ 5,868,782	\$ 5,908,871	\$ 6,324,277	\$ 415,406
Licenses and permits	37,800	41,833	34,079	(7,754)
Intergovernmental				
Federal/State	1,014,091	1,067,754	1,038,954	(28,800)
Charges for services	848,754	997,580	951,465	(46,115)
Fines and forfeits	3,200	4,680	4,680	-
Investment earnings and rents	150,340	335,305	358,187	22,882
Other	154,200	268,440	322,239	53,799
TOTAL REVENUES	8,077,167	8,624,463	9,033,881	409,418
EXPENDITURES				
Current				
General government				
Board of Commissioners	213,600	218,724	200,167	18,557
Administrator	306,850	509,507	499,273	10,234
Clerk	395,035	405,362	348,569	56,793
Treasurer	317,207	326,507	316,803	9,704
Equalization	259,637	270,120	232,456	37,664
Elections	61,125	124,568	116,533	8,035
Building and grounds	361,815	371,106	317,181	53,925
Technology support	159,000	195,880	169,913	25,967
Central services	131,000	154,258	149,360	4,898
Insurance and bonds	220,000	284,754	279,754	5,000
Legal and contracted services	118,850	90,943	83,005	7,938
Total general government	2,544,119	2,951,729	2,713,014	238,715
Judicial				
Circuit court	413,984	428,193	390,926	37,267
District court	768,534	796,401	735,409	60,992
Friend of the court	145,200	145,200	138,559	6,641
Prosecuting attorney	540,590	550,468	512,549	37,919
Total judicial	1,868,308	1,920,262	1,777,443	142,819
Public safety				
Sheriff	1,841,204	1,854,507	1,810,026	44,481
Sheriff secondary road patrol	105,615	109,578	103,811	5,767
Zero tolerance	60,000	88,169	82,735	5,434
Emergency management	118,063	129,366	114,624	14,742
Total public safety	2,124,882	2,181,620	2,111,196	70,424
Public works				
Drain commission	10,585	11,118	7,964	3,154

**BENZIE COUNTY, MICHIGAN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (continued)
YEAR ENDED SEPTEMBER 30, 2024**

	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	1,800	1,800	1,266	534
Intergovernmental cooperation	55,125	57,325	57,320	5
Juvenile division	58,567	58,567	20,736	37,831
Medical examiner	88,050	111,920	111,111	809
Mental health board	179,005	179,005	179,005	-
Other	2,500	2,626	2,626	-
Total health and welfare	641,295	667,491	627,312	40,179
Community and economic development				
Register of deeds	273,972	275,955	265,603	10,352
Cooperative extension	59,377	59,377	54,793	4,584
Surveyor	2,125	2,708	2,576	132
Total community and economic development	335,474	338,040	322,972	15,068
Recreation and culture				
Parks and recreation	20,900	70,640	33,996	36,644
TOTAL EXPENDITURES	7,545,563	8,140,900	7,593,897	547,003
EXCESS OF REVENUES OVER EXPENDITURES	531,604	483,563	1,439,984	956,421
OTHER FINANCING SOURCES (USES)				
Transfers in	510,324	510,324	123,609	(386,715)
Transfers out	(1,041,928)	(2,965,610)	(2,473,992)	491,618
TOTAL OTHER FINANCING SOURCES (USES)	(531,604)	(2,455,286)	(2,350,383)	104,903
NET CHANGE IN FUND BALANCE	-	(1,971,723)	(910,399)	1,061,324
Fund balance, beginning of year	4,665,687	4,665,687	4,665,687	-
Fund balance, end of year	\$ 4,665,687	\$ 2,693,964	\$ 3,755,288	\$ 1,061,324

**BENZIE COUNTY, MICHIGAN
JAIL OPERATIONS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 2,082,963	\$ 2,083,020	\$ 2,080,510	\$ (2,510)
Intergovernmental	27,563	27,988	21,588	(6,400)
Charges for services	132,000	177,953	188,893	10,940
Other	10,000	38,768	51,955	13,187
TOTAL REVENUES	2,252,526	2,327,729	2,342,946	15,217
EXPENDITURES				
Current				
Public safety	2,142,526	2,217,732	2,196,619	21,113
EXCESS OF REVENUES OVER EXPENDITURES	110,000	109,997	146,327	36,330
OTHER FINANCING (USES)				
Transfer out	(110,000)	(110,000)	(110,000)	-
NET CHANGE IN FUND BALANCE	-	(3)	36,327	36,330
Fund balance, beginning of year	113,281	113,281	113,281	-
Fund balance, end of year	\$ 113,281	\$ 113,278	\$ 149,608	\$ 36,330

**BENZIE COUNTY, MICHIGAN
COMMISSION ON AGING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 1,342,304	\$ 1,344,763	\$ 1,344,763	\$ -
Intergovernmental	-	1,724	1,724	-
Investment earnings	-	7,369	12,057	4,688
TOTAL REVENUES	<u>1,342,304</u>	<u>1,353,856</u>	<u>1,358,544</u>	<u>4,688</u>
EXPENDITURES				
Current				
Health and welfare	<u>1,342,304</u>	<u>1,353,856</u>	<u>1,344,096</u>	<u>9,760</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	14,448	14,448
Fund balance, beginning of year	<u>211,812</u>	<u>211,812</u>	<u>211,812</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 211,812</u></u>	<u><u>\$ 211,812</u></u>	<u><u>\$ 226,260</u></u>	<u><u>\$ 14,448</u></u>

**BENZIE COUNTY, MICHIGAN
OPIOID SETTLEMENT FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 145,385	\$ 155,043	\$ 9,658
Investment earnings	-	-	172	172
TOTAL REVENUES	-	145,385	155,215	9,830
EXPENDITURES				
Current				
Health and welfare	-	90,100	73,385	16,715
EXCESS OF REVENUES OVER EXPENDITURES	-	55,285	81,830	26,545
OTHER FINANCING (USES)				
Transfer out	-	(140,285)	(15,000)	125,285
NET CHANGE IN FUND BALANCE	-	(85,000)	66,830	151,830
Fund balance, beginning of year	116,953	116,953	116,953	-
Fund balance, end of year	<u>\$ 116,953</u>	<u>\$ 31,953</u>	<u>\$ 183,783</u>	<u>\$ 151,830</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 402,346	\$ 382,748	\$ 413,384	\$ 452,617	\$ 449,256	\$ 457,679	\$ 424,054	\$ 367,231	\$ 372,988	\$ 363,227
Interest	1,835,645	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	153,094	764,655	(143,997)	506,093	141,592	(55,658)	(206,334)	(153,120)	469,454	-
Changes of assumptions	209,458	-	933,407	761,920	672,874	-	-	-	826,589	-
Benefit payments, including employee refunds	(1,454,155)	(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	1,146,388	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	25,845,161	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>\$ 26,991,549</u>	<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	\$ 901,552	\$ 897,129	\$ 1,065,571	\$ 772,830	\$ 719,385	\$ 774,966	\$ 603,227	\$ 547,413	\$ 643,589	\$ 670,851
Contributions - employee	203,280	534,064	281,338	409,544	260,514	247,199	234,271	133,061	86,789	75,158
Net investment income (loss)	1,766,911	(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	(1,454,155)	(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	(36,794)	(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	1,380,794	(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	15,693,348	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>\$ 17,074,142</u>	<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>\$ 9,917,407</u>	<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 Total Pension Liability	63%	61%	72%	68%	66%	63%	69%	64%	61%	71%
Covered payroll	\$ 3,318,625	\$ 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	299%	311%	187%	179%	171%	170%	151%	181%	183%	124%

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

	<u>2024</u>	<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⁾	\$ 825,960	\$ 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>825,960</u>	<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>\$ -</u>	<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	\$ 3,328,176	\$ 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	25%	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
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 - BENZIE COUNTY PENSION PLAN

Actuarial Assumptions

Actuarial valuation information relative to the determination of contributions:

Valuation date:	December 31, 2023
Measurement date:	December 31, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Asset valuation method	5 year smoothing
Remaining amortization period	15 years
Investment rates of return	7.18% (net of investment expenses, including inflation)
Discount rate	7.18%
Salary rate increase	3.00% in the long-term plus merit and longevity
Inflation rate	2.5%
Mortality	Pub-2010 and fully generational MP-2019

Changes in Assumptions:

Plan Year

2023	Discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative and investment expenses.
2015	Mortality rates were updated to be based on the RP-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes of benefits terms:

Plan Year

2019	Changes to 5 year final average compensation, multiplier, vesting period, normal retirement age, service credit purchase estimates, early reduced retirement age, and participant contributions related to EMS division
2016	Changes to service credit purchase estimates Changes to contribution rates

OTHER SUPPLEMENTARY INFORMATION

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2024**

	Special		
	Sheriff's K-9	TNT Officer	Benzie Co. Sheriff's Reserve
ASSETS			
Cash and investments	\$ 37,410	\$ 83,805	\$ 12
Accounts receivable	-	221	-
Loans receivable	-	-	-
Due from other governmental units	-	-	-
TOTAL ASSETS	\$ 37,410	\$ 84,026	\$ 12
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,923	\$ 80	\$ -
Accrued liabilities	-	4,015	-
Due to other funds	-	-	-
TOTAL LIABILITIES	5,923	4,095	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	31,487	-	12
Committed	-	79,931	-
Assigned	-	-	-
TOTAL FUND BALANCES	31,487	79,931	12
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,410	\$ 84,026	\$ 12

Revenue

Benzie Co. Dive Team	Benzie Co. Kids	Friend of the Court	Seasonal Road Patrol	Marine Patrol	Snowmobile Patrol
\$ 750	\$ 5,947	\$ 99,934	\$ 48,303	\$ 2,773	\$ 12,887
-	-	-	-	721	-
-	-	-	-	-	-
-	-	-	-	10,100	-
<u>\$ 750</u>	<u>\$ 5,947</u>	<u>\$ 99,934</u>	<u>\$ 48,303</u>	<u>\$ 13,594</u>	<u>\$ 12,887</u>
\$ -	\$ -	\$ -	\$ 156	\$ 297	\$ -
-	-	-	-	641	-
-	-	-	-	-	-
-	-	-	156	938	-
-	-	-	-	-	-
750	5,947	99,934	48,147	12,656	12,887
-	-	-	-	-	-
-	-	-	-	-	-
<u>750</u>	<u>5,947</u>	<u>99,934</u>	<u>48,147</u>	<u>12,656</u>	<u>12,887</u>
<u>\$ 750</u>	<u>\$ 5,947</u>	<u>\$ 99,934</u>	<u>\$ 48,303</u>	<u>\$ 13,594</u>	<u>\$ 12,887</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2024**

	Special		
	School Resource Officer	Parks and Recreation Ice Rink	Airport Authority
ASSETS			
Cash and investments	\$ 217,981	\$ 6,292	\$ -
Accounts receivable	733	-	13,603
Loans receivable	-	-	-
Due from other governmental units	-	-	-
TOTAL ASSETS	\$ 218,714	\$ 6,292	\$ 13,603
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,689	\$ -	\$ -
Accrued liabilities	8,213	-	2,020
Due to other funds	-	-	10,068
TOTAL LIABILITIES	10,902	-	12,088
FUND BALANCES			
Nonspendable	-	-	-
Restricted	207,812	6,292	1,515
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	207,812	6,292	1,515
TOTAL LIABILITIES AND FUND BALANCES	\$ 218,714	\$ 6,292	\$ 13,603

Revenue

Solid Waste/ Recycling	Betsie Valley Trail Management	Soil Erosion	Remonumentation Survey Grant	GIS Information System	Animal Control
\$ 190,061	\$ -	\$ 61,913	\$ 19,625	\$ -	\$ 162,475
221	3,478	-	-	-	1,324
-	-	-	-	-	-
-	111,660	-	-	-	-
<u>\$ 190,282</u>	<u>\$ 115,138</u>	<u>\$ 61,913</u>	<u>\$ 19,625</u>	<u>\$ -</u>	<u>\$ 163,799</u>
\$ 29,026	\$ 22,040	\$ 1,800	\$ -	\$ -	\$ 2,521
-	-	-	-	-	9,249
-	60,625	-	-	-	-
<u>29,026</u>	<u>82,665</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>11,770</u>
-	-	-	-	-	-
161,256	32,473	60,113	19,625	-	152,029
-	-	-	-	-	-
-	-	-	-	-	-
<u>161,256</u>	<u>32,473</u>	<u>60,113</u>	<u>19,625</u>	<u>-</u>	<u>152,029</u>
<u>\$ 190,282</u>	<u>\$ 115,138</u>	<u>\$ 61,913</u>	<u>\$ 19,625</u>	<u>\$ -</u>	<u>\$ 163,799</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2024

	Special		
	Building Department	Register of Deeds Automation	Homeland Security
ASSETS			
Cash and investments	\$ 86,949	\$ 100,354	\$ 2,040
Accounts receivable	-	-	-
Loans receivable	-	-	-
Due from other governmental units	-	-	-
TOTAL ASSETS	\$ 86,949	\$ 100,354	\$ 2,040
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 26,621	\$ 3,350	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	26,621	3,350	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	60,328	97,004	2,040
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	60,328	97,004	2,040
TOTAL LIABILITIES AND FUND BALANCES	\$ 86,949	\$ 100,354	\$ 2,040

Revenue					
911 Emergency Service	Dispatcher Training Grant	Local Corrections Officer Training	Sheriff Forfeiture	Benzie Criminal Justice Training	Law Library
\$ 333,357	\$ 18,914	\$ 6,814	\$ 18	\$ 10,264	\$ 6,546
185,067	-	500	-	3,794	-
-	-	-	-	-	-
-	5,746	-	-	-	-
<u>\$ 518,424</u>	<u>\$ 24,660</u>	<u>\$ 7,314</u>	<u>\$ 18</u>	<u>\$ 14,058</u>	<u>\$ 6,546</u>
\$ 6,693	\$ -	\$ 575	\$ -	\$ 495	\$ 629
29,904	-	-	-	-	-
-	-	-	-	-	-
<u>36,597</u>	<u>-</u>	<u>575</u>	<u>-</u>	<u>495</u>	<u>629</u>
-	-	-	-	-	-
481,827	24,660	6,739	18	13,563	5,917
-	-	-	-	-	-
-	-	-	-	-	-
<u>481,827</u>	<u>24,660</u>	<u>6,739</u>	<u>18</u>	<u>13,563</u>	<u>5,917</u>
<u>\$ 518,424</u>	<u>\$ 24,660</u>	<u>\$ 7,314</u>	<u>\$ 18</u>	<u>\$ 14,058</u>	<u>\$ 6,546</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2024

	Special		
	Child Care	Soldiers' Relief	Veterans' Memorial
ASSETS			
Cash and investments	\$ 150,772	\$ 54,687	\$ 26,940
Accounts receivable	1,760	221	-
Loans receivable	-	-	-
Due from other governmental units	-	-	-
TOTAL ASSETS	\$ 152,532	\$ 54,908	\$ 26,940
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 25,586	\$ 1,496	\$ -
Accrued liabilities	-	2,611	-
Due to other funds	-	-	-
TOTAL LIABILITIES	25,586	4,107	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	126,946	50,801	26,940
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES	126,946	50,801	26,940
TOTAL LIABILITIES AND FUND BALANCES	\$ 152,532	\$ 54,908	\$ 26,940

Revenue

CDBG Housing Grant	Light House	Juvenile Justice	Family Court Grants	Clerk Technology	Indigent Defense Counsel
\$ 7,959	\$ 4,839	\$ 3,847	\$ 54,913	\$ 101,900	\$ 494
-	9,890	-	-	-	-
776,910	-	-	-	-	-
-	-	3,750	-	-	-
<u>\$ 784,869</u>	<u>\$ 14,729</u>	<u>\$ 7,597</u>	<u>\$ 54,913</u>	<u>\$ 101,900</u>	<u>\$ 494</u>
\$ -	\$ 1,890	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,500	-	-	-
<u>-</u>	<u>1,890</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
776,910	-	-	-	-	-
7,959	12,839	97	54,913	101,900	494
-	-	-	-	-	-
-	-	-	-	-	-
<u>784,869</u>	<u>12,839</u>	<u>97</u>	<u>54,913</u>	<u>101,900</u>	<u>494</u>
<u>\$ 784,869</u>	<u>\$ 14,729</u>	<u>\$ 7,597</u>	<u>\$ 54,913</u>	<u>\$ 101,900</u>	<u>\$ 494</u>

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
SEPTEMBER 30, 2024

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>CARES Act</u>	<u>MCOLES Training</u>	<u>Government Center Addition</u>
ASSETS			
Cash and investments	\$ -	\$ 7,275	\$ 171,363
Accounts receivable	-	-	-
Loans receivable	-	-	-
Due from other governmental units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 7,275</u>	<u>\$ 171,363</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 1,048	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>1,048</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	6,227	-
Committed	-	-	-
Assigned	-	-	171,363
	<u>-</u>	<u>-</u>	<u>171,363</u>
TOTAL FUND BALANCES	<u>-</u>	<u>6,227</u>	<u>171,363</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 7,275</u>	<u>\$ 171,363</u>

Capital Projects

<u>Railroad Point</u>	<u>Equipment Replacement</u>	<u>Total</u>
\$ 9,976	\$ 74,736	\$ 2,185,125
-	71	221,604
-	-	776,910
-	-	131,256
<u>\$ 9,976</u>	<u>\$ 74,807</u>	<u>\$ 3,314,895</u>
\$ -	\$ -	\$ 132,915
-	-	56,653
-	-	78,193
<u>-</u>	<u>-</u>	<u>267,761</u>
-	-	776,910
9,976	-	1,944,123
-	74,807	154,738
-	-	171,363
<u>9,976</u>	<u>74,807</u>	<u>3,047,134</u>
<u>\$ 9,976</u>	<u>\$ 74,807</u>	<u>\$ 3,314,895</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2024**

	Special		
	Sheriff's K-9	TNT Officer	Benzie Co. Sheriff's Reserve
REVENUES			
Taxes	\$ -	\$ 164,283	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	192	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	11,916	221	-
	<u>11,916</u>	<u>164,696</u>	<u>-</u>
TOTAL REVENUES	<u>11,916</u>	<u>164,696</u>	<u>-</u>
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	31,826	156,969	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
	<u>31,826</u>	<u>156,969</u>	<u>-</u>
TOTAL EXPENDITURES	<u>31,826</u>	<u>156,969</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,910)</u>	<u>7,727</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	<u>(19,910)</u>	<u>7,727</u>	<u>-</u>
Fund balances, beginning of year	<u>51,397</u>	<u>72,204</u>	<u>12</u>
Fund balances, end of year	<u>\$ 31,487</u>	<u>\$ 79,931</u>	<u>\$ 12</u>

Revenue

Benzie Co. Dive Team	Benzie Co. Kids	Friend of the Court	Seasonal Road Patrol	Marine Patrol	Snowmobile Patrol
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	38,399	18,560	2,796
-	-	2,840	-	22	-
-	-	-	-	-	-
-	-	78	-	-	-
-	558	-	-	2,558	-
-	558	2,918	38,399	21,140	2,796
-	-	-	-	-	-
-	-	15	-	-	-
458	287	-	23,422	14,338	4,310
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
458	287	15	23,422	14,338	4,310
(458)	271	2,903	14,977	6,802	(1,514)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(458)	271	2,903	14,977	6,802	(1,514)
1,208	5,676	97,031	33,170	5,854	14,401
\$ 750	\$ 5,947	\$ 99,934	\$ 48,147	\$ 12,656	\$ 12,887

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2024

	Special		
	School Resource Officer	Parks and Recreation Ice Rink	Airport Authority
REVENUES			
Taxes	\$ 90,439	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	345	1,000	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	2,729	-	49,931
TOTAL REVENUES	93,513	1,000	49,931
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	207,574	-	-
Public works	-	-	60,540
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	207,574	-	60,540
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(114,061)	1,000	(10,609)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	12,000
Transfers out	(30,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	-	12,000
NET CHANGE IN FUND BALANCES	(144,061)	1,000	1,391
Fund balances, beginning of year	351,873	5,292	124
Fund balances, end of year	\$ 207,812	\$ 6,292	\$ 1,515

Revenue

Solid Waste/ Recycling	Betsie Valley Trail Management	Soil Erosion	Remonumentation Survey Grant	GIS Information System	Animal Control
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,950
-	-	26,160	-	-	713
-	111,660	-	23,611	-	295
313,225	-	-	-	-	9,066
-	-	-	-	-	-
-	-	-	-	-	-
1,620	3,597	-	-	-	43,541
314,845	115,257	26,160	23,611	-	283,565
-	-	-	28,420	-	-
-	-	-	-	-	-
-	-	-	-	-	232,336
350,513	-	21,599	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	89,272	-	-	-	-
-	-	-	-	-	-
350,513	89,272	21,599	28,420	-	232,336
(35,668)	25,985	4,561	(4,809)	-	51,229
-	-	-	-	-	20,000
-	-	-	-	(9,911)	-
-	-	-	-	(9,911)	20,000
(35,668)	25,985	4,561	(4,809)	(9,911)	71,229
196,924	6,488	55,552	24,434	9,911	80,800
\$ 161,256	\$ 32,473	\$ 60,113	\$ 19,625	\$ -	\$ 152,029

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2024

	Special		
	Building Department	Register of Deeds Automation	Homeland Security
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	397,214	-	-
Intergovernmental	-	-	-
Charges for services	-	21,575	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	2,759	-
Other	-	-	-
TOTAL REVENUES	397,214	24,334	-
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	408,777	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	35,342	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	408,777	35,342	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,563)	(11,008)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	(11,563)	(11,008)	-
Fund balances, beginning of year	71,891	108,012	2,040
Fund balances, end of year	\$ 60,328	\$ 97,004	\$ 2,040

Revenue					
911 Emergency Service	Dispatcher Training Grant	Local Corrections Officer Training	Sheriff Forfeiture	Benzie Criminal Justice Training	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	10,202	-	-	6,950	-
798,285	-	3,990	-	-	-
-	-	-	-	-	5,000
-	-	-	-	-	-
13,198	-	-	-	-	-
811,483	10,202	3,990	-	6,950	5,000
-	-	-	-	-	-
-	-	-	-	-	21,650
883,224	2,870	2,591	-	495	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
883,224	2,870	2,591	-	495	21,650
(71,741)	7,332	1,399	-	6,455	(16,650)
20,335	-	-	-	-	19,000
-	-	-	-	-	-
20,335	-	-	-	-	19,000
(51,406)	7,332	1,399	-	6,455	2,350
533,233	17,328	5,340	18	7,108	3,567
\$ 481,827	\$ 24,660	\$ 6,739	\$ 18	\$ 13,563	\$ 5,917

BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2024

	Special		
	Child Care	Soldiers' Relief	Veterans' Memorial
REVENUES			
Taxes	\$ -	\$ 123,143	\$ -
Licenses and permits	-	-	-
Intergovernmental	83,770	50,084	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	2,009	224	6,105
TOTAL REVENUES	85,779	173,451	6,105
EXPENDITURES			
Current			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	160,044	152,181	796
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	160,044	152,181	796
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(74,265)	21,270	5,309
OTHER FINANCING SOURCES (USES)			
Transfers in	55,276	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	55,276	-	-
NET CHANGE IN FUND BALANCES	(18,989)	21,270	5,309
Fund balances, beginning of year	145,935	29,531	21,631
Fund balances, end of year	\$ 126,946	\$ 50,801	\$ 26,940

Revenue					
CDBG Housing Grant	Light House	Juvenile Justice	Family Court Grants	Clerk Technology	Indigent Defense Counsel
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	13,560	-
-	60,580	37,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,457	-	-	-	2,479	-
-	-	-	-	120	-
9,457	60,580	37,500	-	16,159	-
-	-	-	-	1,303	-
-	-	43,061	-	-	92,656
-	-	-	-	-	-
-	-	-	-	-	-
23,396	-	-	-	-	-
-	-	-	-	-	-
-	58,780	-	-	-	-
-	-	-	-	-	-
23,396	58,780	43,061	-	1,303	92,656
(13,939)	1,800	(5,561)	-	14,856	(92,656)
-	-	3,000	-	-	92,656
-	-	-	-	-	-
-	-	3,000	-	-	92,656
(13,939)	1,800	(2,561)	-	14,856	-
798,808	11,039	2,658	54,913	87,044	494
\$ 784,869	\$ 12,839	\$ 97	\$ 54,913	\$ 101,900	\$ 494

**BENZIE COUNTY, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (continued)
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>CARES Act</u>	<u>MCOLES Training</u>	<u>Government Center Addition</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	9,500	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings and rents	-	-	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>9,500</u>	<u>-</u>
EXPENDITURES			
Current			
General government	-	-	11,998
Judicial	-	-	-
Public safety	-	3,273	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>3,273</u>	<u>11,998</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>6,227</u>	<u>(11,998)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(263,698)	-	(14,842)
	<u>(263,698)</u>	<u>-</u>	<u>(14,842)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(263,698)</u>	<u>-</u>	<u>(14,842)</u>
NET CHANGE IN FUND BALANCES	<u>(263,698)</u>	<u>6,227</u>	<u>(26,840)</u>
Fund balances, beginning of year	<u>263,698</u>	<u>-</u>	<u>198,203</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 6,227</u>	<u>\$ 171,363</u>

Capital Projects

<u>Railroad Point</u>	<u>Equipment Replacement</u>	<u>Total</u>
\$ -	\$ -	\$ 607,815
-	-	437,647
-	6,740	462,184
-	14,496	1,163,499
-	-	5,000
-	-	14,773
<u>6,330</u>	<u>19,548</u>	<u>164,205</u>
<u>6,330</u>	<u>40,784</u>	<u>2,855,123</u>
-	-	41,721
-	-	157,382
-	-	1,972,750
-	-	432,652
-	-	336,417
-	-	35,342
-	-	148,052
<u>5,745</u>	<u>37,108</u>	<u>42,853</u>
<u>5,745</u>	<u>37,108</u>	<u>3,167,169</u>
<u>585</u>	<u>3,676</u>	<u>(312,046)</u>
-	-	222,267
<u>-</u>	<u>-</u>	<u>(318,451)</u>
<u>-</u>	<u>-</u>	<u>(96,184)</u>
585	3,676	(408,230)
<u>9,391</u>	<u>71,131</u>	<u>3,455,364</u>
<u>\$ 9,976</u>	<u>\$ 74,807</u>	<u>\$ 3,047,134</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	<u>Tax Admin</u>	<u>Sheriff Commissary</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and investments	\$ 52,160	\$ 4,356	\$ 56,516
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	<u>\$ 52,160</u>	<u>\$ 4,356</u>	<u>\$ 56,516</u>

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
YEAR ENDED SEPTEMBER 30, 2024**

	Tax Admin	Sheriff Commissary	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 5,558	\$ 5,558
OPERATING EXPENSES			
Other supplies and other expenses	-	3,880	3,880
OPERATING INCOME	-	1,678	1,678
Net position, beginning of year	52,160	2,678	54,838
Net position, end of year	\$ 52,160	\$ 4,356	\$ 56,516

**BENZIE COUNTY, MICHIGAN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024**

	Tax Admin	Sheriff Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from users	\$ -	\$ 5,558	\$ 5,558
Cash paid to suppliers	-	(3,880)	(3,880)
	<u>-</u>	<u>(3,880)</u>	<u>(3,880)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	1,678	1,678
Cash and investments, beginning of year	52,160	2,678	54,838
	<u>52,160</u>	<u>2,678</u>	<u>54,838</u>
Cash and investments, end of year	\$ 52,160	\$ 4,356	\$ 56,516
	<u>\$ 52,160</u>	<u>\$ 4,356</u>	<u>\$ 56,516</u>
Reconciliation of operating income to net cash and investments provided by operating activities			
Operating income	\$ -	\$ 1,678	\$ 1,678
	<u>\$ -</u>	<u>\$ 1,678</u>	<u>\$ 1,678</u>

**BENZIE COUNTY, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024**

	General Custodial	Library Penal Fines	Sheriff's Inmate Trust	Benzie- Leelanau District Health Department	Total
ASSETS					
Cash and investments	\$ 6,306,359	\$ 25,121	\$ 51,021	\$ 2,813,083	\$ 9,195,584
LIABILITIES					
Undistributed tax collections payable	6,122,804	-	-	-	6,122,804
Due to other governmental units	91,583	25,121	-	-	116,704
Due to others	89,750	-	-	-	89,750
TOTAL LIABILITIES	6,304,137	25,121	-	-	6,329,258
NET POSITION					
Restricted for individuals, organizations, and other governmental units	\$ 2,222	\$ -	\$ 51,021	\$ 2,813,083	\$ 2,866,326

**BENZIE COUNTY, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2024**

	General Custodial	Library Penal Fines	Sheriff's Inmate Trust	Benzie- Leelanau District Health Department	Total
ADDITIONS					
Investment earnings	\$ -	\$ 1,064	\$ 10	\$ 84,534	\$ 85,608
Property tax collections for other governmental units	12,991,848	-	-	-	12,991,848
Collections for other governmental units	1,542,226	64,877	-	7,633,762	9,240,865
Collections for individuals and agencies	278,335	-	292,897	-	571,232
TOTAL ADDITIONS	14,812,409	65,941	292,907	7,718,296	22,889,553
DEDUCTIONS					
Property tax distributions to other governmental units	12,991,848	-	-	-	12,991,848
Distributions to other governmental units	1,542,226	65,941	-	7,411,126	9,019,293
Distributions to individuals and agencies	293,496	-	267,622	-	561,118
TOTAL DEDUCTIONS	14,827,570	65,941	267,622	7,411,126	22,572,259
NET CHANGE IN FIDUCIARY NET POSITION	(15,161)	-	25,285	307,170	317,294
Net position, beginning of year	17,383	-	25,736	2,505,913	2,549,032
Net position, end of year	<u>\$ 2,222</u>	<u>\$ -</u>	<u>\$ 51,021</u>	<u>\$ 2,813,083</u>	<u>\$ 2,866,326</u>

**BENZIE COUNTY, MICHIGAN
COMPONENT UNIT FUNDS
BALANCE SHEET - LAND BANK AUTHORITY
SEPTEMBER 30, 2024**

ASSETS	
Cash and investments	\$ 43,745
Accounts receivable	18,099
Due from other governmental units	<u>119,021</u>
TOTAL ASSETS	<u>\$ 180,865</u>
LIABILITIES	
Accounts payable	<u>\$ 155</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>18,099</u>
FUND BALANCE	
Unassigned	<u>162,611</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 180,865</u>

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
 OF NET POSITION - LAND BANK AUTHORITY
 SEPTEMBER 30, 2024**

Total fund balance - governmental fund	\$	162,611
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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.		18,099

Net position of governmental activities	\$	180,710

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - LAND BANK AUTHORITY
 YEAR ENDED SEPTEMBER 30, 2024**

REVENUES	
Property tax capture	\$ 4,180
Intergovernmental	129,021
Investment earnings	3,854
Other revenue	<u>23,002</u>
TOTAL REVENUES	<u>160,057</u>
EXPENDITURES	
Current	
Community and economic development	<u>165,273</u>
NET CHANGE IN FUND BALANCE	(5,216)
Fund balance, beginning of year	<u>167,827</u>
Fund balance, end of year	<u><u>\$ 162,611</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, 2024**

Net change in fund balance - governmental fund	\$ (5,216)
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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:	<u>(5,322)</u>
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Change in net position of governmental activities	<u><u>\$ (10,538)</u></u>
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**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 BALANCE SHEET - BROWNFIELD REDEVELOPMENT AUTHORITY
 SEPTEMBER 30, 2024**

ASSETS	
Cash and investments	<u>\$ 54,143</u>
LIABILITIES	
Accounts payable	<u>\$ 619</u>
FUND BALANCE	
Unassigned	<u> 53,524</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 54,143</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, 2024.

**BENZIE COUNTY, MICHIGAN
 COMPONENT UNIT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BROWNFIELD REDEVELOPMENT AUTHORITY
 YEAR ENDED SEPTEMBER 30, 2024**

REVENUES	
Property tax capture	\$ 986
Intergovernmental	<u>38,645</u>
TOTAL REVENUES	<u>39,631</u>
EXPENDITURES	
Current	
Community and economic development	<u>2,819</u>
CHANGE IN FUND BALANCE	36,812
Fund balance, beginning of year	<u>16,712</u>
Fund balance, end of year	<u><u>\$ 53,524</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, 2024.

**BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2024**

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, 2024, 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)
2024	\$1,796,697,216	\$3,050,217,674
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

Source: Benzie County

Breakdown of Taxable Value

2024 Breakdown by Use		2024 Breakdown by Class	
Residential	89.86%	Real	94.90%
Commercial	6.40%	Personal	5.10%
Industrial	0.71%		
Utility	2.10%	Total	100.00%
Agricultural	0.93%		
Timber-Cutover	0.00%		
Total	100.00%		

Source: Benzie County

**BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2024**

Major Taxpayers

Top Ten Taxpayers By Taxable Value	2024 Taxable Value
Consumers Energy Co	\$ 20,275,118
Crystal Enterprises Inc	12,277,407
DTE Gas Company	8,579,983
Graceland Fruit Inc	6,275,286
Crystallaire, LLC	3,374,007
Crystal Downs Country Club	3,178,556
Charter Communications	3,133,150
Sunkissed Drive LLC	2,757,121
Cherryland Electric Cooperative	2,744,000
Michigan Shores Cooperative	2,463,100
TOTALS	<u><u>\$ 65,057,728</u></u>
Total 2024 Taxable Value	<u><u>\$1,796,697,216</u></u>
Top 10 Taxpayers as a % of 2024 Total Taxable Value	3.62%

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2024

Tax Rates

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County operating	3.2960	3.3378	3.3378	3.3808	3.4334
MCF debt and operations	0.6580	0.7346	0.8125	0.8031	0.9936
Commission on Aging	0.8074	0.8177	0.8177	0.8283	0.8412
Animal Control	0.1382	0.1400	0.1400	-	0.0970
Ambulance	0.7900	0.8000	0.8000	0.7743	0.7864
Soldier relief	0.0500	0.0750	0.0400	0.0400	0.0400
Conservation District	0.1206	0.1222	0.1222	0.1222	0.1242
TNT operations	0.0850	0.1000	0.1000	0.0964	0.0979
Jail operations	1.2660	1.2660	1.2660	0.8862	0.8790
Resource Officer	<u>0.1400</u>	<u>0.0550</u>	<u>0.1800</u>	<u>0.1761</u>	<u>0.1789</u>
 Total County	 7.3512	 7.4483	 7.6162	 7.1074	 7.4716
 Road Commission	 0.9875	 1.0000	 0.9666	 0.9791	 0.9944
 Traverse Bay Area ISD	 <u>2.8758</u>	 <u>2.8871</u>	 <u>2.8871</u>	 <u>2.9003</u>	 <u>2.9091</u>
 Total All Jurisdictions	 <u><u>11.2145</u></u>	 <u><u>11.3354</u></u>	 <u><u>11.4699</u></u>	 <u><u>10.9868</u></u>	 <u><u>11.3751</u></u>

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

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2024

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>
2024	\$ 62,378,733	\$ 59,291,210	95.05%	100.00%
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%

Source: Benzie County

General Fund Revenue and Expenditures

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues and other financing sources	\$ 9,157,490	\$ 10,202,194	\$ 7,434,089	\$ 7,246,238
Expenditures and other financing uses	<u>10,067,889</u>	<u>7,810,976</u>	<u>7,419,584</u>	<u>7,055,529</u>
Net change in fund balance	(910,399)	2,391,218	14,505	190,709
Beginning Fund Balance	<u>4,665,687</u>	<u>2,274,469</u>	<u>2,259,964</u>	<u>2,069,255</u>
Ending Fund Balance	<u><u>\$ 3,755,288</u></u>	<u><u>\$ 4,665,687</u></u>	<u><u>\$ 2,274,469</u></u>	<u><u>\$ 2,259,964</u></u>

Source: Benzie County

BENZIE COUNTY, MICHIGAN
CONTINUING DISCLOSURES (UNAUDITED)
SEPTEMBER 30, 2024

Top Employers

Employer	2024	2023	2022
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 County 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

	Gross	Self-supporting or Portion Paid Directly by Benefit Municipalities	Net
Direct debt of County:			
Medical Care Facility	\$ 2,610,000	\$ -	\$ 2,610,000

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	\$ 145.24
Percent County Net Direct Debt to 2024 TV	0.15%

Overlapping Debt of County:	
School Districts	\$ 41,862,714
Cities	5,838,000
Townships	5,210,000
Villages	693,000
Intermediate School Districts	-

Net Overlapping Debt	53,603,714
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Net County and Overlapping Debt	\$ 56,213,714
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Per Capita County Net Direct and Overlapping Debt	\$ 3,128
Percent Net Direct and Overlapping Debt to 2024 TV	3.13%

Source: Benzie County and Municipal Advisory Council of Michigan



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

To the Board of Commissioners of
Benzie County
Beulah, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benzie County, Michigan (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 20, 2025.

We did not audit the financial statements of the following component units included in the basic financial statements of Benzie County.

<u>Component</u>	<u>Classification</u>	<u>Assets</u>	<u>Net Position</u>	<u>Revenue</u>
Discretely Presented Component Units				
Road Commission	Component Unit	55.97%	60.27%	36.63%
Medical Care Facility	Component Unit	35.32%	30.06%	49.70%
Benzie Transportation Authority	Component Unit	8.28%	9.19%	12.98%

These 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 component units noted above, are based solely on the reports of other auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described below, that we consider to be a material weakness.

2024-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries for the proper recognition of capital assets and beginning net position were proposed by the auditors. These misstatements were not detected by the County's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the County's general ledger. A similar condition was noted and reported in our audit comments last year.

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

Cause: Misstatements were not identified and corrected by management.

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

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

View of Responsible Officials: Management and County Treasurer agree with the finding.

Corrective Action Response: County Treasurer will create appropriate procedures to alleviate this finding from occurring again.

Report on Compliance and Other Matters

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

County's Response to the Finding

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

Purpose of this Report

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

Maney Costerian PC

March 20, 2025