



**ST. JOSEPH COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners and Management
St. Joseph County
St. Joseph County, Michigan

Report on the Audit of the Financial Statements***Opinions***

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

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

We did not audit the financial statements of the St. Joseph County Road Commission, which represents 92.1%, 97.8%, and 96.5%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2023, and the respective changes in financial position thereof for the year the ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the St. Joseph County Road Commission, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The accompanying combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the typed name of the firm.

Gabridge & Company, PLC
Grand Rapids, Michigan
June 25, 2024

Management's Discussion and Analysis

**St. Joseph County
Management's Discussion and Analysis
December 31, 2023**

As management of St. Joseph County (the "County" or "government"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources on December 31, 2023 by \$44,512,301. Of this amount, \$15,939,633 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$7,716,706 during the year ended December 31, 2023. Revenues were \$40,550,165 and expenses were \$32,833,459.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$18,009,256, an increase of \$1,856,221 in comparison with the prior year. Approximately 49.5% of this amount, or \$8,917,580, is available for spending at the County's discretion (*unassigned fund balance*).
- On December 31, 2023, unassigned fund balance for the general fund was \$8,917,580, or 35.9% of the general fund's annualized expenditures and transfers out.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position

changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation or amortization of capital assets and changes in the County's net pension liability).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government services (such as: administration, clerk, and treasurer); judicial activities (courts); public safety (sheriff, road patrol, marine safety); public works; health and welfare (such as: health, mental health, and childcare), and a variety of other services. The business-type activities of the County primarily represent the administration of the delinquent property tax system.

The County includes five other legally separate entities: the Economic Development Corporation, Board of Public Works, St. Joseph County Road Commission, Brownfield Redevelopment Authority, and St. Joseph County Drainage Districts. Although legally separate, these "component units" are important because the County is financially accountable for them. The St. Joseph County Road Commission issued a separate audited set of financial statements, and those statements can be obtained at their administrative offices or from the County Administrator's office.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of

revenues, expenditures, and changes in fund balances for the general, central dispatch, and commission on aging funds, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and major special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The County maintains one type of proprietary fund: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the tax payment fund, which is considered to be a major fund. Data from the other nonmajor enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

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

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

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain information concerning the County's budget compliance and its progress in funding its obligation to provide pension benefits to its employees. This information can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, custodial funds, and the drainage district and board of public works component unit funds, are presented following the required supplemental information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,512,301 at the close of the most recent fiscal year. A large portion of the County's net position (46.7%, or \$20,790,200) represents its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net position (17.5%, or \$7,782,468) represents resources that are subject to external restrictions on how they may be used. Restricted net position refers to amounts that have constraints placed on them by either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. The remaining portion of the County’s net position (35.8%, or \$15,939,633) is comprised of unrestricted net position. These amounts may be used to meet the government’s ongoing obligations to citizens and creditors.

St. Joseph County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 21,014,730	\$ 25,235,122	\$ 11,582,843	\$ 10,493,694	\$ 32,597,573	\$ 35,728,816
Receivables, net	7,770,683	6,835,990	1,942,692	1,751,945	9,713,375	8,587,935
Due from other governmental units	1,269,087	1,209,765	3,200	59,337	1,272,287	1,269,102
Prepays	564,064	490,894	1,058	742	565,122	491,636
Other assets	566,227	634,308	-	-	566,227	634,308
Total Current Assets	31,184,791	34,406,079	13,529,793	12,305,718	44,714,584	46,711,797
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	5,671,306	4,667,819	44,004	44,004	5,715,310	4,711,823
Capital assets being depreciated, net	25,806,922	21,159,512	246,333	256,128	26,053,255	21,415,640
Advance to component unit	102,545	-	-	-	102,545	-
Total Assets	62,765,564	60,233,410	13,820,130	12,605,850	76,585,694	72,839,260
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	4,477,621	7,898,944	-	-	4,477,621	7,898,944
Total Deferred Outflows of Resources	4,477,621	7,898,944	-	-	4,477,621	7,898,944
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	1,267,494	662,353	21,547	9,084	1,289,041	671,437
Accrued liabilities	789,508	734,042	-	-	789,508	734,042
Accrued interest	126,908	51,802	-	-	126,908	51,802
Due to other governmental units	49,188	127,964	-	-	49,188	127,964
Unearned revenue	4,592,071	10,548,922	-	-	4,592,071	10,548,922
Current portion of long-term debt	896,186	711,284	7,166	6,983	903,352	718,267
Compensated absences	649,564	680,499	-	-	649,564	680,499
Total Current Liabilities	8,370,919	13,516,866	28,713	16,067	8,399,632	13,532,933
<i>Noncurrent Liabilities</i>						
Long-term debt	9,848,000	10,790,590	227,013	234,179	10,075,013	11,024,769
Net pension liability	13,000,708	14,673,661	-	-	13,000,708	14,673,661
Total Liabilities	31,219,627	38,981,117	255,726	250,246	31,475,353	39,231,363
DEFERRED INFLOWS OF RESOURCES						
Pension related	186,448	157,806	-	-	186,448	157,806
Taxes levied for a subsequent period	4,889,213	4,553,440	-	-	4,889,213	4,553,440
Total Deferred Inflows of Resources	5,075,661	4,711,246	-	-	5,075,661	4,711,246
NET POSITION						
Net investment in capital assets	20,734,042	15,866,362	56,158	58,970	20,790,200	15,925,332
Restricted	7,782,468	7,147,649	-	-	7,782,468	7,147,649
Unrestricted	2,431,387	1,425,980	13,508,246	12,296,634	15,939,633	13,722,614
Total Net Position	\$ 30,947,897	\$ 24,439,991	\$ 13,564,404	\$ 12,355,604	\$ 44,512,301	\$ 36,795,595

Following is a summary of the significant changes from the prior year:

- Cash and investments show a significant decrease of \$3,131,243 due in most part to current year American Rescue Plan Act (“ARPA”) funds of \$4,927,975 spent for funds received in a previous year.
- Receivables increased by \$1,125,440 due in part to an increase in property taxes receivable, an increase in law enforcement receivable, and an increase in the opioid

settlement receivable.

- Capital assets not being depreciated increased \$1,003,487 due to construction in progress relating to jail and court projects.
- Capital assets being depreciated increased by \$4,637,615 because current year depreciation and the net effect of disposals were less than current year additions to depreciable capital assets.
- Pension related deferred outflows or resources decreased by \$3,421,323 as a result of differences between expected and actual experience and net investment earnings being more than expected due to favorable investment returns.
- Unearned revenues decreased by \$5,956,851 mostly as a result of receipt of ARPA funds being spent during the year.
- Long-term debt decreased by \$764,671 due to regular long-term debt payments.
- Net pension liability decreased by \$1,672,953 as a result of differences between expected and actual experience and net investment earnings being more than expected due to favorable investment returns.

The County's total net position increased by \$7,716,706, from \$36,795,595 in the prior year to \$44,512,301 for the year ended December 31, 2023. A two-year comparison of revenues and expenses for the County is on the following page.

St. Joseph County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for services	\$ 4,733,870	\$ 4,554,495	\$ 1,122,933	\$ 897,021	\$ 5,856,803	\$ 5,451,516
Operating grants and contributions	8,785,409	8,630,665	-	-	8,785,409	8,630,665
Capital grants and contributions	4,076,372	385,462	-	-	4,076,372	385,462
General Revenues						
Property taxes	16,035,464	15,080,603	-	-	16,035,464	15,080,603
Unrestricted state aid	4,407,014	3,458,160	-	-	4,407,014	3,458,160
Interest income	1,000,420	233,072	388,683	72,462	1,389,103	305,534
Total Revenues	39,038,549	32,342,457	1,511,616	969,483	40,550,165	33,311,940
Expenses						
General government	5,905,874	6,078,638	-	-	5,905,874	6,078,638
Judicial	6,225,047	6,504,774	-	-	6,225,047	6,504,774
Public safety	11,044,309	9,878,154	-	-	11,044,309	9,878,154
Public works	563,059	369,604	-	-	563,059	369,604
Health and social services	5,036,719	4,794,535	-	-	5,036,719	4,794,535
Community development	518,851	141,816	-	-	518,851	141,816
Recreation and culture	811,123	705,831	-	-	811,123	705,831
Unallocated depreciation	1,975,043	1,952,813	-	-	1,975,043	1,952,813
Interest on long-term debt	473,755	255,334	-	-	473,755	255,334
Forfeiture/foreclosure	-	-	144,085	206,923	144,085	206,923
Delinquent tax collection	-	-	50,045	34,939	50,045	34,939
Inmate store	-	-	17,998	23,209	17,998	23,209
Building authority	-	-	67,551	80,101	67,551	80,101
Total Expenses	32,553,780	30,681,499	279,679	345,172	32,833,459	31,026,671
Changes in Net Position before Transfers	6,484,769	1,660,958	1,231,937	624,311	7,716,706	2,285,269
Transfers, net	23,137	25,000	(23,137)	(25,000)	-	-
Changes in Net Position	6,507,906	1,685,958	1,208,800	599,311	7,716,706	2,285,269
<i>Net Position at the Beginning of Period</i>	<i>24,439,991</i>	<i>22,754,033</i>	<i>12,355,604</i>	<i>11,756,293</i>	<i>36,795,595</i>	<i>34,510,326</i>
Net Position at the End of Period	\$ 30,947,897	\$ 24,439,991	\$ 13,564,404	\$ 12,355,604	\$ 44,512,301	\$ 36,795,595

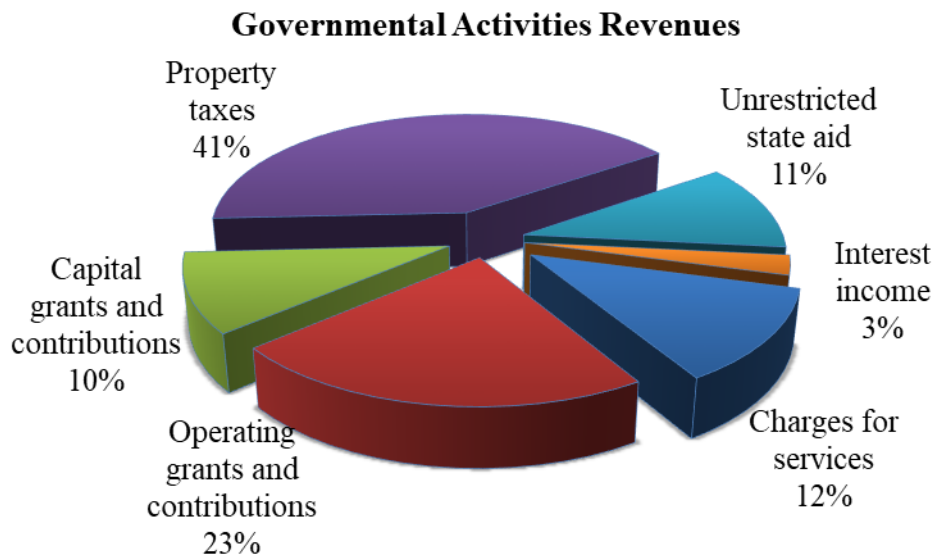
Governmental activities increased the County's net position by \$6,507,906 while business-type activities increased net position by \$1,208,800. Following is a summary of significant changes between the prior and current years:

- Charges for services increased by \$405,287, primarily due to an increase in foreclosed property revenues and judicial and public safety related revenues.
- Capital grants and contributions increased by \$3,690,910 compared to the previous year. This is due to the recognition of \$4,076,372 of ARPA funds during the year.
- Taxable value of County property increased by approximately 7.19%, and the County received an additional \$712k of (compared to 2022) marijuana tax revenue, which led to an increase of \$1,836,162 in property tax revenues.
- Interest income increased \$1,083,569 during the year as a result of better market performance of investments.
- In previous years, the County had presented some community development departments activities as part of general government expenses. To be compliant with the Uniform Chart of Accounts, the County moved these activities to the correct function.
- Public safety expenses were \$1,166,155 more in 2023 than in 2022. This is due in large part to an approximately \$886k increase in pension related costs and an approximately

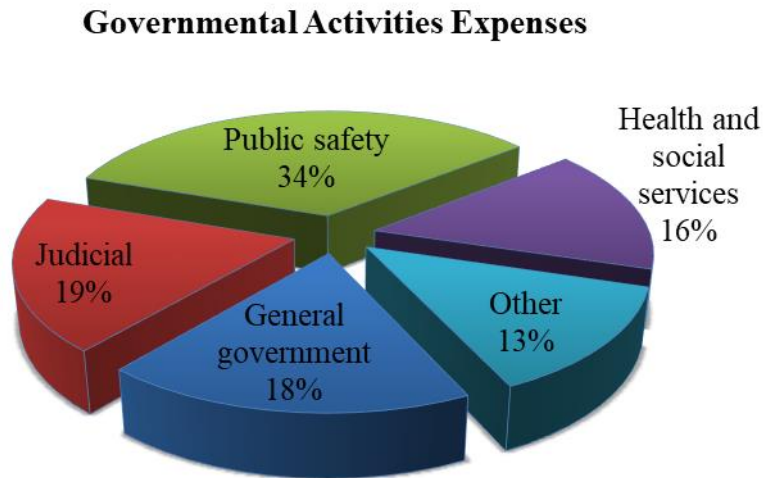
\$280k increase in sheriff department expenses.

- The increase of \$242,184 to health and social services expenses is due to an increase in commission on aging expenses during the year.
- The increase of \$377,035 to community development expenses is partially related to the reclassification of certain community development expenses from general government expenses on the financial statements.

The following chart summarizes the revenue sources for the governmental activities of the County for the most recent fiscal year-end:



The following chart summarizes the expenses for the governmental activities of the County for the most recent fiscal year-end:



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County *governmental fund statements* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance of \$8,917,580 of the general fund represented 35.9% of total general fund expenditures and transfers out.

The **general fund** had an increase of \$3,079,047 in fund balance from \$8,226,306 in the prior fiscal year to \$11,305,353 in the current fiscal year. The increase in fund balance was largely a result of earned ARPA revenues, increase in property tax revenues, and an increase in investment earnings.

The **central dispatch fund**, a major fund, increased by \$439,293 for an ending fund balance of \$2,830,286. The increase is very similar to the increase experienced in the previous year. It should be noted that the central dispatch fund and central dispatch wireless fund were combined in the current year to comply with the Uniform Chart of Accounts. Revenues and expenditures in the current year are similar in comparison to the previous year.

The **commission on aging**, a major fund, decreased by \$174,395 for an ending fund balance of \$1,174,403. The change is a result of a decrease of intergovernmental revenues during the year.

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

Unrestricted net position of the tax payment fund at the end of the year was \$11,656,672. The tax payment fund had an increase in net position of \$852,230, which is very similar to the prior year results of operations with the exception of a large increase in interest income due to better market performance. The ending unrestricted net position for the other enterprise funds was \$1,851,574. Other enterprise funds had an increase in net position of \$356,570. Summarized explanations for the changes in net position were provided in an earlier section of this report.

General Fund Budgetary Highlights

The general fund’s original estimated revenues and original budgeted expenditures had significant amendments made during the year: intergovernmental revenue saw the original estimated amount of \$5,674,783 increase to \$11,790,524 mostly as a result of increased ARPA revenues. Budgeted interest and rents also saw the original estimated amount increase from \$50,200 to \$953,376. The original general fund budget of \$18,699,350 increased to \$25,065,067 after amendments, for a net negative variance of \$899 to the projected fund balance. Actual revenues and expenditures data, however, yielded a net increase to fund balance of \$3,079,047. See the detailed budgetary comparison schedules further on in this report for more information.

The County had the following general fund expenditures in excess of the amounts appropriated during the year ended December 31, 2023:

<u>Fund / Function / Department</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Negative Variance</u>
General Fund			
Health and Welfare			
Substance abuse	\$ 121,000	\$ 121,228	\$ (228)
Transfers out	1,935,583	1,940,854	(5,271)

Capital Asset and Debt Administration

Capital assets. As of December 31, 2023, the County’s investment in capital assets amounted to \$31,768,565 (net of accumulated depreciation). The investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, intangible right of use assets, and vehicles. The net increase in the County’s capital assets during the year was \$5,641,102, or 21.6%.

Additional information on the County’s capital assets can be found in the notes to the financial statements.

Long-term Debt. The County (primary government) has \$10,978,365 of long-term debt. Additionally, the County uses its full faith and credit (as a secondary obligator), to back the Board of Public Works component unit debt. The Drain Commission administers debt for various local drainage districts and water and sewer systems for local municipalities in St. Joseph County. All drain debt is payable out of assessments against the drainage districts or by contractual agreements with local units of government. The County Commission, by a majority vote of 2/3 of its members, may pledge the full faith and credit of the County for payment of a drainage district note.

State statute limits the County's debt obligations to 10% of the current state equalized value (SEV). The County is well under its legal debt limit as of December 31, 2023.

Additional information on the County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Management estimates that \$19.9M of revenues will be available for appropriation in the general fund in the upcoming budget. Expenditures are expected to change by small amounts compared to the prior year.

In 2023, the County plans again to use current revenues to provide essential services and to maintain the County's financial reserves at similar levels. The ongoing costs of providing essential services for the citizens of the County will again need to be monitored in order to maintain the financial condition of the County.

The taxable valuation is expected to increase in 2024, by approximately 5%. This increase in the property tax base provides additional revenue, which is crucial for funding County services and infrastructure projects.

Rising inflation has significantly impacted the cost of providing public services. For instance, the County has faced increased costs for maintaining infrastructure, such as roads and public buildings, due to higher prices for construction materials and labor. Public safety services, including sheriff and jail departments, have also seen budget increases to accommodate higher wages and equipment costs.

Additionally, the American Rescue Plan Act (ARPA) provided significant financial support to the County. St. Joseph County received approximately \$11.8 million in ARPA funds, which have been allocated to various projects. This funding has helped mitigate some of the financial challenges posed by reduced grant allocations and rising costs. Of the \$11.8 million, the County will commit the remaining \$4.5 million of unexpended ARPA funds during 2024.

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

St. Joseph County Finance Director
125 W. Main St
Centreville, Michigan 49032

or by phone at (269) 467-5534.

Basic Financial Statements

**St. Joseph County
Statement of Net Position
December 31, 2023**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 21,014,730	\$ 11,582,843	\$ 32,597,573	\$ 4,145,604
Accounts receivable, net	1,637,035	6,961	1,643,996	181,799
Property taxes receivable	6,133,648	1,935,731	8,069,379	1,979,430
Due from other governmental units	1,269,087	3,200	1,272,287	1,812,546
Inventories	--	--	--	1,326,461
Prepays	564,064	1,058	565,122	--
Other assets	566,227	--	566,227	--
Total Current Assets	31,184,791	13,529,793	44,714,584	9,445,840
<i>Noncurrent Assets</i>				
Long-term receivables	--	--	--	3,755,837
Capital assets not being depreciated	5,671,306	44,004	5,715,310	8,607,223
Capital assets being depreciated, net	25,806,922	246,333	26,053,255	51,684,447
Advance to component unit	102,545	--	102,545	--
Total Assets	62,765,564	13,820,130	76,585,694	73,493,347
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	4,477,621	--	4,477,621	--
Total Deferred Outflows of Resources	4,477,621	--	4,477,621	--
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	1,267,494	21,547	1,289,041	743,032
Accrued liabilities	789,508	--	789,508	330,493
Accrued interest	126,908	--	126,908	19,159
Due to other governmental units	49,188	--	49,188	--
Unearned revenue	4,592,071	--	4,592,071	375,000
Current portion of long-term debt	896,186	7,166	903,352	205,000
Compensated absences, current	649,564	--	649,564	--
Total Current Liabilities	8,370,919	28,713	8,399,632	1,672,684
<i>Noncurrent Liabilities</i>				
Advance from primary government	--	--	--	102,545
Long-term debt	9,848,000	227,013	10,075,013	4,132,120
Net pension liability	13,000,708	--	13,000,708	--
Net OPEB liability	--	--	--	78,322
Total Liabilities	31,219,627	255,726	31,475,353	5,985,671
DEFERRED INFLOWS OF RESOURCES				
Pension related	186,448	--	186,448	--
Taxes levied for a subsequent period	4,889,213	--	4,889,213	1,979,430
Total Deferred Inflows of Resources	5,075,661	--	5,075,661	1,979,430
NET POSITION				
Net investment in capital assets	20,734,042	56,158	20,790,200	60,291,670
<i>Restricted for:</i>				
General government	259,720	--	259,720	--
Public safety	3,854,551	--	3,854,551	--
Public works	14,204	--	14,204	2,958,003
Health and social services	2,846,239	--	2,846,239	--
Community development	75,911	--	75,911	--
Recreation and culture	709,195	--	709,195	--
Capital projects	845	--	845	590,935
Debt service	21,803	--	21,803	6,522
<i>Unrestricted</i>	2,431,387	13,508,246	15,939,633	1,681,116
Total Net Position	\$ 30,947,897	\$ 13,564,404	\$ 44,512,301	\$ 65,528,246

The Notes to the Financial Statements are an integral part of these Financial Statements

**St. Joseph County
Statement of Activities
For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General government	\$ 5,905,874	\$ 777,125	\$ 3,068,884	\$ 4,076,372	\$ 2,016,507	\$ --	\$ 2,016,507	\$ --
Judicial	6,225,047	1,060,884	2,228,767	--	(2,935,396)	--	(2,935,396)	--
Public safety	11,044,309	1,144,221	1,526,090	--	(8,373,998)	--	(8,373,998)	--
Public works	563,059	251,098	8,215	--	(303,746)	--	(303,746)	--
Health and social services	5,036,719	721,853	1,783,762	--	(2,531,104)	--	(2,531,104)	--
Community development	518,851	584,095	37,103	--	102,347	--	102,347	--
Recreation and culture	811,123	194,594	132,588	--	(483,941)	--	(483,941)	--
Interest on long-term debt	473,755	--	--	--	(473,755)	--	(473,755)	--
Unallocated depreciation	1,975,043	--	--	--	(1,975,043)	--	(1,975,043)	--
Total Governmental Activities	32,553,780	4,733,870	8,785,409	4,076,372	(14,958,129)	--	(14,958,129)	--
Business-type Activities:								
Forfeiture / Foreclosure	144,085	461,387	--	--	--	317,302	317,302	--
Tax Payment	50,045	525,029	--	--	--	474,984	474,984	--
Inmate Store	17,998	59,222	--	--	--	41,224	41,224	--
Building Authority	67,551	77,295	--	--	--	9,744	9,744	--
Total Business-type Activities	279,679	1,122,933	--	--	--	843,254	843,254	--
Total Primary Government	\$ 32,833,459	\$ 5,856,803	\$ 8,785,409	\$ 4,076,372	(14,958,129)	843,254	(14,114,875)	--
Component Units								
Economic Development Corporation	\$ 62,500	\$ --	\$ 62,500	\$ --	--	--	--	--
St. Joseph County Board of Public Works	563,191	--	121,256	--	--	--	--	(441,935)
St. Joseph County Drainage Districts	447,343	314,023	--	9,130	--	--	--	(124,190)
St. Joseph County Road Commission	11,066,885	65,087	11,396,483	3,070,209	--	--	--	3,464,894
Brownfield Redevelopment Authority	86,093	--	88,635	--	--	--	--	2,542
Total Component Units	\$ 12,226,012	\$ 379,110	\$ 11,668,874	\$ 3,079,339	--	--	--	2,901,311
General Purpose Revenues and Transfers:								
Revenues								
Interest income	--	--	--	--	--	388,683	388,683	179,163
Property taxes	--	--	--	--	16,916,765	--	16,916,765	1,802,149
Intergovernmental	--	--	--	--	3,525,713	--	3,525,713	--
Interest and rents	--	--	--	--	1,000,420	--	1,000,420	--
Transfers	--	--	--	--	23,137	(23,137)	--	--
Total General Revenues and Transfers	--	--	--	--	21,466,035	365,546	21,832,478	1,981,312
Change in Net Position								
					6,507,906	1,208,800	7,716,706	4,882,623
<i>Net Position at Beginning of Period</i>								
					24,439,991	12,355,604	36,795,595	60,645,623
<i>Net Position at End of Period</i>								
					\$ 30,947,897	\$ 13,564,404	\$ 44,512,301	\$ 65,528,246

The Notes to the Financial Statements are an integral part of these Financial Statements

**St. Joseph County
Balance Sheet
Governmental Funds
December 31, 2023**

	Special Revenue				
	General	Central Dispatch Fund	Commission on Aging	Other Governmental Funds	
ASSETS					
Cash and investments	\$ 14,006,848	\$ 2,700,168	\$ 1,126,272	\$ 3,181,442	\$ 21,014,730
Accounts receivable, net	243,232	59,735	4,424	1,329,644	1,637,035
Property taxes receivable	1,244,435	2,443,956	1,832,897	612,360	6,133,648
Due from other governmental units	470,365	162,621	156,891	479,210	1,269,087
Prepays	531,073	1,990	4,910	26,091	564,064
Other assets	566,227	--	--	--	566,227
Due from other funds	498,000	--	--	--	498,000
Advance to component unit	102,545	--	--	--	102,545
Total Assets	\$ 17,662,725	\$ 5,368,470	\$ 3,125,394	\$ 5,628,747	\$ 31,785,336
LIABILITIES					
Accounts payable	\$ 708,824	\$ 37,157	\$ 80,232	\$ 441,281	\$ 1,267,494
Accrued liabilities	563,612	57,071	37,862	130,963	789,508
Due to other governmental units	--	--	--	49,188	49,188
Unearned revenue	4,472,895	--	--	119,176	4,592,071
Due to other funds	--	--	--	498,000	498,000
Total Liabilities	5,745,331	94,228	118,094	1,238,608	7,196,261
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	612,041	--	--	1,078,565	1,690,606
Taxes levied for a subsequent period	--	2,443,956	1,832,897	612,360	4,889,213
Total Liabilities and Deferred Inflows of Resources	6,357,372	2,538,184	1,950,991	2,929,533	13,776,080
FUND BALANCE					
Nonspendable	531,073	1,990	4,910	26,091	564,064
Restricted	--	2,828,296	1,169,493	2,673,123	6,670,912
Assigned	1,856,700	--	--	--	1,856,700
Unassigned	8,917,580	--	--	--	8,917,580
Total Fund Balance	11,305,353	2,830,286	1,174,403	2,699,214	18,009,256
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 17,662,725	\$ 5,368,470	\$ 3,125,394	\$ 5,628,747	\$ 31,785,336

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023

Total Fund Balance - Governmental Funds	\$	18,009,256
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(126,908)
General government capital assets of \$52,633,738, net of accumulated depreciation of \$21,155,510, are not financial resources and, accordingly, are not reported in the funds.		31,478,228
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		(8,709,535)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		(10,744,186)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		1,690,606
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(649,564)
Total Net Position - Governmental Activities	\$	<u>30,947,897</u>

St. Joseph County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General	Special Revenue		Other Governmental Funds	Total Governmental Funds
		Central Dispatch Fund	Commission on Aging		
Revenues					
Property taxes	\$ 12,297,310	\$ 2,277,005	\$ 1,707,728	\$ 570,439	\$ 16,852,482
Licenses and permits	116,232	--	--	1,520	117,752
Intergovernmental	12,379,973	525,493	732,871	2,711,376	16,349,713
Charges for services	1,612,881	411,194	133,549	843,031	3,000,655
Fines and forfeitures	69,266	--	--	96,310	165,576
Interest and rents	1,004,416	--	455,591	6,000	1,466,007
Miscellaneous	352,357	1,850	122,292	540,806	1,017,305
Total Revenues	27,832,435	3,215,542	3,152,031	4,769,482	38,969,490
Expenditures					
General government	6,069,660	--	--	193,214	6,262,874
Judicial	7,858,501	--	--	1,733,845	9,592,346
Public safety	6,772,928	2,120,484	--	1,293,024	10,186,436
Public works	489,945	--	--	40,357	530,302
Health and social services	1,216,367	--	2,693,251	1,072,323	4,981,941
Community development	498,509	--	--	--	498,509
Recreation and culture	--	--	--	778,237	778,237
Capital outlay	--	--	--	3,200,715	3,200,715
Debt service - principal	--	519,809	75,000	116,364	711,173
Debt service - interest	--	53,456	129,675	215,518	398,649
Total Expenditures	22,905,910	2,693,749	2,897,926	8,643,597	37,141,182
Excess of Revenues Over (Under) Expenditures	4,926,525	521,793	254,105	(3,874,115)	1,828,308
Other Financing Sources (Uses)					
Sale of capital assets	4,776	--	--	--	4,776
Transfers in	88,600	--	--	2,992,191	3,080,791
Transfers out	(1,940,854)	(82,500)	(428,500)	(605,800)	(3,057,654)
Net Other Financing Sources (Uses)	(1,847,478)	(82,500)	(428,500)	2,386,391	27,913
Net Change in Fund Balance	3,079,047	439,293	(174,395)	(1,487,724)	1,856,221
<i>Fund Balance at Beginning of Period</i>	8,226,306	2,390,993	1,348,798	4,186,938	16,153,035
Fund Balance at End of Period	\$ 11,305,353	\$ 2,830,286	\$ 1,174,403	\$ 2,699,214	\$ 18,009,256

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	1,856,221
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.		(75,106)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources.		64,283
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.		(1,777,012)
Repayment of bond principal and payment of lease obligation is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		757,688
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$7,672,165 is in excess of depreciation expense of \$1,879,993 and net loss on disposals of \$141,275.		5,650,897
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year decrease is the increase net position.		30,935
Changes in Net Position - Governmental Activities	\$	<u>6,507,906</u>

**St. Joseph County
Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-type Activities - Enterprise Funds		
	Tax Payment	Other Enterprise Funds	Total Enterprise Funds
ASSETS			
<i>Current Assets</i>			
Cash and investments	\$ 9,720,941	\$ 1,861,902	\$ 11,582,843
Accounts receivable, net	--	6,961	6,961
Property taxes receivable	1,935,731	--	1,935,731
Due from other governmental units	--	3,200	3,200
Prepays	--	1,058	1,058
Total Current Assets	11,656,672	1,873,121	13,529,793
<i>Noncurrent Assets</i>			
Capital assets not being depreciated	--	44,004	44,004
Capital assets being depreciated, net	--	246,333	246,333
Total Assets	11,656,672	2,163,458	13,820,130
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	--	21,547	21,547
Current portion of long-term debt	--	7,166	7,166
Total Current Liabilities	--	28,713	28,713
<i>Noncurrent Liabilities</i>			
Long-term debt	--	227,013	227,013
Total Liabilities	--	255,726	255,726
NET POSITION			
Net investment in capital assets	--	56,158	56,158
<i>Unrestricted</i>	11,656,672	1,851,574	13,508,246
Total Net Position	\$ 11,656,672	\$ 1,907,732	\$ 13,564,404

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

Business-type Activities - Enterprise Funds

	Tax Payment	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues			
Charges for services	\$ 171,906	\$ 597,911	\$ 769,817
Interest on taxes	353,123	--	353,123
<i>Total Operating Revenues</i>	525,029	597,911	1,122,940
Operating Expenses			
Operations and administrative	50,045	219,839	269,884
Depreciation	--	9,795	9,795
<i>Total Operating Expenses</i>	50,045	229,634	279,679
<i>Operating Income (Loss)</i>	474,984	368,277	843,261
Non-Operating Revenues (Expenses)			
Interest income	377,246	11,430	388,676
<i>Net Non-Operating Revenues (Expenses)</i>	377,246	11,430	388,676
<i>Income Before Contributions and Transfers</i>	852,230	379,707	1,231,937
Transfers in	--	1,863	1,863
Transfers out	--	(25,000)	(25,000)
<i>Change In Net Position</i>	852,230	356,570	1,208,800
<i>Net Position at Beginning of Period</i>	10,804,442	1,551,162	12,355,604
<i>Net Position at End of Period</i>	\$ 11,656,672	\$ 1,907,732	\$ 13,564,404

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

Business-type Activities - Enterprise Funds

	<u>Tax Payment</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 383,785	\$ 604,545	\$ 988,330
Cash paid to suppliers for goods and services	(50,045)	(207,692)	(257,737)
Net Cash Provided by Operating Activities	<u>333,740</u>	<u>396,853</u>	<u>730,593</u>
Cash Flows from Noncapital Financing Activities			
Transfers out	-	(23,137)	(23,137)
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>(23,137)</u>	<u>(23,137)</u>
Cash Flows from Capital and Related Financing Activities			
Principal and interest paid on long-term debt	-	(6,983)	(6,983)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(6,983)</u>	<u>(6,983)</u>
Cash Flows from Investing Activities			
Interest income received	377,246	11,430	388,676
Net Cash Provided by Investing Activities	<u>377,246</u>	<u>11,430</u>	<u>388,676</u>
<i>Net Increase in Cash and Investments</i>	710,986	378,163	1,089,149
Cash and Investments - Beginning of the Year	9,009,955	1,483,739	10,493,694
Cash and Investments - End of the Year	<u>\$ 9,720,941</u>	<u>\$ 1,861,902</u>	<u>\$ 11,582,843</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income	\$ 474,984	\$ 368,277	\$ 843,261
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Depreciation	-	9,795	9,795
Change in Assets and Liabilities:			
Accounts receivable, net	-	5,534	5,534
Property taxes receivable	(196,281)	-	(196,281)
Due from other governmental units	55,037	1,100	56,137
Prepays	-	(316)	(316)
Accounts payable	-	12,463	12,463
Net Cash Provided by Operating Activities	<u>\$ 333,740</u>	<u>\$ 396,853</u>	<u>\$ 730,593</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 2,112,011
<i>Total Assets</i>	<i>2,112,011</i>
LIABILITIES	
Accounts payable	15,896
Due to other governmental units	221,876
Undistributed collections	1,465,213
Bonds and other payables	350,838
<i>Total Liabilities</i>	<i>2,053,823</i>
NET POSITION	
Individuals, organizations, and other governments	58,188
<i>Total Net Position</i>	<i>\$ 58,188</i>

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial Funds
ADDITIONS	
Taxes collected for other governments	\$ 49,172,101
Court collections	613,038
Clerk/register of deeds collections	2,437,298
Library penal fines collections	169,320
Treasurer collections	207,964
Human services collections	84,213
<i>Total Additions</i>	52,683,934
DEDUCTIONS	
Payments of taxes to other governments	49,172,101
Court distributions	613,038
Clerk/register of deeds distributions	2,437,298
Inmates' custodial payouts	9,264
Library penal fines disbursements	155,697
Treasurer distributions	207,964
Human services disbursements	84,213
<i>Total Deductions</i>	52,679,575
<i>Net Increase (Decrease) in Net Position</i>	4,359
<i>Net Position at Beginning of Period</i>	53,829
<i>Net Position at End of Period</i>	\$ 58,188

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Combining Statement of Net Position
Component Units
December 31, 2023

	Economic Development Corporation	St. Joseph County Board of Public Works	St. Joseph County Road Commission	Brownfield Redevelopment Authority	St. Joseph County Drainage Districts	Total Component Units
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 5,279	\$ --	\$ 3,454,192	\$ 18,301	\$ 667,832	\$ 4,145,604
Accounts receivable, net	--	150,000	11,346	--	20,453	181,799
Property taxes receivable	--	--	1,979,430	--	--	1,979,430
Due from other governmental units	--	--	1,764,490	48,056	--	1,812,546
Inventories	--	--	1,326,461	--	--	1,326,461
Total Current Assets	5,279	150,000	8,535,919	66,357	688,285	9,445,840
<i>Noncurrent Assets</i>						
Long-term receivables	--	3,735,000	--	--	20,837	3,755,837
Capital assets not being depreciated	--	--	8,584,603	--	22,620	8,607,223
Capital assets being depreciated, net	--	--	50,559,570	--	1,124,877	51,684,447
Total Assets	5,279	3,885,000	67,680,092	66,357	1,856,619	73,493,347
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	--	683,588	50,324	9,120	743,032
Accrued liabilities	--	--	330,493	--	--	330,493
Accrued interest	--	19,159	--	--	--	19,159
Unearned revenue	--	--	375,000	--	--	375,000
Current portion of long-term debt	--	150,000	55,000	--	--	205,000
Total Current Liabilities	--	169,159	1,444,081	50,324	9,120	1,672,684
<i>Noncurrent Liabilities</i>						
Advance from primary government	--	--	--	--	102,545	102,545
Long-term debt	--	4,037,973	94,147	--	--	4,132,120
Net OPEB liability	--	--	78,322	--	--	78,322
Total Liabilities	--	4,207,132	1,616,550	50,324	111,665	5,985,671
DEFERRED INFLOWS OF RESOURCES						
Taxes levied for a subsequent period	--	--	1,979,430	--	--	1,979,430
Total Deferred Inflows of Resources	--	--	1,979,430	--	--	1,979,430
NET POSITION						
Net investment in capital assets	--	--	59,144,173	--	1,147,497	60,291,670
<i>Restricted for:</i>						
Public works	--	--	2,958,003	--	--	2,958,003
Capital projects	--	--	--	--	590,935	590,935
Debt service	--	--	--	--	6,522	6,522
<i>Unrestricted</i>	5,279	(322,132)	1,981,936	16,033	--	1,681,116
Total Net Position	\$ 5,279	\$ (322,132)	\$ 64,084,112	\$ 16,033	\$ 1,744,954	\$ 65,528,246

The Notes to the Financial Statements are an integral part of these Financial Statements

St. Joseph County
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2023

	Economic Development Corporation	St. Joseph County Board of Public Works	St. Joseph County Road Commission	Brownfield Redevelopment Authority	St. Joseph County Drainage Districts	Total Component Units
Expenses						
Public works	\$ --	\$ 454,123	\$ 11,066,885	\$ --	\$ 447,343	\$ 11,968,351
Community development	62,500	--	--	86,093	--	148,593
Interest on long-term debt	--	109,068	--	--	--	109,068
Total Expenses	<u>62,500</u>	<u>563,191</u>	<u>11,066,885</u>	<u>86,093</u>	<u>447,343</u>	<u>12,226,012</u>
Program Revenues						
Charges for services	--	--	65,087	--	314,023	379,110
Operating grants and contributions	62,500	121,256	11,396,483	88,635	--	11,668,874
Capital grants and contributions	--	--	3,070,209	--	9,130	3,079,339
Total Program Revenues	<u>62,500</u>	<u>121,256</u>	<u>14,531,779</u>	<u>88,635</u>	<u>323,153</u>	<u>15,127,323</u>
Net Program Revenues (Expenses)	<u>--</u>	<u>(441,935)</u>	<u>3,464,894</u>	<u>2,542</u>	<u>(124,190)</u>	<u>2,901,311</u>
General Revenue						
Property taxes	--	--	1,802,149	--	--	1,802,149
Interest income	--	109	174,509	--	4,545	179,163
Total General Revenues	<u>--</u>	<u>109</u>	<u>1,976,658</u>	<u>--</u>	<u>4,545</u>	<u>1,981,312</u>
Change in Net Position	<u>--</u>	<u>(441,826)</u>	<u>5,441,552</u>	<u>2,542</u>	<u>(119,645)</u>	<u>4,882,623</u>
<i>Net Position at Beginning of Period</i>	5,279	119,694	58,642,560	13,491	1,864,599	60,645,623
Net Position at End of Period	<u>\$ 5,279</u>	<u>\$ (322,132)</u>	<u>\$ 64,084,112</u>	<u>\$ 16,033</u>	<u>\$ 1,744,954</u>	<u>\$ 65,528,246</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Notes to the Financial Statements

St. Joseph County

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationship with the County. Each of the blended or discretely presented component units have December 31 year-ends.

Blended Component Unit

St. Joseph County Building Authority (BA) - The BA is governed by a five-member board appointed by the Board of Commissioners. The BA is reported as if it was part of the primary government because its sole purpose is to finance and construct the County’s public buildings.

Discretely Presented Component Units

Economic Development Corporation (EDC) - The EDC is governed by a 15-person Board of Directors appointed by the County Board of Commissioners. The EDC may not issue debt or levy a tax without the County’s approval.

St. Joseph County Board of Public Works (BPW) - The BPW is governed by a seven-member board that consists of a county commissioner, five County Board of Commissioners appointees and the St. Joseph County Drain Commissioner. The BPW Board oversees the operations of the BPW, while establishing policy and administering various public works construction projects and debt service funds under Act 185 of the Public Acts of 1957. The BPW is financially accountable to the County because all general obligation debt issuances require County authorization and are backed by the full faith and credit of the County. The BPW does not issue separate financial statements.

St. Joseph County

Notes to the Financial Statements

St. Joseph County Road Commission (RC) - The RC is governed by a five-member Board of Road Commissioners that is appointed by the County Board of Commissioners. The RC maintains local roads and state trunklines in St. Joseph County with financing primarily from the distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments. The County must authorize all long-term debt issuances of the RC, excluding capital lease purchase agreements. Complete financial statements for the RC may be obtained by contacting the St. Joseph County Road Commission at 20914 M-86, Centreville, Michigan 49032.

Brownfield Redevelopment Authority (BRA) - The BRA was established pursuant to Public Act 381 of 1996 and is governed by a five to nine-member Board of Directors appointed by the Chair of the County Board of Commissioners with the consent of the County Board of Commissions. The County Board of Commissioners has the ability to significantly influence operations of the BRA. The County Board of Commissioners has authority to approve or disapprove the rules and bylaws of the BRA. Financial statements are not separately issued for the Brownfield Redevelopment Authority.

St. Joseph County Drainage Districts - The drainage districts are governed by the St. Joseph County Drain Commissioner, who is responsible for planning, developing, and maintaining surface water drainage systems, while maintaining a file for the financing, construction, and maintenance of each county drain. The Drain Commissioner has authority to spend up to \$2,500 per mile on drain maintenance and borrow up to \$300,000 from any source to provide for drain maintenance without Board of Commissioners' approval and without going through the Michigan Municipal Finance Authority. The Drain Commissioner has authority to levy special assessments on properties benefiting from maintenance. The drainage districts are financially accountable to the County because bond issuances greater than \$300,000 require County authorization and are backed by the full faith and credit of the County. Separate financial statements are not issued for the drainage districts.

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual arrangement, or interlocal agreement, which is owned, operated, or governed by two or more participants. The entity is subject to joint control with financial interest and responsibility by its participants.

Branch - Hillsdale - St. Joseph Community Health Agency (Agency) - The Agency is a joint venture between Branch, Hillsdale, and St. Joseph counties. The Agency was established to provide public health services with a current funding formula of 28%, 31%, and 41% from Branch, Hillsdale, and St. Joseph counties, respectively. Due to the treasury function resting with the Branch County Treasurer, the Agency is presented as a joint venture. Separate financial statements are available at the Agency's administrative offices.

St. Joseph County

Notes to the Financial Statements

Basis of Presentation

Government-wide and Fund Financial Statements

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

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

Fund Financial Statements. 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 government reports the following major governmental funds:

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

The *central dispatch fund* accounts for the operations of the countywide 911 dispatch center and the millage approved by county voters for the operation of the facility.

The *commission on aging fund* accounts for the operations of the county-wide senior services programs and the millage approved by county voters for the operation of the facility.

The government reports the following major proprietary funds:

The *tax payment fund* accounts for the annual purchase of delinquent real property taxes from each of the local taxing units within the county, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest.

St. Joseph County

Notes to the Financial Statements

Additionally, the government reports the following fund types:

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

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All

St. Joseph County

Notes to the Financial Statements

other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

Deposits and Investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value with the exception of certain money market funds that are carried at amortized cost (which approximates fair value).

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements, banker acceptances, and mutual funds composed of otherwise legal 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 is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

Restricted cash and cash equivalents consist of amounts set-aside for repayment of general obligation bonds and related interest thereon, in accordance with terms of the debt agreements.

St. Joseph County

Notes to the Financial Statements

Receivables and Payables

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

Receivables consist of accounts receivable related to charges for services and amounts due from governmental units for various financial assistance programs and state shared revenues. The County utilizes the direct write-off method for uncollectible receivables for all other funds as past experience indicates the write-off of accounts receivable for these funds are immaterial and do not warrant the use of allowance accounts.

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drains and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Amortization of intangible assets occurs on a straight-line basis over the life of the related right of use agreement or the life of the asset, whichever is shorter. The amount of amortization expense is presented in the depreciation line item on the financial statements for proprietary funds and in its natural governmental function category for governmental activities.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

St. Joseph County

Notes to the Financial Statements

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

	<u>Years</u>
Land improvements	10 - 50
Buildings and improvements	10 - 50
Vehicles, equipment, and furniture	3 - 7
Infrastructure	40

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources in relation to the pension plan for the difference between expected and actual experience, the changes of assumptions related to economic and demographic factors, and the net difference between projected and actual earnings on pension plan investments.

Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Compensated Absences

Eligible employees are permitted to accumulate earned but unused vacation benefits in varying amounts based on length of service and certain other established criteria. Amounts not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations, if any, are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

St. Joseph County

Notes to the Financial Statements

sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred.

Pension

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods and the difference between expected and actual experience of the County's pension plan.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, interfund advances, and the nonspendable portion of endowments. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

St. Joseph County

Notes to the Financial Statements

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners, or management as delegated by the Board of Commissioners, may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Board of Commissioners. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification is used only to report a deficit.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

Net Position and Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

St. Joseph County

Notes to the Financial Statements

Charges between enterprise funds and other functions of the County are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Property Taxes

County operating property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County, and equalized under State statute at approximately 50% of the current estimated market value. The assessed and taxable value of real and personal property for the 2023 levies was \$2,465,386,457. The general operating tax rate for these levies were 4.5217 mills with an additional 0.9942, .7456, and .2492 mills levied December 1st for central dispatch, the commission on aging, and parks, respectively.

By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. The legal level of budgetary control is at the activity level for the general fund and the fund level for the special revenue funds. The Board made several supplemental budgetary appropriations throughout the year that were not considered material.

St. Joseph County

Notes to the Financial Statements

Prior to November 1 of each year, the County departments working in conjunction with the Administrator’s Office prepare and submit their proposed budgets, including expenditures and estimated revenues, for the fiscal year commencing the following January 1. Following a public hearing to obtain taxpayer comments, the budgets are legally enacted prior to January 1 through passage of a budget resolution.

Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The County had the following expenditures in excess of the appropriated amounts during the year ended December 31, 2023:

<u>Fund / Function / Department</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Negative Variance</u>
General Fund			
Health and Welfare			
Substance abuse	\$ 121,000	\$ 121,228	\$ (228)
Transfers out	1,935,583	1,940,854	(5,271)

Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances as of December 31, 2023:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Position			
Cash and investments	\$ 32,597,573	\$ 4,145,604	\$ 36,743,177
Statement of Fiduciary Net Position			
Cash and investments - custodial funds	2,112,011	-	2,112,011
<i>Total Deposits and Investments</i>	<u>\$ 34,709,584</u>	<u>\$ 4,145,604</u>	<u>\$ 38,855,188</u>
<i>Less Units Separately Audited</i>			
St. Joseph County Road Commission	-	(3,454,192)	(3,454,192)
<i>Deposits and Investments Managed by the County</i>	<u>\$ 34,709,584</u>	<u>\$ 691,412</u>	<u>\$ 35,400,996</u>
Cash on hand			\$ 6,433
Checking and savings accounts			13,060,041
Investments			22,334,522
<i>Total Deposits and Investments</i>			<u>\$ 35,400,996</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require, and the County does not have a policy for deposit custodial credit risk. As of year-end, \$13,695,968 of the County’s bank

St. Joseph County

Notes to the Financial Statements

balance of \$14,711,029 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2023:

Bonds	\$ 234,855
Certificates of deposit	1,266,063
Fixed income	1,102,438
Michigan CLASS	12,884,058
U.S. Treasury money market	6,348,323
U.S. government bonds	498,785
Total	<u>\$ 22,334,522</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all investment are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

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

Credit risk ratings, where applicable, are summarized as follows:

Standards & Poor's AA _{Am}	\$ 19,232,381
Standards & Poor's AA ₊	733,640
Standards & Poor's A ₊	299,208
Unavailable/not rated	2,069,293
Total	<u>\$ 22,334,522</u>

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment

St. Joseph County

Notes to the Financial Statements

maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Maturity dates for investments held at year-end are summarized as follows:

No maturity	\$ 12,884,058
Less than 1 year	6,348,323
1-5 years	3,102,141
Total	\$ 22,334,522

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies.

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County had the following recurring fair value measurements at year-end:

	Level 1	Level 2	Level 3	Carried at Net Asset Value	Total
Bonds	\$ -	\$ 234,855	\$ -	\$ -	\$ 234,855
Fixed income	299,067	803,371	-	-	1,102,438
Michigan CLASS	-	-	-	12,884,058	12,884,058
U.S. Treasury money market	6,348,323	-	-	-	6,348,323
U.S. government bonds	-	498,785	-	-	498,785
Totals	\$ 6,647,390	\$ 1,537,011	\$ -	\$ 12,884,058	21,068,459
Investment accounts not subject to fair value disclosure requirements:					
				Certificates of deposit	1,266,063
				Total Investments	\$ 22,334,522

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

At year-end, the net asset value of the County's investment in the Michigan CLASS government investment pool was \$12,884,058. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S.

St. Joseph County

Notes to the Financial Statements

government, high-grade commercial paper (rated ‘A-1’ or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Note 4 - Interfund Receivables and Transfers

The composition of interfund balances as of December 31, 2023 was as follows: the general fund had \$498,000 due from the nonmajor governmental funds.

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The balance between the delinquent tax funds is to provide cash for the annual settlement with the County funds and other taxing units. The amount will be repaid as delinquent taxes are collected.

The composition of long-term interfund advances as of December 31, 2023 was as follows: the general fund had \$102,545 due from the St. Joseph County Drainage Districts, a discretely-presented component unit. This amount was advanced for the construction of drainage infrastructure.

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 63,600
General	Nonmajor enterprise funds	25,000
Nonmajor enterprise funds	General	1,863
Nonmajor governmental funds	Nonmajor governmental funds	542,200
Nonmajor governmental funds	Central dispatch	82,500
Nonmajor governmental funds	General	1,938,991
Nonmajor governmental funds	Commission on aging	428,500

Transfers are used to: 1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, 2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. At year-end, the Board of Commissioners can authorize any surplus in the general fund (excluding those funds collapsed into the general fund for external reporting purposes) to be transferred.

St. Joseph County

Notes to the Financial Statements

Note 5 - Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended December 31, 2023 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 1,533,221	\$ -	\$ -	\$ 1,533,221
Construction in progress	3,134,598	3,916,663	2,913,176	4,138,085
<i>Subtotal</i>	<u>4,667,819</u>	<u>3,916,663</u>	<u>2,913,176</u>	<u>5,671,306</u>
Capital Assets Being Depreciated and Amortized				
Land improvements	1,656,108	368,056	11,067	2,013,097
Buildings and improvements	29,833,858	5,148,426	59,429	34,922,855
Vehicles and equipment	9,939,737	1,152,196	1,065,453	10,026,480
Intangible - right of use asset, land	46,624	-	46,624	-
<i>Subtotal</i>	<u>41,476,327</u>	<u>6,668,678</u>	<u>1,182,573</u>	<u>46,962,432</u>
Less Accumulated Depreciation and Amortization				
Land improvements	1,148,366	45,325	8,580	1,185,111
Buildings and improvements	12,926,756	771,054	43,954	13,653,856
Vehicles and equipment	6,241,295	1,063,614	988,366	6,316,543
Intangible - right of use asset, land	398	-	398	-
<i>Subtotal</i>	<u>20,316,815</u>	<u>1,879,993</u>	<u>1,041,298</u>	<u>21,155,510</u>
Capital Assets Being Depreciated, Net	<u>21,159,512</u>	<u>4,788,685</u>	<u>141,275</u>	<u>25,806,922</u>
Capital Assets, Net	<u>\$ 25,827,331</u>	<u>\$ 8,705,348</u>	<u>\$ 3,054,451</u>	<u>\$ 31,478,228</u>

Depreciation expense in governmental activities was not allocated by function.

The Intangible Right-to-Use Assets amortization is presented as amortization expense on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the County's intangible asset of assets purchased under lease agreements, which is included in the above table as Intangible Right-to-Use Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

St. Joseph County

Notes to the Financial Statements

Capital asset activity for the business-type activities for the year ended December 31, 2023 was as follows:

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated				
Land	\$ 44,004	\$ -	\$ -	\$ 44,004
Capital Assets Being Depreciated				
Buildings and improvements	290,380	-	-	290,380
Equipment and furniture	22,164	-	-	22,164
<i>Subtotal</i>	<u>312,544</u>	<u>-</u>	<u>-</u>	<u>312,544</u>
Less Accumulated Depreciation				
Buildings and improvements	44,904	8,360	-	53,264
Equipment and furniture	11,512	1,435	-	12,947
<i>Subtotal</i>	<u>56,416</u>	<u>9,795</u>	<u>-</u>	<u>66,211</u>
Capital Assets Being Depreciated, Net	<u>256,128</u>	<u>(9,795)</u>	<u>-</u>	<u>246,333</u>
Capital Assets, Net	<u>\$ 300,132</u>	<u>\$ (9,795)</u>	<u>\$ -</u>	<u>\$ 290,337</u>

Depreciation expense of \$9,795 was recorded in the building authority fund.

Discretely-Presented Component Units

Capital assets activity for the discretely-presented component units for the year ended December 31, 2023 was as follows:

<u>St. Joseph County Drainage Districts</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated				
Construction in progress	\$ -	\$22,620	\$ -	\$ 22,620
Capital Assets Being Depreciated				
Drain infrastructure	2,153,705	19,471	-	2,173,176
Less Accumulated Depreciation				
Drain infrastructure	995,596	52,703	-	1,048,299
Capital Assets Being Depreciated, Net	<u>1,158,109</u>	<u>(33,232)</u>	<u>-</u>	<u>1,124,877</u>
Capital Assets, Net	<u>\$ 1,158,109</u>	<u>\$ (10,612)</u>	<u>\$ -</u>	<u>\$ 1,147,497</u>

Capital asset information for the St. Joseph County Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

St. Joseph County

Notes to the Financial Statements

Note 6 - Long-term Obligations

Primary Government

General Obligation Bonds and Other Debt. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers, and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds and other debt. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

Lease Liabilities. The County has recorded intangible right-to-use leases in the governmental activities' capital assets. Due to the implementation of GASB Statement No. 87, the leases for land-use met the criteria of a lease; thus, requiring it to be recorded by the County. These assets will be amortized over the leases terms and the County is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The leases will end in 2138.

The primary government's long-term obligations activity for the year ended December 31, 2023 was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2018 GOLT Bonds	\$ 3,325,000	\$ -	\$ 75,000	\$ 3,250,000	\$ 80,000
2018 Installment Loan	1,612,860	-	519,809	1,093,051	537,038
2019 Installment Loan	2,063,419	-	116,364	1,947,055	122,451
GOLT Energy Conservation Note, Series 2022	4,454,080	-	-	4,454,080	156,697
Lease Obligation	46,624	-	46,624	-	-
Compensated Absences	680,499	808,786	839,721	649,564	649,564
<i>Subtotal</i>	<u>12,182,482</u>	<u>808,786</u>	<u>1,597,518</u>	<u>11,393,750</u>	<u>1,545,750</u>
Business-type Activities					
Installment Loan	241,162	-	6,983	234,179	7,166
<i>Subtotal</i>	<u>241,162</u>	<u>-</u>	<u>6,983</u>	<u>234,179</u>	<u>7,166</u>
Total Long-term Obligations	<u>\$ 12,423,644</u>	<u>\$ 808,786</u>	<u>\$ 1,604,501</u>	<u>\$ 11,627,929</u>	<u>\$ 1,552,916</u>

St. Joseph County

Notes to the Financial Statements

Annual debt service requirements to maturity for the primary government's long-term debt (including lease liabilities but excluding compensated absences), are as follows:

Year Ended December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 896,186	373,325	\$ 954,183	\$ 7,166	\$ 6,573	\$ 13,739
2025	934,632	342,815	1,270,510	7,390	6,349	13,739
2026	396,497	311,543	1,278,446	7,603	6,136	13,739
2027	414,676	298,093	709,039	7,822	5,917	13,739
2028	428,118	284,380	713,769	8,030	5,709	13,739
2029-2033	2,438,485	1,189,548	3,614,816	43,825	24,870	68,695
2034-2038	2,137,840	777,938	3,134,121	50,502	18,193	68,695
2039-2043	2,177,752	410,987	2,592,206	58,198	10,497	68,695
2044-2048	920,000	110,565	1,346,652	43,643	2,154	45,797
Totals	\$ 10,744,186	\$ 4,099,194	\$ 15,613,741	\$ 234,179	\$ 86,398	\$ 320,577

Significant details regarding the primary government's outstanding long-term debt are presented below:

Governmental Activities

\$3,600,000 general obligation limited tax bonds for COA TR inn project, dated October 19, 2018, due in annual installments ranging from \$60,000 to \$200,000 through October 1, 2048, with interest at 3.90% payable semi-annually. \$ 3,250,000

\$2,347,176 installment loan, dated June 27, 2019, due in annual installments ranging from of \$18,173 to \$109,811 through June 15, 2035, with interest at 2.89% payable semi-annually. 1,947,055

\$3,488,395 central dispatch Motorola equipment lease, dated May 9, 2018, due in annual installments of \$573,265 through June 1, 2025, with a lease rate at 3.306% payable annually. 1,093,051

\$4,454,080 general obligation limited tax energy conservation note series 2022, dated July 15, 2022, due in semi-annual installments of \$155,789 through July 15, 2043, with an interest rate of 3.45% payable semi-annually. 4,454,080

Total \$ 10,744,186

Business-type Activities

\$264,073 installment loan, dated June 20, 2019, due in monthly installments of \$1,145, including principal and interest at 2.80%, through April 20, 2047. \$ 234,179

St. Joseph County

Notes to the Financial Statements

Discretely-Presented Component Units

General Obligation Bonds. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers, and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

Long-term debt information for the St. Joseph County Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

The discretely-presented component unit's long-term debt activity for the year ended December 31, 2023 was as follows:

Discretely-Presented Component Unit -	Beginning			Ending	Due Within
Board of Public Works	Balance	Additions	Reductions	Balance	One Year
Refunding Bonds, Series 2021	\$ 4,030,000	\$ -	\$ 145,000	\$ 3,885,000	\$ 150,000
Bond Premium, Net	314,194	-	11,221	302,973	-
Total Board of Public Works	\$ 4,344,194	\$ -	\$ 156,221	\$ 4,187,973	\$ 150,000

Annual debt service requirements to maturity for the discretely-presented component unit's long-term debt are as follows:

Year Ended	Board of Public Works - Component Unit			
	December 31,	Principal	Interest	Total
2024	\$ 150,000	\$ 114,956	\$ 264,956	
2025	160,000	108,956	268,956	
2026	170,000	102,556	272,556	
2027	180,000	95,756	275,756	
2028	185,000	88,556	273,556	
2029-2033	940,000	326,481	1,266,481	
2034-2038	540,000	217,981	757,981	
2039-2043	595,000	160,225	755,225	
2044-2048	670,000	87,263	757,263	
2049-2050	295,000	11,125	306,125	
Totals	\$ 3,885,000	\$ 1,313,855	\$ 3,380,242	

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Notes to the Financial Statements

Significant details regarding the discretely-presented component unit's outstanding long-term debt are presented below:

Component Unit - Board of Public Works

\$4,165,000 refunding bond series 2021, dated July 13, 2021, for White Pigeon sanitary system upgrade project and to refund 2012 general obligation bonds, due in annual installments ranging from \$135,000 to \$230,000 through November 1, 2050, with interest ranging from 2.00% to 4.00% payable semi-annually.

\$ 3,885,000

Note 7 - Pension Plan - Agent Multiple-Employer Plan

General Information about the Pension Plan

Plan Description

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

Benefits Provided.

Retirement benefits for employees are calculated as follows:

<u>Division</u>	<u>Benefit Multiplier</u>	<u>Benefit Maximum</u>	<u>Final Average Compensation (Years)</u>	<u>Normal Retirement Age</u>	<u>Unreduced Benefit (Age/Years of Service)</u>	<u>Reduced Benefit (Age/Years of Service)</u>	<u>Vesting (Years)</u>
01 - General - Closed	2.00%	No Max	5	60	-	50/25 or 55/15	8
02 - Police Department - Closed	2.50%	80%	3	60	25 and Out	55/15	8
20 - Sheriff Admin - Closed	2.50%	80%	3	60	25 and Out	55/15	10
21 - Police Department after 01/01/16 - Open	2.00%	No Max	3	60	25 and Out	55/15	8
22 - Road div after 01/01/16 - Open	2.00%	No Max	3	60	25 and Out	55/15	8
HA - General and Sheriff Admin after 01/01/2013 - Open	1.00%	No Max	3	60	-	-	6

St. Joseph County

Notes to the Financial Statements

Employees Covered by Benefit Terms.

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

Inactive employees or beneficiaries currently receiving benefits	175
Inactive employees entitled to but not yet receiving benefits	86
Active employees	<u>171</u>
<i>Total membership</i>	<u>432</u>

Contributions.

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

For the year ended December 31, 2023, the County had the following contribution rates:

<u>Division</u>	<u>Employee Contributions</u>	<u>Employer Contributions*</u>
01 - General - Closed	1.00%	\$ 36,101
02 - Police Department - Closed	12.00%	16.26%
20 - Sheriff Admin - Closed	10.00%	\$ 11,363
21 - Police Department after 01/01/16 - Open	12.00%	16.26%
22 - Road div after 01/01/16 - Open	11.00%	1.37%
HA - General and Sheriff Admin after 01/01/2013 - Open	0.00%	7.00%

* For open divisions, a percent of pay contributions shown. For closed divisions, a monthly dollar contribution is shown.

Net Pension Liability.

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

St. Joseph County

Notes to the Financial Statements

Actuarial Assumptions.

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

Inflation	2.50%
Salary increases	3.00%, plus merit and longevity: 3% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019. The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global Equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
Totals	100.00%		7.00%		4.50%

Discount Rate

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

St. Joseph County

Notes to the Financial Statements

term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 59,254,153	\$ 44,580,492	\$ 14,673,661
<i>Changes for the year:</i>			
Service cost	891,019	-	891,019
Interest on the total pension liability	4,047,030	-	4,047,030
Difference between expected and actual experience	(143,393)	-	(143,393)
Employer contributions	-	1,297,145	(1,297,145)
Employee contributions	-	397,785	(397,785)
Net investment income	-	4,876,229	(4,876,229)
Benefit payments, including refunds of employee contributions	(3,523,796)	(3,523,796)	-
Administrative expenses	-	(103,550)	103,550
<i>Net changes</i>	<u>1,270,860</u>	<u>2,943,813</u>	<u>(1,672,953)</u>
Balance at December 31, 2023	<u>\$ 60,525,013</u>	<u>\$ 47,524,305</u>	<u>\$ 13,000,708</u>

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease	Current	1% Increase
	(6.25%)	Discount Rate (7.25%)	(8.25%)
County's net pension liability	<u>\$ 20,219,087</u>	<u>\$ 13,000,708</u>	<u>\$ 7,008,728</u>

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

For the year ended December 31, 2023, the County recognized pension expense of \$3,074,156.

St. Joseph County

Notes to the Financial Statements

The County reported deferred outflows/deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,508,230	\$ -
Difference between expected and actual experience	321,957	186,448
Changes of assumptions related to economic and demographic factors	1,647,434	-
Totals	\$ 4,477,621	\$ 186,448

The amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2024	\$ 1,599,279
2025	1,569,747
2026	1,464,986
2027	(342,839)

Statement of Fiduciary Net Position

As of December 31, 2023, the County had a payable of \$128,452 due to MERS for employer and employee contributions. Detailed information about the pension plan’s fiduciary net position is available in the separately issued MERS financial report.

Note 8 - Fund Balances - Governmental Funds

The County has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

St. Joseph County

Notes to the Financial Statements

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

	General Fund	Central Dispatch	Commission on Aging	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 531,073	\$ 1,990	\$ 4,910	\$ 26,091	\$ 564,064
Restricted for					
General government	-	-	-	181,286	181,286
Judicial	-	-	-	243,055	243,055
Public safety	-	2,828,296	-	839,973	3,668,269
Public works	-	-	-	14,204	14,204
Health and social services	-	-	1,169,493	593,271	1,762,764
Community development	-	-	-	74,037	74,037
Recreation and culture	-	-	-	704,649	704,649
Debt service	-	-	-	21,803	21,803
Capital projects	-	-	-	845	845
Total restricted fund balance	<u>-</u>	<u>2,828,296</u>	<u>1,169,493</u>	<u>2,673,123</u>	<u>6,670,912</u>
Assigned fund balance					
Budget stabilization	1,856,700	-	-	-	1,856,700
Unassigned fund balance	8,917,580	-	-	-	8,917,580
Total fund balances	<u>\$ 11,305,353</u>	<u>\$ 2,830,286</u>	<u>\$ 1,174,403</u>	<u>\$ 2,699,214</u>	<u>\$ 18,009,256</u>

Note 9 - Net Investment in Capital Assets

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

	Governmental Activities	Business-type Activities	Component Unit - Drainage Districts
Capital assets:			
Capital assets not being depreciated	\$ 5,671,306	\$ 44,004	\$ 1,147,497
Capital assets being depreciated, net	25,806,922	246,333	-
	<u>31,478,228</u>	<u>290,337</u>	<u>1,147,497</u>
Less:			
Related bonds, notes, mortgages, and installment leases	(10,744,186)	(234,179)	-
Net investment in capital assets	<u>\$ 20,734,042</u>	<u>\$ 56,158</u>	<u>\$ 1,147,497</u>

**Net investment in capital assets information for the St. Joseph County Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

St. Joseph County

Notes to the Financial Statements

Note 10 - Tax Abatement Disclosure

Industrial Facilities Tax (IFT)

Municipalities within the County have entered into tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Tax Exemption, or “IFT”) PA 198 of 1974, as amended. The IFT on a new plant and non-industrial property, such as some high-tech personal property, is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50% for those businesses. For the year ended December 31, 2023, total IFT tax abatements for the County resulted in decreased operating tax revenues of \$60,084, decreased central dispatch revenues of \$13,211, and decreased commission on aging revenues of \$9,907.

Brownfield Redevelopment Tax (BRT)

Municipalities with the County have also entered into tax abatement agreements with local businesses under the Brownfield Redevelopment Financing Act, Act 381 of 1996 (as amended (Act 381)). For the year ended December 31, 2023, total Brownfield tax abatements for the County resulted in decreased operating tax revenues of \$25,449, decreased central dispatch revenues of \$5,595, and decreased commission on aging revenues of \$4,196.

Note 11 - Risk Management

The County is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers’ compensation), as well as medical benefits provided to employees. The County has purchased commercial insurance for employee medical benefit claims and participates in the Michigan Municipal League Workers’ Compensation Fund for workers compensation claims. 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 a special assessment to make up the deficiency. The County has not been informed of any special assessments being required.

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage, and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter. Under most circumstances, the County’s maximum loss per occurrence is \$75,000 for general and automobile liability, \$15,000 for motor vehicle physical damage, and \$1,000 for property coverage. The County has funds on deposit with MMRMA, held in a retention fund, in the amount of \$773,446 to cover future losses. Other assets of \$566,227 are included on the financial statements and represent the balance held in the County’s retention fund, net of reported reserves.

The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA). The County makes annual contributions to MMRMA based on actuarial studies using

St. Joseph County

Notes to the Financial Statements

historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

MMRMA has reserved fund balance to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of MMRMA. In the event that the County incurs loss in excess of the resources available, MMRMA as a whole (i.e., all constituent municipalities) is liable for the excess. In the event that MMRMA's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific MMRMA's policy year may be subject to special assessments to make up the deficiency. The County has not been informed of any special assessments being required.

In addition, MMRMA has accumulated resources to create and fund an internal stop loss fund. The stop loss fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$250,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$250,000 net of reinsurance recoveries are paid entirely from the internal stop loss fund. If at any time the stop loss fund is insufficient to fund the County's losses, the remaining liability shall become the responsibility of MMRMA as a whole.

Settled claims have not exceeded insurance coverage for any of the self-insured programs in the previous three years. The County has not recorded an estimate for claims incurred but not reported related to the workers' compensation and disability plans as these amounts are expected to be immaterial.

The changes in the claims' liability for the previous three fiscal years were as follows:

	MMRMA
	Liability
Liability, December 31, 2020	\$ 37,664
Claims and changes in estimates	162,240
Claim payments	(103,030)
Liability, December 31, 2021	96,874
Claims and changes in estimates	93,197
Claim payments	(114,959)
Liability, December 31, 2022	75,112
Claims and changes in estimates	269,207
Claim payments	(137,100)
Liability, December 31, 2023	\$ 207,219

St. Joseph County

Notes to the Financial Statements

Note 12 - Contingent Liabilities and Commitments

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

Note 13 - Opioid Settlement

Janssen and Distributors Settlements

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen).

Pharmacy and Manufacturer Settlements

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva. Sign-on for participation in settlements with CVS, Walmart, Allergan, and Teva are completed in Michigan, with payments anticipated by end of calendar year, 2023. These four settlements are expected to bring in over \$450 million to Michigan and are structured like Janssen and Distributors settlements with a 50/50 state/local split.

The Walgreens settlement is just beginning to move forward in Michigan and will bring about \$313 million into the State. Funds from Walgreens represent awards from both a national settlement (50/50 state/local split; payments received over 15 years) and an additional settlement (for state government, only; payments received over 18 years).

The term of the settlements varies by entity; however, the County expects to receive 18 installments from the Distributors with the first installments commencing in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive annual installments from Janssen and the pharmacy and manufacturer settlements with the first installments being paid in 2023 and the remaining installments expected to be made annually through 2037. The County is currently allocated approximately 0.10% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$1,476,868.

St. Joseph County

Notes to the Financial Statements

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3.00%. The net present value of the combined settlement payments to be received as of December 31, 2023 was \$1,078,565.

Note 14 - Subsequent Events

The County has evaluated subsequent events through June 25, 2024, the date the financial statements were available to be issued. Management is not aware of any subsequent events, meeting disclosure requirements, that would have an impact on the County's financial position.

Note 15 - Change within the Financial Reporting Entity – Combination of Central Dispatch Fund and Central Dispatch Wireless Fund

The County has combined the Central Dispatch Fund and the Central Dispatch Wireless Fund into a single fund called the Central Dispatch Fund. The combination is intended to comply with the mandated changes in the Uniform Chart of Accounts. There was no impact on total governmental fund balance or net position within governmental activities. The following table summarizes the change in fund balance for the applicable funds and opinion units:

	Central Dispatch	Central Dispatch Wireless	Total Governmental Funds
Fund Balance - January 1, 2023, as Previously Reported	\$ 1,771,815	\$ 619,178	\$ 16,153,035
Record admin and interest receivable	619,178	(619,178)	-
Fund Balance - January 1, 2023, after Change	<u>\$ 2,390,993</u>	<u>\$ -</u>	<u>\$ 16,153,035</u>

Required Supplementary Information

St. Joseph County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		(Unfavorable) Final to Actual
Revenues				
Property taxes	\$ 10,176,635	\$ 11,113,484	\$ 12,297,310	\$ 1,183,826
Licenses and permits	148,325	110,325	116,232	5,907
Intergovernmental	5,674,783	10,910,524	12,379,973	1,469,449
Charges for services	1,553,225	1,641,805	1,612,881	(28,924)
Fines and forfeitures	93,000	71,000	69,266	(1,734)
Interest and rents	50,200	953,376	1,004,416	51,040
Reimbursements and Refunds	1,050	1,050	--	(1,050)
Miscellaneous	82,646	174,004	352,357	178,353
Total Revenues	<u>17,779,864</u>	<u>24,975,568</u>	<u>27,832,435</u>	<u>2,856,867</u>
Other Financing Sources				
Sale of capital assets	1,000	--	4,776	4,776
Transfers in	918,487	88,600	88,600	--
Total Revenues and Other Financing Sources	<u>18,699,351</u>	<u>25,064,168</u>	<u>27,925,811</u>	<u>2,861,643</u>
Expenditures				
General government				
Board of commissioners	157,314	326,363	313,710	12,653
Administrator	208,238	327,335	325,616	1,719
Elections	51,500	34,500	31,871	2,629
Finance	243,758	254,347	249,882	4,465
Clerk	651,893	672,096	641,148	30,948
Equalization	323,208	347,783	347,304	479
Human resources	123,345	157,345	157,092	253
Geographic information systems	120,368	124,849	108,925	15,924
Treasurer	320,726	330,785	328,767	2,018
Information technology	715,183	950,143	948,139	2,004
Building and grounds	528,484	547,455	530,756	16,699
Utilities	284,650	310,100	309,517	583
Insurance	328,857	457,357	454,288	3,069
Other	4,000	1,324,796	1,322,645	2,151
Total general government	<u>4,061,524</u>	<u>6,165,254</u>	<u>6,069,660</u>	<u>95,594</u>
Judicial				
Circuit court	382,750	374,435	372,616	1,819
District court	1,356,371	1,363,924	1,353,936	9,988
Friend of the court	1,153,177	1,256,501	1,253,619	2,882
Probate court	437,697	444,118	433,628	10,490
Appeals court	23,500	47,000	46,695	305
Public defender	450,485	--	--	--
Prosecuting attorney	878,532	815,324	789,803	25,521
Courts - ARPA	--	3,608,204	3,608,204	--
Total judicial	<u>\$ 4,682,512</u>	<u>\$ 7,909,506</u>	<u>\$ 7,858,501</u>	<u>\$ 51,005</u>

Continued...

St. Joseph County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u> <u>Final to Actual</u>
Expenditures				
Public Safety				
Court security	\$ 344,766	\$ 328,232	\$ 325,193	\$ 3,039
Sheriff - general	2,542,292	2,477,497	2,440,401	37,096
Sheriff - corrections	7,600	4,100	3,335	765
Jail	2,630,015	2,875,413	2,869,744	5,669
Juvenile branch	695,139	740,210	739,408	802
Emergency	114,606	114,600	111,441	3,159
Marine safety	31,110	30,880	30,748	132
Animal control	214,550	255,499	252,658	2,841
Total public safety	<u>6,580,078</u>	<u>6,826,431</u>	<u>6,772,928</u>	<u>53,503</u>
Public works				
Public works	6,125	7,125	7,075	50
Drain commission	200,427	213,531	211,830	1,701
Soil	75,000	75,000	71,040	3,960
County road bridge fund appropriation	50,000	200,000	200,000	--
Total public works	<u>331,552</u>	<u>495,656</u>	<u>489,945</u>	<u>5,711</u>
Health and social services				
Child care probate	25,317	13,299	12,680	619
District health	13,082	13,323	13,254	69
Community mental health	266,268	266,268	266,263	5
Tri-County District health appropriation	307,700	322,977	322,976	1
Medical examiner	183,241	188,241	182,351	5,890
Substance abuse	105,000	121,000	121,228	(228)
Veterans	8,000	7,000	6,300	700
Veterans services	241,742	294,626	291,315	3,311
Total health and social services	<u>1,150,350</u>	<u>1,226,734</u>	<u>1,216,367</u>	<u>10,367</u>
Community development				
Planning	7,500	15,500	15,324	176
Economic development appropriation	97,500	90,500	89,840	660
Register of deeds	177,796	168,579	167,082	1,497
Cooperative extension	246,253	231,324	226,263	5,061
Total community development	<u>529,049</u>	<u>505,903</u>	<u>498,509</u>	<u>7,394</u>
Total Expenditures	<u>17,335,065</u>	<u>23,129,484</u>	<u>22,905,910</u>	<u>223,574</u>
Other Financing Uses				
Transfers out	1,364,285	1,935,583	1,940,854	(5,271)
Total Expenditures and Other Financing Uses	<u>18,699,350</u>	<u>25,065,067</u>	<u>24,846,764</u>	<u>218,303</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	<u>1</u>	<u>(899)</u>	<u>3,079,047</u>	<u>3,079,946</u>
Net Change in Fund Balance	<u>1</u>	<u>(899)</u>	<u>3,079,047</u>	<u>3,079,946</u>
<i>Fund Balance at Beginning of Period</i>	8,226,306	8,226,306	8,226,306	--
Fund Balance at End of Period	<u>\$ 8,226,307</u>	<u>\$ 8,225,407</u>	<u>\$ 11,305,353</u>	<u>\$ 3,079,946</u>

Concluded.

St. Joseph County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Central Dispatch Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		(Unfavorable) Favorable Final to Actual
Revenues				
Property taxes	\$ 2,237,866	\$ 2,258,809	\$ 2,277,005	\$ 18,196
SCAAP Grant	--	--	1,850	1,850
Intergovernmental	200,000	360,000	525,493	165,493
Charges for services	445,000	454,000	411,194	(42,806)
Total Revenues	<u>2,882,866</u>	<u>3,072,809</u>	<u>3,215,542</u>	<u>142,733</u>
Other Financing Sources				
Transfers in	50,000	--	--	--
Total Revenues and Other Financing Sources	<u>2,932,866</u>	<u>3,072,809</u>	<u>3,215,542</u>	<u>142,733</u>
Expenditures				
Public Safety	2,257,845	2,152,488	2,120,484	32,004
Debt service	573,265	573,266	573,265	1
Total Expenditures	<u>2,831,110</u>	<u>2,725,754</u>	<u>2,693,749</u>	<u>32,005</u>
Other Financing Uses				
Transfers out	52,500	82,500	82,500	--
Total Expenditures and Other Financing Uses	<u>2,883,610</u>	<u>2,808,254</u>	<u>2,776,249</u>	<u>32,005</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>49,256</u>	<u>264,555</u>	<u>439,293</u>	<u>174,738</u>
Net Change in Fund Balance	<u>49,256</u>	<u>264,555</u>	<u>439,293</u>	<u>174,738</u>
<i>Fund Balance at Beginning of Period</i>	2,390,993	2,390,993	2,390,993	--
Fund Balance at End of Period	<u>\$ 2,440,249</u>	<u>\$ 2,655,548</u>	<u>\$ 2,830,286</u>	<u>\$ 174,738</u>

St. Joseph County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Commission on Aging
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		(Unfavorable) Final to Actual
Revenues				
Property taxes	\$ 1,674,175	\$ 1,681,020	\$ 1,707,728	\$ 26,708
SCAAP Grant	--	471,867	--	(471,867)
Intergovernmental	569,433	693,823	732,871	39,048
Charges for services	161,056	136,787	133,549	(3,238)
Interest and rents	426,528	445,662	455,591	9,929
Miscellaneous	103,150	104,130	122,292	18,162
Total Revenues	2,934,342	3,533,289	3,152,031	(381,258)
Other Financing Sources				
<i>Total Revenues and Other Financing Sources</i>	<i>2,934,342</i>	<i>3,533,289</i>	<i>3,152,031</i>	<i>(381,258)</i>
Expenditures				
Health and social services	2,661,197	2,841,514	2,693,251	148,263
Debt service	204,675	204,675	204,675	--
Total Expenditures	2,865,872	3,046,189	2,897,926	148,263
Other Financing Uses				
Transfers out	--	428,500	428,500	--
Total Expenditures and Other Financing Uses	2,865,872	3,474,689	3,326,426	148,263
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	68,470	58,600	(174,395)	(232,995)
Net Change in Fund Balance	68,470	58,600	(174,395)	(232,995)
<i>Fund Balance at Beginning of Period</i>	<i>1,348,798</i>	<i>1,348,798</i>	<i>1,348,798</i>	<i>--</i>
Fund Balance at End of Period	\$ 1,417,268	\$ 1,407,398	\$ 1,174,403	\$ (232,995)

St. Joseph County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Nine Years *

	<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>
Total Pension Liability									
Service cost	\$ 891,019	\$ 829,373	\$ 797,126	\$ 834,141	\$ 837,183	\$ 833,857	\$ 842,242	\$ 824,577	\$ 772,468
Interest	4,047,030	4,080,326	3,840,777	3,600,308	3,664,826	3,562,079	3,485,416	3,215,355	3,069,296
Changes of benefit terms	-	-	-	-	-	-	-	51,633	-
Difference between expected and actual experience	(143,393)	643,915	(315,611)	254,581	(130,658)	(398,632)	(913,375)	1,122,190	-
Changes of assumptions **	-	2,211,594	2,166,547	1,500,867	-	-	-	1,856,899	-
Benefit payments, including refunds of employee contributions	(3,523,796)	(3,524,255)	(3,230,590)	(2,983,006)	(2,753,669)	(2,487,764)	(2,387,819)	(2,154,817)	(2,036,654)
Other changes	-	(22,747)	24,420	99,485	60,653	(93,914)	(14,014)	(214,460)	(1,674)
Net Change in Pension Liability	<u>1,270,860</u>	<u>4,218,206</u>	<u>3,282,669</u>	<u>3,306,376</u>	<u>1,678,335</u>	<u>1,415,626</u>	<u>1,012,450</u>	<u>4,701,377</u>	<u>1,803,436</u>
Total Pension Liability - Beginning	59,254,153	55,035,947	51,753,278	48,446,902	46,768,567	45,352,941	44,340,491	39,639,114	37,835,678
Total Pension Liability - Ending (a)	<u>\$ 60,525,013</u>	<u>\$ 59,254,153</u>	<u>\$ 55,035,947</u>	<u>\$ 51,753,278</u>	<u>\$ 48,446,902</u>	<u>\$ 46,768,567</u>	<u>\$ 45,352,941</u>	<u>\$ 44,340,491</u>	<u>\$ 39,639,114</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 1,297,145	\$ 1,391,284	\$ 1,234,793	\$ 892,561	\$ 733,114	\$ 827,851	\$ 809,964	\$ 550,250	\$ 3,327,340
Contributions - member	397,785	388,482	376,626	371,955	370,528	360,228	377,412	344,089	372,106
Net investment income (loss)	4,876,229	(5,353,498)	6,547,123	5,390,819	5,338,156	(1,650,046)	5,112,710	4,082,505	(497,964)
Benefit payments, including refunds of employee contributions	(3,523,796)	(3,524,255)	(3,230,590)	(2,983,006)	(2,753,669)	(2,487,764)	(2,387,819)	(2,154,817)	(2,036,654)
Administrative expenses	(103,550)	(94,467)	(75,113)	(86,277)	(91,949)	(82,386)	(80,988)	(80,607)	(77,293)
Net Change in Plan Fiduciary Net Position	<u>2,943,813</u>	<u>(7,192,454)</u>	<u>4,852,839</u>	<u>3,586,052</u>	<u>3,596,180</u>	<u>(3,032,117)</u>	<u>3,831,279</u>	<u>2,741,420</u>	<u>1,087,535</u>
Plan Fiduciary Net Position - Beginning	44,580,492	51,772,946	46,920,107	43,334,055	39,737,875	42,769,992	38,938,713	36,197,293	35,109,758
Plan Fiduciary Net Position - Ending (b)	<u>\$ 47,524,305</u>	<u>\$ 44,580,492</u>	<u>\$ 51,772,946</u>	<u>\$ 46,920,107</u>	<u>\$ 43,334,055</u>	<u>\$ 39,737,875</u>	<u>\$ 42,769,992</u>	<u>\$ 38,938,713</u>	<u>\$ 36,197,293</u>
Net Pension Liability - Ending (a) - (b)	\$ 13,000,708	\$ 14,673,661	\$ 3,263,001	\$ 4,833,171	\$ 5,112,847	\$ 7,030,692	\$ 2,582,949	\$ 5,401,778	\$ 3,441,821
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.5%	75.2%	94.1%	90.7%	89.4%	85.0%	94.3%	87.8%	91.3%
Covered Payroll	\$ 9,549,371	\$ 9,068,826	\$ 8,610,415	\$ 8,891,603	\$ 8,613,842	\$ 8,624,679	\$ 8,588,069	\$ 8,216,846	\$ 8,247,910
Net Pension Liability as a Percentage of Covered Payroll	136.1%	161.8%	37.9%	54.4%	59.4%	81.5%	30.1%	65.7%	41.7%

Note: Built prospectively upon implementation on GASB 68. Ultimately, 10 years of data will be presented.

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2016 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the 2020 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2021 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

St. Joseph County
Required Supplementary Information
Schedule of Contributions
Last Ten Years

	<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>	<u>2014</u>
Actuarially Determined Contribution	\$ 1,297,145	\$ 1,391,284	\$ 1,234,793	\$ 892,561	\$ 733,114	\$ 827,851	\$ 635,270	\$ 326,878	\$ 426,170	\$ 353,197
Contributions in Relation to the Actuarially Determined Contribution	<u>1,297,145</u>	<u>1,391,284</u>	<u>1,234,793</u>	<u>892,561</u>	<u>733,114</u>	<u>827,851</u>	<u>809,964</u>	<u>550,250</u>	<u>3,327,340</u>	<u>1,407,324</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (174,694)</u>	<u>\$ (223,372)</u>	<u>\$ (2,901,170)</u>	<u>\$ (1,054,127)</u>
Covered Payroll	\$ 9,549,371	\$ 9,068,826	\$ 8,610,415	\$ 8,891,603	\$ 8,613,842	\$ 8,710,926	\$ 8,624,679	\$ 8,588,069	\$ 8,216,846	\$ 7,265,736
Contributions as a Percentage of Covered Payroll	13.6%	15.3%	14.3%	10.0%	8.5%	9.5%	9.4%	6.4%	40.5%	19.4%

Notes

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	16 years
Asset valuation method	5-year smoothed
Inflation	3.00%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, Net of Investment Expense, including Inflation (7.75% for 2015 through 2019 and 7.35% for 2020 through 2021)
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Rates Used were Based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

Combining and Individual Fund Statements and Schedules

**St. Joseph County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue							
	Friend of the Court	Family Counseling	Waste Management	Traffic Safety Program	Animal Shelter Donation	Register of Deeds Automation	Indigent Defense	Community Correction Advisory Board
ASSETS								
Cash and investments	\$ 16,797	\$ 23,792	\$ 1,269	\$ 192,376	\$ 240,715	\$ 152,057	\$ 259,309	\$ 18,099
Accounts receivable, net	--	--	53,140	--	600	150	--	--
Property taxes receivable	--	--	--	--	--	--	--	--
Due from other governmental units	--	--	--	--	--	--	--	8,135
Prepays	--	--	--	--	--	--	--	--
<i>Total Assets</i>	<u>\$ 16,797</u>	<u>\$ 23,792</u>	<u>\$ 54,409</u>	<u>\$ 192,376</u>	<u>\$ 241,315</u>	<u>\$ 152,207</u>	<u>\$ 259,309</u>	<u>\$ 26,234</u>
LIABILITIES								
Accounts payable	\$ --	\$ 935	\$ 205	\$ --	\$ --	\$ --	\$ 1,960	\$ 8,914
Accrued liabilities	--	--	--	--	--	--	4,149	1,227
Due to other governmental units	--	--	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	119,176	--
Due to other funds	--	--	40,000	--	--	--	--	--
<i>Total Liabilities</i>	<u>--</u>	<u>935</u>	<u>40,205</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>125,285</u>	<u>10,141</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	--	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>--</u>	<u>935</u>	<u>40,205</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>125,285</u>	<u>10,141</u>
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	16,797	22,857	14,204	192,376	241,315	152,207	134,024	16,093
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>16,797</u>	<u>22,857</u>	<u>14,204</u>	<u>192,376</u>	<u>241,315</u>	<u>152,207</u>	<u>134,024</u>	<u>16,093</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 16,797</u>	<u>\$ 23,792</u>	<u>\$ 54,409</u>	<u>\$ 192,376</u>	<u>\$ 241,315</u>	<u>\$ 152,207</u>	<u>\$ 259,309</u>	<u>\$ 26,234</u>

**St. Joseph County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue							
	Community Correction Program	Concealed Pistol Licensing	Local Correction Officers Training	Drug Law Enforcement	Law Enforcement	Secondary Road Patrol	Homeland Security Grant	County Law Library
ASSETS								
Cash and investments	\$ 5,664	\$ 62,134	\$ 59,402	\$ 74,164	\$ 959	\$ 50,476	\$ 91,599	\$ 28,335
Accounts receivable, net	133	82	730	--	196,244	--	--	--
Property taxes receivable	--	--	--	--	--	--	--	--
Due from other governmental units	--	--	--	--	934	53,507	187,445	--
Prepays	--	--	--	--	16,757	4,788	--	--
<i>Total Assets</i>	<u>\$ 5,797</u>	<u>\$ 62,216</u>	<u>\$ 60,132</u>	<u>\$ 74,164</u>	<u>\$ 214,894</u>	<u>\$ 108,771</u>	<u>\$ 279,044</u>	<u>\$ 28,335</u>
LIABILITIES								
Accounts payable	\$ 425	\$ --	\$ --	\$ 330	\$ 291	\$ 474	\$ --	\$ --
Accrued liabilities	2,723	--	--	--	26,364	8,323	4,038	--
Due to other governmental units	--	--	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	91,000	--	275,000	--
<i>Total Liabilities</i>	<u>3,148</u>	<u>--</u>	<u>--</u>	<u>330</u>	<u>117,655</u>	<u>8,797</u>	<u>279,038</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	--	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>3,148</u>	<u>--</u>	<u>--</u>	<u>330</u>	<u>117,655</u>	<u>8,797</u>	<u>279,038</u>	<u>--</u>
FUND BALANCE								
Nonspendable	--	--	--	--	16,757	4,788	--	--
Restricted	2,649	62,216	60,132	73,834	80,482	95,186	6	28,335
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>2,649</u>	<u>62,216</u>	<u>60,132</u>	<u>73,834</u>	<u>97,239</u>	<u>99,974</u>	<u>6</u>	<u>28,335</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 5,797</u>	<u>\$ 62,216</u>	<u>\$ 60,132</u>	<u>\$ 74,164</u>	<u>\$ 214,894</u>	<u>\$ 108,771</u>	<u>\$ 279,044</u>	<u>\$ 28,335</u>

Continued...

**St. Joseph County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue							
	State Court Administrator's Office	Drug Court	Sheriff Justice Training	Child Care Probate Court	County Survey and Remonumentation	Victims Rights Advocate	Parks and Recreation	Magic Program Rebate
ASSETS								
Cash and investments	\$ 652	\$ 954	\$ 31,777	\$ 488,246	\$ 4,371	\$ 155	\$ 708,056	\$ 13,777
Accounts receivable, net	--	--	--	--	--	--	--	--
Property taxes receivable	--	--	--	--	--	--	612,360	--
Due from other governmental units	51,543	80,834	--	6,632	32,015	17,404	40,761	--
Prepays	--	--	--	--	--	--	4,546	--
<i>Total Assets</i>	<u>\$ 52,195</u>	<u>\$ 81,788</u>	<u>\$ 31,777</u>	<u>\$ 494,878</u>	<u>\$ 36,386</u>	<u>\$ 17,559</u>	<u>\$ 1,365,723</u>	<u>\$ 13,777</u>
LIABILITIES								
Accounts payable	\$ 6,321	\$ 9,065	\$ --	\$ 19,270	\$ 33,750	\$ 7	\$ 21,013	\$ 3,427
Accrued liabilities	--	--	--	17,270	--	3,107	23,155	--
Due to other governmental units	--	--	--	49,188	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Due to other funds	44,000	44,000	--	--	--	4,000	--	--
<i>Total Liabilities</i>	<u>50,321</u>	<u>53,065</u>	<u>--</u>	<u>85,728</u>	<u>33,750</u>	<u>7,114</u>	<u>44,168</u>	<u>3,427</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	--	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--	612,360	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>50,321</u>	<u>53,065</u>	<u>--</u>	<u>85,728</u>	<u>33,750</u>	<u>7,114</u>	<u>656,528</u>	<u>3,427</u>
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	4,546	--
Restricted	1,874	28,723	31,777	409,150	2,636	10,445	704,649	10,350
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>1,874</u>	<u>28,723</u>	<u>31,777</u>	<u>409,150</u>	<u>2,636</u>	<u>10,445</u>	<u>709,195</u>	<u>10,350</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 52,195</u>	<u>\$ 81,788</u>	<u>\$ 31,777</u>	<u>\$ 494,878</u>	<u>\$ 36,386</u>	<u>\$ 17,559</u>	<u>\$ 1,365,723</u>	<u>\$ 13,777</u>

**St. Joseph County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue			Debt Service	Capital Projects		Total Nonmajor Governmental Funds
	Community Development Block Grant	District Court	Opioid Settlement	Energy Savings Project	Energy Savings Project	Capital Improvement Program	
ASSETS							
Cash and investments	\$ 74,037	\$ 40,607	\$ 184,121	\$ 21,803	\$ --	\$ 335,739	\$ 3,181,442
Accounts receivable, net	--	--	1,078,565	--	--	--	1,329,644
Property taxes receivable	--	--	--	--	--	--	612,360
Due from other governmental units	--	--	--	--	--	--	479,210
Prepays	--	--	--	--	--	--	26,091
Total Assets	\$ 74,037	\$ 40,607	\$ 1,262,686	\$ 21,803	\$ --	\$ 335,739	\$ 5,628,747
LIABILITIES							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 334,894	\$ 441,281
Accrued liabilities	--	40,607	--	--	--	--	130,963
Due to other governmental units	--	--	--	--	--	--	49,188
Unearned revenue	--	--	--	--	--	--	119,176
Due to other funds	--	--	--	--	--	--	498,000
Total Liabilities	--	40,607	--	--	--	334,894	1,238,608
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	--	--	1,078,565	--	--	--	1,078,565
Taxes levied for a subsequent period	--	--	--	--	--	--	612,360
Total Liabilities and Deferred Inflows of Resources	--	40,607	1,078,565	--	--	334,894	2,929,533
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	26,091
Restricted	74,037	--	184,121	21,803	--	845	2,673,123
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	74,037	--	184,121	21,803	--	845	2,699,214
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 74,037	\$ 40,607	\$ 1,262,686	\$ 21,803	\$ --	\$ 335,739	\$ 5,628,747

Concluded.

St. Joseph County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue							Community Correction Advisory Board
	Friend of the Court	Family Counseling	Waste Management	Traffic Safety Program	Animal Shelter Donation	Register of Deeds Automation	Indigent Defense	
Revenues								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	1,520	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--	504,834	68,522
Charges for services	16,980	--	244,636	24,297	--	46,055	--	--
Fines and forfeitures	--	--	--	--	3,265	--	--	--
Interest and rents	--	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	14,737	--	--	--
Total Revenues	<u>16,980</u>	<u>1,520</u>	<u>244,636</u>	<u>24,297</u>	<u>18,002</u>	<u>46,055</u>	<u>504,834</u>	<u>68,522</u>
Expenditures								
General government	--	--	--	--	--	20,309	--	74,352
Judicial	--	10,530	--	--	--	--	813,486	--
Public safety	--	--	--	--	10,050	--	--	--
Public works	--	--	40,357	--	--	--	--	--
Health and social services	--	--	--	--	--	--	--	--
Recreation and culture	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>10,530</u>	<u>40,357</u>	<u>--</u>	<u>10,050</u>	<u>20,309</u>	<u>813,486</u>	<u>74,352</u>
Excess of Revenues Over (Under) Expenditures	<u>16,980</u>	<u>(9,010)</u>	<u>204,279</u>	<u>24,297</u>	<u>7,952</u>	<u>25,746</u>	<u>(308,652)</u>	<u>(5,830)</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	425,933	7,000
Transfers out	(19,000)	--	(435,000)	--	--	(15,000)	--	--
Net Other Financing Sources (Uses)	<u>(19,000)</u>	<u>--</u>	<u>(435,000)</u>	<u>--</u>	<u>--</u>	<u>(15,000)</u>	<u>425,933</u>	<u>7,000</u>
Net Change in Fund Balance	<u>(2,020)</u>	<u>(9,010)</u>	<u>(230,721)</u>	<u>24,297</u>	<u>7,952</u>	<u>10,746</u>	<u>117,281</u>	<u>1,170</u>
Fund Balance at Beginning of Period	18,817	31,867	244,925	168,079	233,363	141,461	16,743	14,923
Fund Balance at End of Period	<u>\$ 16,797</u>	<u>\$ 22,857</u>	<u>\$ 14,204</u>	<u>\$ 192,376</u>	<u>\$ 241,315</u>	<u>\$ 152,207</u>	<u>\$ 134,024</u>	<u>\$ 16,093</u>

Continued...

St. Joseph County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue							
	Community Correction Program	Concealed Pistol Licensing	Local Correction Officers Training	Drug Law Enforcement	Law Enforcement	Secondary Road Patrol	Homeland Security Grant	County Law Library
Revenues								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--	--	--
Intergovernmental	--	--	--	--	487,179	103,414	228,982	--
Charges for services	23,700	26,068	10,292	--	4,268	--	--	--
Fines and forfeitures	--	--	--	93,045	--	--	--	--
Interest and rents	--	--	--	--	--	--	--	--
Miscellaneous	10,208	--	--	--	227,080	--	--	6,500
Total Revenues	33,908	26,068	10,292	93,045	718,527	103,414	228,982	6,500
Expenditures								
General government	--	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--	2,176
Public safety	43,149	3,354	10,307	12,073	772,283	209,303	230,329	--
Public works	--	--	--	--	--	--	--	--
Health and social services	--	--	--	--	--	--	--	--
Recreation and culture	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--	--
Total Expenditures	43,149	3,354	10,307	12,073	772,283	209,303	230,329	2,176
Excess of Revenues Over (Under) Expenditures	(9,241)	22,714	(15)	80,972	(53,756)	(105,889)	(1,347)	4,324
Other Financing Sources (Uses)								
Transfers in	10,000	--	--	--	--	153,015	1,300	--
Transfers out	--	(20,000)	(10,000)	(10,000)	(9,600)	--	--	--
Net Other Financing Sources (Uses)	10,000	(20,000)	(10,000)	(10,000)	(9,600)	153,015	1,300	--
Net Change in Fund Balance	759	2,714	(10,015)	70,972	(63,356)	47,126	(47)	4,324
<i>Fund Balance at Beginning of Period</i>	1,890	59,502	70,147	2,862	160,595	52,848	53	24,011
Fund Balance at End of Period	\$ 2,649	\$ 62,216	\$ 60,132	\$ 73,834	\$ 97,239	\$ 99,974	\$ 6	\$ 28,335

Continued...

St. Joseph County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue							
	State Court Administrator's Office	Drug Court	Sheriff Justice Training	Child Care Probate Court	County Survey and Remuneration	Victims Rights Advocate	Parks and Recreation	
Revenues								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 570,439	\$ --
Licenses and permits	--	--	--	--	--	--	--	--
Intergovernmental	174,409	381,545	9,153	435,582	53,359	95,833	131,461	--
Charges for services	--	--	--	--	--	--	174,885	--
Fines and forfeitures	--	--	--	--	--	--	--	--
Interest and rents	--	--	--	--	--	--	6,000	--
Miscellaneous	--	5,119	--	4,617	--	--	14,836	16,537
Total Revenues	174,409	386,664	9,153	440,199	53,359	95,833	897,621	16,537
Expenditures								
General government	--	--	--	--	58,075	--	--	22,066
Judicial	179,965	363,222	--	--	--	92,616	--	--
Public safety	--	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Health and social services	--	--	--	1,055,352	--	--	--	--
Recreation and culture	--	--	--	--	--	--	740,056	--
Capital outlay	--	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--	--
Total Expenditures	179,965	363,222	--	1,055,352	58,075	92,616	740,056	22,066
Excess of Revenues Over (Under) Expenditures	(5,556)	23,442	9,153	(615,153)	(4,716)	3,217	157,565	(5,529)
Other Financing Sources (Uses)								
Transfers in	--	--	--	773,470	6,000	--	--	--
Transfers out	--	--	--	--	--	--	(87,200)	--
Net Other Financing Sources (Uses)	--	--	--	773,470	6,000	--	(87,200)	--
Net Change in Fund Balance	(5,556)	23,442	9,153	158,317	1,284	3,217	70,365	(5,529)
<i>Fund Balance at Beginning of Period</i>	7,430	5,281	22,624	250,833	1,352	7,228	638,830	15,879
Fund Balance at End of Period	\$ 1,874	\$ 28,723	\$ 31,777	\$ 409,150	\$ 2,636	\$ 10,445	\$ 709,195	\$ 10,350

Continued...

St. Joseph County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue			Debt Service	Capital Projects		Total Nonmajor Governmental Funds
	Community Development Block Grant	District Court	Opioid Settlement	Energy Savings Project	Energy Savings Project	Capital Improvement Program	
Revenues							
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 570,439
Licenses and permits	--	--	--	--	--	--	1,520
Intergovernmental	37,103	--	--	--	--	--	2,711,376
Charges for services	--	271,850	--	--	--	--	843,031
Fines and forfeitures	--	--	--	--	--	--	96,310
Interest and rents	--	--	--	--	--	--	6,000
Miscellaneous	--	--	184,121	--	--	57,051	540,806
Total Revenues	37,103	271,850	184,121	--	--	57,051	4,769,482
Expenditures							
General government	--	--	--	--	--	18,412	193,214
Judicial	--	271,850	--	--	--	--	1,733,845
Public safety	--	--	--	--	--	2,176	1,293,024
Public works	--	--	--	--	--	--	40,357
Health and social services	--	--	--	--	--	16,971	1,072,323
Recreation and culture	--	--	--	--	--	38,181	778,237
Capital outlay	--	--	--	--	1,541,796	1,658,919	3,200,715
Debt service - principal	--	--	--	116,364	--	--	116,364
Debt service - interest	--	--	--	215,518	--	--	215,518
Total Expenditures	--	271,850	--	331,882	1,541,796	1,734,659	8,643,597
Excess of Revenues Over (Under) Expenditures	37,103	--	184,121	(331,882)	(1,541,796)	(1,677,608)	(3,874,115)
Other Financing Sources (Uses)							
Transfers in	--	--	--	331,882	891	1,282,700	2,992,191
Transfers out	--	--	--	--	--	--	(605,800)
Net Other Financing Sources (Uses)	--	--	--	331,882	891	1,282,700	2,386,391
Net Change in Fund Balance	37,103	--	184,121	--	(1,540,905)	(394,908)	(1,487,724)
<i>Fund Balance at Beginning of Period</i>	<i>36,934</i>	<i>--</i>	<i>--</i>	<i>21,803</i>	<i>1,540,905</i>	<i>395,753</i>	<i>4,186,938</i>
Fund Balance at End of Period	\$ 74,037	\$ --	\$ 184,121	\$ 21,803	\$ --	\$ 845	\$ 2,699,214

Concluded.

St. Joseph County
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2023

	Enterprise			Total Enterprise Funds
	Forfeiture / Foreclosure	Inmate Store	Building Authority	
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 1,647,953	\$ 162,309	\$ 51,640	\$ 1,861,902
Accounts receivable, net	--	6,918	43	6,961
Due from other governmental units	--	--	3,200	3,200
Prepays	500	--	558	1,058
Total Current Assets	1,648,453	169,227	55,441	1,873,121
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	--	--	44,004	44,004
Capital assets being depreciated, net	--	--	246,333	246,333
Total Assets	1,648,453	169,227	345,778	2,163,458
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	14,004	1,735	5,808	21,547
Current portion of long-term debt	--	--	7,166	7,166
Total Current Liabilities	14,004	1,735	12,974	28,713
<i>Noncurrent Liabilities</i>				
Long-term debt	--	--	227,013	227,013
Total Liabilities	14,004	1,735	239,987	255,726
NET POSITION				
Net investment in capital assets	--	--	56,158	56,158
<i>Unrestricted</i>	1,634,449	167,492	49,633	1,851,574
Total Net Position	\$ 1,634,449	\$ 167,492	\$ 105,791	\$ 1,907,732

St. Joseph County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Enterprise			Total Enterprise Funds
	Forfeiture / Foreclosure	Inmate Store	Building Authority	
Operating Revenues				
Charges for services	\$ 461,394	\$ 59,222	\$ 77,295	\$ 597,911
<i>Total Operating Revenues</i>	<u>461,394</u>	<u>59,222</u>	<u>77,295</u>	<u>597,911</u>
Operating Expenses				
Operations and administrative	144,085	17,998	57,756	219,839
Depreciation	--	--	9,795	9,795
<i>Total Operating Expenses</i>	<u>144,085</u>	<u>17,998</u>	<u>67,551</u>	<u>229,634</u>
<i>Operating Income (Loss)</i>	<u>317,309</u>	<u>41,224</u>	<u>9,744</u>	<u>368,277</u>
Non-Operating Revenues (Expenses)				
Interest income	11,430	--	--	11,430
<i>Net Non-Operating Revenues (Expenses)</i>	<u>11,430</u>	<u>--</u>	<u>--</u>	<u>11,430</u>
<i>Income Before Contributions and Transfers</i>	<u>328,739</u>	<u>41,224</u>	<u>9,744</u>	<u>379,707</u>
Transfers in	--	--	1,863	1,863
Transfers out	(25,000)	--	--	(25,000)
<i>Change In Net Position</i>	<u>303,739</u>	<u>41,224</u>	<u>11,607</u>	<u>356,570</u>
<i>Net Position at Beginning of Period</i>	<u>1,330,710</u>	<u>126,268</u>	<u>94,184</u>	<u>1,551,162</u>
<i>Net Position at End of Period</i>	<u>\$ 1,634,449</u>	<u>\$ 167,492</u>	<u>\$ 105,791</u>	<u>\$ 1,907,732</u>

St. Joseph County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Enterprise			Total Enterprise Funds
	Forfeiture/ Foreclosure	Inmate Store	Building Authority	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 461,394	\$ 64,799	\$ 78,352	\$ 604,545
Cash paid to suppliers for goods and services	(130,081)	(16,796)	(60,815)	(207,692)
<i>Net Cash Provided by Operating Activities</i>	<u>331,313</u>	<u>48,003</u>	<u>17,537</u>	<u>396,853</u>
Cash Flows from Noncapital Financing Activities				
Transfers in (out)	(25,000)	-	1,863	(23,137)
<i>Net Cash Provided (Used) by Noncapital Financing Activities</i>	<u>(25,000)</u>	<u>-</u>	<u>1,863</u>	<u>(23,137)</u>
Cash Flows from Capital and Related Financing Activities				
Principal and interest paid on long-term debt	-	-	(6,983)	(6,983)
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>-</u>	<u>-</u>	<u>(6,983)</u>	<u>(6,983)</u>
<i>Cash Flows from Investing Activities</i>				
Interest income received	11,430	-	-	11,430
<i>Net Cash Provided by Investing Assets</i>	<u>11,430</u>	<u>-</u>	<u>-</u>	<u>11,430</u>
<i>Net Increase in Cash Investments</i>	317,743	48,003	12,417	378,163
Cash and Investments - Beginning of the Year	1,330,210	114,306	39,223	1,483,739
Cash and Investments - End of the Year	<u>\$ 1,647,953</u>	<u>\$ 162,309</u>	<u>\$ 51,640</u>	<u>\$ 1,861,902</u>

**St. Joseph County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023**

	Enterprise			Total Enterprise Funds
	Forfeiture/ Foreclosure	Inmate Store	Building Authority	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 317,309	\$ 41,224	\$ 9,744	\$ 368,277
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	-	-	9,795	9,795
Change in Assets and Liabilities:				
Accounts receivable, net	-	5,577	(43)	5,534
Due from other governmental units	-	-	1,100	1,100
Prepays	-	-	(316)	(316)
Accounts payable	14,004	1,202	(2,743)	12,463
<i>Net Cash Provided by Operating Activities</i>	\$ 331,313	\$ 48,003	\$ 17,537	\$ 396,853

St. Joseph County
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	<u>General Custodial</u>	<u>Library</u>	<u>Human Services</u>	<u>Inmates' Custodial</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 1,955,889	\$ 60,727	\$ 87,781	\$ 7,614	\$ 2,112,011
<i>Total Assets</i>	<u>1,955,889</u>	<u>60,727</u>	<u>87,781</u>	<u>7,614</u>	<u>2,112,011</u>
LIABILITIES					
Accounts payable	15,896	--	--	--	15,896
Due to other governmental units	221,876	--	--	--	221,876
Undistributed collections	1,455,060	10,153	--	--	1,465,213
Bonds and other payables	263,057	--	87,781	--	350,838
<i>Total Liabilities</i>	<u>1,955,889</u>	<u>10,153</u>	<u>87,781</u>	<u>--</u>	<u>2,053,823</u>
NET POSITION					
Restricted for Individuals, organizations, and other governments	--	50,574	--	7,614	58,188
<i>Total Net Position</i>	<u>\$ --</u>	<u>\$ 50,574</u>	<u>\$ --</u>	<u>\$ 7,614</u>	<u>\$ 58,188</u>

St. Joseph County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

	<u>General Custodial</u>	<u>Library</u>	<u>Human Services</u>	<u>Inmates' Custodial</u>	<u>Total</u>
ADDITIONS					
Taxes collected for other governments	\$ 49,172,101	\$ --	\$ --	\$ --	\$ 49,172,101
Court collections	613,038	--	--	--	613,038
Clerk/register of deeds collections	2,437,298	--	--	--	2,437,298
Library penal fines collections	--	169,320	--	--	169,320
Treasurer collections	207,964	--	--	--	207,964
Human services collections	--	--	84,213	--	84,213
Total Additions	<u>52,430,401</u>	<u>169,320</u>	<u>84,213</u>	<u>--</u>	<u>52,683,934</u>
DEDUCTIONS					
Payments of taxes to other governments	49,172,101	--	--	--	49,172,101
Court distributions	613,038	--	--	--	613,038
Clerk/register of deeds distributions	2,437,298	--	--	--	2,437,298
Inmates' custodial payouts	--	--	--	9,264	9,264
Library penal fines disbursements	--	155,697	--	--	155,697
Treasurer distributions	207,964	--	--	--	207,964
Human services disbursements	--	--	84,213	--	84,213
Total Deductions	<u>52,430,401</u>	<u>155,697</u>	<u>84,213</u>	<u>9,264</u>	<u>52,679,575</u>
Net Increase (Decrease) in Net Position	--	13,623	--	(9,264)	4,359
<i>Net Position at Beginning of Period</i>	--	36,951	--	16,878	53,829
Net Position at End of Period	<u>\$ --</u>	<u>\$ 50,574</u>	<u>\$ --</u>	<u>\$ 7,614</u>	<u>\$ 58,188</u>

**St. Joseph County Drains
Statement of Net Position
December 31, 2023**

ASSETS	
<i>Current Assets</i>	
Cash and investments	\$ 667,832
Special assessments receivable	20,453
Total Current Assets	<u>688,285</u>
<i>Noncurrent Assets</i>	
Capital assets not being depreciated	22,620
Capital assets being depreciated, net	1,124,877
Special assessments receivable, long-term	20,837
Total Assets	<u>1,856,619</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	9,120
Total Current Liabilities	<u>9,120</u>
<i>Noncurrent Liabilities</i>	
Advance from primary government	102,545
Total Liabilities	<u>111,665</u>
NET POSITION	
Investment in capital assets	1,147,497
<i>Restricted for:</i>	
Debt service	6,522
Capital projects	590,935
<i>Unrestricted</i>	
Total Net Position	<u>\$ 1,744,954</u>

**St. Joseph County Drains
Statement of Activities
For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public works	\$ 447,343	\$ 314,023	\$ --	\$ 9,130	\$ (124,190)
Total	447,343	314,023	--	9,130	(124,190)
General Purpose Revenues:					
				4,545	
				4,545	
				(119,645)	
				1,864,599	
				\$ 1,744,954	

**St. Joseph County Drains
Balance Sheet
Governmental Funds
December 31, 2023**

	Special Revenue Lake Improvement - Lake Templene	Debt Service		Capital Projects		
		Fish Lake Drain	Lamberson Dam Drain	Regular Drain	Klinger Lake Level	Revolving Drain
ASSETS						
Cash and investments	\$ 209,074	\$ 6,428	\$ 94	\$ 119,566	\$ 20,264	\$ 201,840
Special assessments receivable	--	--	--	41,290	--	--
<i>Total Assets</i>	\$ 209,074	\$ 6,428	\$ 94	\$ 160,856	\$ 20,264	\$ 201,840
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ --	\$ 8,857	\$ --	\$ 263
Advance from primary government	--	--	--	101,945	300	--
<i>Total Liabilities</i>	--	--	--	110,802	300	263
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	--	--	--	41,290	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	--	--	--	152,092	300	263
FUND BALANCE						
Restricted	209,074	6,428	94	8,764	19,964	201,577
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	209,074	6,428	94	8,764	19,964	201,577
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 209,074	\$ 6,428	\$ 94	\$ 160,856	\$ 20,264	\$ 201,840

Continued...

**St. Joseph County Drains
Balance Sheet
Governmental Funds
December 31, 2023**

	Capital Projects				Total Governmental Funds	
	Revolving Drain Fabius	Omena Lake Proposed Assessment	Grey Lake Level Study	Pleasant/Clear Lake Proposed Assessment		Eberhard Lake Level
ASSETS						
Cash and investments	\$ 11,647	\$ 15,795	\$ 830	\$ 80,654	\$ 1,640	\$ 667,832
Special assessments receivable	--	--	--	--	--	41,290
<i>Total Assets</i>	\$ 11,647	\$ 15,795	\$ 830	\$ 80,654	\$ 1,640	\$ 709,122
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,120
Advance from primary government	--	--	--	300	--	102,545
<i>Total Liabilities</i>	--	--	--	300	--	111,665
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	--	--	--	--	--	41,290
<i>Total Liabilities and Deferred Inflows of Resources</i>	--	--	--	300	--	152,955
FUND BALANCE						
Restricted	11,647	15,795	830	80,354	1,640	556,167
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	11,647	15,795	830	80,354	1,640	556,167
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 11,647	\$ 15,795	\$ 830	\$ 80,654	\$ 1,640	\$ 709,122

St. Joseph County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023

Total Fund Balance - Governmental Funds	\$ 556,167
General government capital assets of \$2,195,796, net of accumulated depreciation of \$1,048,299, are not financial resources and, accordingly are not reported in the funds.	1,147,497
Long-term receivables are not available to pay for current period expenditures and are, therefore, reported as deferred inflows of resources in the funds.	41,290
Total Net Position - Governmental Activities	\$ <u>1,744,954</u>

St. Joseph County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>			<u>Capital Projects</u>	
	<u>Lake Improvement - Lake Templene</u>	<u>Fish Lake Drain</u>	<u>Lamberson Dam Drain</u>	<u>Regular Drain</u>	<u>Klinger Lake Level</u>	<u>Revolving Drain</u>
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ 1,700	\$ --	\$ --
Special assessments	239,357	--	--	92,954	--	--
Interest income	--	70	1	963	222	2,176
Total Revenues	<u>239,357</u>	<u>70</u>	<u>1</u>	<u>95,617</u>	<u>222</u>	<u>2,176</u>
Expenditures						
Public works	298,284	--	--	133,125	300	991
Total Expenditures	<u>298,284</u>	<u>--</u>	<u>--</u>	<u>133,125</u>	<u>300</u>	<u>991</u>
Excess of Revenues Over (Under) Expenditures	<u>(58,927)</u>	<u>70</u>	<u>1</u>	<u>(37,508)</u>	<u>(78)</u>	<u>1,185</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	964	--	7,428
Transfers Out	--	--	--	(13,365)	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(12,401)</u>	<u>--</u>	<u>7,428</u>
Net Change in Fund Balance	<u>(58,927)</u>	<u>70</u>	<u>1</u>	<u>(49,909)</u>	<u>(78)</u>	<u>8,613</u>
<i>Fund Balance at Beginning of Period</i>	268,001	6,358	93	58,673	20,042	192,964
Fund Balance at End of Period	<u>\$ 209,074</u>	<u>\$ 6,428</u>	<u>\$ 94</u>	<u>\$ 8,764</u>	<u>\$ 19,964</u>	<u>\$ 201,577</u>

Continued...

St. Joseph County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	Capital Projects				Total Governmental Funds	
	Revolving Drain Fabius	Omena Lake Proposed Assessment	Grey Lake Level Study	Pleasant/Clear Lake Proposed Assessment		Eberhard Lake Level
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ 100	\$ --	\$ 1,800
Special assessments	9,130	--	--	--	--	341,441
Interest income	25	173	9	888	18	4,545
Total Revenues	<u>9,155</u>	<u>173</u>	<u>9</u>	<u>988</u>	<u>18</u>	<u>347,786</u>
Expenditures						
Public works	2,481	--	--	1,550	--	436,731
Total Expenditures	<u>2,481</u>	<u>--</u>	<u>--</u>	<u>1,550</u>	<u>--</u>	<u>436,731</u>
Excess of Revenues Over (Under) Expenditures	<u>6,674</u>	<u>173</u>	<u>9</u>	<u>(562)</u>	<u>18</u>	<u>(88,945)</u>
Other Financing Sources (Uses)						
Transfers in	4,973	--	--	--	--	13,365
Transfers Out	--	--	--	--	--	(13,365)
Net Other Financing Sources (Uses)	<u>4,973</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>11,647</u>	<u>173</u>	<u>9</u>	<u>(562)</u>	<u>18</u>	<u>(88,945)</u>
<i>Fund Balance at Beginning of Period</i>	--	15,622	821	80,916	1,622	645,112
Fund Balance at End of Period	<u>\$ 11,647</u>	<u>\$ 15,795</u>	<u>\$ 830</u>	<u>\$ 80,354</u>	<u>\$ 1,640</u>	<u>\$ 556,167</u>

Concluded.

St. Joseph County Drains
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	(88,945)
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$42,091 is exceeded by depreciation expense of \$52,703.		(10,612)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(20,088)
Changes in Net Position - Governmental Activities	\$	<u>(119,645)</u>

**St. Joseph County Board of Public Works
Statement of Net Position
December 31, 2023**

ASSETS	
<i>Current Assets</i>	
Leases receivable	\$ 150,000
Total Current Assets	<u>150,000</u>
<i>Noncurrent Assets</i>	
Leases receivable, long-term	3,735,000
Total Assets	<u><u>3,885,000</u></u>
LIABILITIES	
<i>Current Liabilities</i>	
Accrued interest	19,159
Current portion of long-term debt	150,000
Total Current Liabilities	<u>169,159</u>
<i>Noncurrent Liabilities</i>	
Long-term debt	4,037,973
Total Liabilities	<u><u>4,207,132</u></u>
NET POSITION	
<i>Unrestricted (Deficit)</i>	(322,132)
Total Net Position	<u><u>\$ (322,132)</u></u>

**St. Joseph County Board of Public Works
Statement of Activities
For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public works	\$ 454,123	\$ --	\$ 121,256	\$ --	\$ (332,867)
Interest on long-term debt	109,068	--	--	--	(109,068)
<i>Total</i>	563,191	--	121,256	--	(441,935)
General Purpose Revenues:					
					109
					<u>109</u>
					(441,826)
					<u>119,694</u>
					\$ (322,132)

**St. Joseph County Board of Public Works
Balance Sheet
Governmental Funds
December 31, 2023**

	<u>Special Revenue</u>	<u>Debt Service</u>	
	<u>WP Sanitary System</u>	<u>White Pigeon Sanitary Sewer</u>	<u>Total Governmental Funds</u>
ASSETS			
Leases receivable	\$ --	\$ 150,000	\$ 150,000
Leases receivable, long-term	--	3,735,000	3,735,000
<i>Total Assets</i>	<u>\$ --</u>	<u>\$ 3,885,000</u>	<u>\$ 3,885,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	--	3,885,000	3,885,000
<i>Deferred Inflows of Resources</i>	<u>--</u>	<u>3,885,000</u>	<u>3,885,000</u>
FUND BALANCE			
Unassigned	--	--	--
<i>Total Fund Balance</i>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Deferred Inflows of Resources and Fund Balance</i>	<u>\$ --</u>	<u>\$ 3,885,000</u>	<u>\$ 3,885,000</u>

St. Joseph County Board of Public Works
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023

Total Fund Balance - Governmental Funds	\$	--
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund statements. This amount represents long-term debt payable less deferred charges on bond refunding.		(4,187,973)
Long-term receivables are not available to pay for the current period expenditures and are, therefore, reported as deferred inflows of resources in the governmental fund statements.		3,885,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(19,159)
Total Deficit Net Position - Governmental Activities	\$	<u>(322,132)</u>

**St. Joseph County Board of Public Works
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
	<u>WP Sanitary System</u>	<u>White Pigeon Sanitary Sewer</u>	<u>Governmental Funds</u>
Revenues			
Interest and rents	\$ 109	\$ --	\$ 109
Operating grants and contributions	--	266,256	266,256
<i>Total Revenues</i>	<u>109</u>	<u>266,256</u>	<u>266,365</u>
Expenditures			
Public works	454,123	--	454,123
Debt service - principal	--	145,000	145,000
Debt service - interest	--	121,256	121,256
<i>Total Expenditures</i>	<u>454,123</u>	<u>266,256</u>	<u>720,379</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(454,014)</u>	<u>--</u>	<u>(454,014)</u>
<i>Net Change in Fund Balance</i>	<u>(454,014)</u>	<u>--</u>	<u>(454,014)</u>
<i>Fund Balance at Beginning of Period</i>	454,014	--	454,014
<i>Fund Balance at End of Period</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**St. Joseph County Board of Public Works
 Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
 Changes in Fund Balance with Statement of Activities
 For the Year Ended December 31, 2023**

Total Net Change in Fund Balances - Governmental Funds	\$	(454,014)
Repayment of long-term debt is reported as expenditures in the governmental fund statements, but the repayment reduces long-term liabilities in the statement of net position in the current period.		157,188
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period these amounts consist of long-term receivables (not collected within 60 days of year-end).		(145,000)
Changes in Net Position - Governmental Activities	\$	<u>(441,826)</u>



**ST. JOSEPH COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2023**

St. Joseph County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Justice				
Bullet Proof Vest Partnership Program	16.607	Direct	N/A	\$ 2,125
BJA Adult Drug Court Discretionary Grant Program	16.585	Direct	2018-DC-BX-0044	66,051
COSSAP	16.838	Direct	2020-AR-BX-0113	107,452
Byrne Justice Assistance Grant (JAG)	16.738	MSP	2020-MU-BX-0011	85,898
Total U.S. Department of Justice				<u>261,526</u>
U.S. Department of Transportation				
Highway Safety Cluster:				
Michigan Office Of Highway Safety (OHSP)	20.600	MSP	PT-23-26	23,040
<i>Total Highway Safety Cluster</i>				<u>23,040</u>
Total U.S. Department of Transportation				<u>23,040</u>
U.S. Department of Treasury				
COVID-19 American Rescue Plan Act	21.027	Direct	N/A	5,927,975
Total U.S. Department of Treasury				<u>5,927,975</u>
U.S. Environmental Protection Agency				
Brownfield Assessment Grant	66.818	Direct	N/A	78,274
Total U.S. Environmental Protection Agency				<u>\$ 78,274</u>

Continued...

St. Joseph County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services				
Aging Cluster:				
Title III-B Special Programs for the Aging				
Supportive Services (HM & PC)	93.044	MOSAR3C	N/A	\$ 4,795
Title III B Grant (Chore)	93.044	MOSAR3C	N/A	4,854
Title III B Grant (FR)	93.044	MOSAR3C	N/A	6,960
COVID-19 ARPA Federal Direct Care Worker	93.044	MOSAR3C	N/A	23,863
COVID-19 ARPA Federal CARES Act HUD funding	93.044	MOSAR3C	N/A	1,740
Title III-C Special Programs for the Aging				
Nutrition Congregate	93.045	MOSAR3C	N/A	99,961
Nutrition Home Delivered Meals	93.045	MOSAR3C	N/A	15,345
Nutrition Services Incentive Program				
Elderly Congregate	93.053	MOSAR3C	N/A	26,560
Elderly Feeding (Home Delivered Meals)	93.053	MOSAR3C	N/A	19,897
Total Aging Cluster				<u>203,975</u>
Title III-D Special Programs for the Aging				
Disease Prevention	93.043	MOSAR3C	N/A	11,322
Title III-E National Family Caregiver Support				
Title III E Kinship (Care Est)	93.052	MOSAR3C	N/A	8,645
Title III E Grant Case Coord.	93.052	MOSAR3C	N/A	10,135
Child Support Enforcement:				
Title IV-D - Incentive Payments	93.563	MDHHS	CSCOM-17-75003	106,168
Title IV-D - Incentive Payments	93.563	MDHHS	CSCOM-24-75003	33,081
Title IV-D - Friend of the Court	93.563	MDHHS	CSCOM-17-75003	602,140
Title IV-D - Friend of the Court	93.563	MDHHS	CSCOM-24-75003	205,630
State Opioid Response	93.788	MDHHS	6H79TI083298-02M003	27,500
Total U.S. Department of Health and Human Services				<u>\$ 1,208,596</u>

See Notes to the Schedule of Expenditures of Federal Awards

Continued...

St. Joseph County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Homeland Security				
Emergency Management Performance Grant	97.042	MSP	EMC-2023-EP-00005	\$ 28,375
State Domestic Preparedness	97.067	MSP	EMW-2020-SS-00044-S01	72,512
State Domestic Preparedness	97.067	MSP	EMW-2021-SS-00011-S01	149,397
State Domestic Preparedness	97.067	MSP	EMW-2022-SS-00031-S01	7,073
Total U.S. Department of Homeland Security				<u>257,357</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 7,756,768</u>

See Notes to the Schedule of Expenditures of Federal Awards

Concluded.

St. Joseph County

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

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

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the St. Joseph County Road Commission, which received federal awards that are not included in the Schedule for the year ended December 31, 2023, as the entity was separately audited from the County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

NOTE C - PASS-THROUGH ENTITIES

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

<u>Pass-through Entity Abbreviation</u>	<u>Pass-through Entity Name</u>
MSP	Michigan Department of State Police
MDHHS	Michigan Department of Health and Human Services
MOSAR3C	Michigan Office of Services to the Aging - Branch-St. Joseph Area Agency of Aging (Region 3C)

St. Joseph County

Notes to the Schedule of Expenditures of Federal Awards

NOTE D - RECONCILIATION TO FINANCIAL STATEMENTS

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

Intergovernmental revenues reported in the financial statements:	
Governmental funds	\$ 16,349,713
Component units	14,748,213
Total intergovernmental revenue:	<u>31,097,926</u>
<i>Subtract separately audited entities:</i>	
St. Joseph County Road Commission	(14,466,692)
<i>Subtract state and local sources:</i>	<u>(8,874,466)</u>
<i>Total expenditures of federal awards:</i>	<u>\$ 7,756,768</u>

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
St. Joseph County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Joseph County, Michigan (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the St. Joseph County Road Commission, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Gabridge & Company, PLC
Grand Rapids, MI
June 25, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

To the Board of Commissioners
St. Joseph County, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited St. Joseph County, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2023. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of St. Joseph County Road Commission, which received certain federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described below, did not include the operations of St. Joseph County Road Commission because it arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Independent Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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



Gabridge & Company, PLC
Grand Rapids, MI
June 25, 2024

St. Joseph County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Name of Federal Program or Cluster	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS
--

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No matters were reported in the prior year.

June 25, 2024

To the Board of Commissioners
St. Joseph County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Joseph County (the "County") for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on the current hourly rates and policies regarding payment of sick and vacation banks.
- Managements assumptions used to calculate the actuarial report of pension benefits is based on historical trends and industry standards.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for the collection of various account balances.

We evaluated the key factors and assumptions used to develop the above estimates in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 25, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules, and the schedules for the defined benefit pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and the schedule of expenditures of federal awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Commissioners and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the printed name of the company.

Gabridge & Company, PLC
Grand Rapids, MI