



**MONTCALM COUNTY
STANTON, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the County Board of Commissioners and Management
Montcalm County
Stanton, 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 Montcalm County (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based 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 September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, or the Montcalm County Housing Commission, which represents 80.1, 2.3, and 1.0 percent of the assets, 81.4, 0.5, and 1.2 percent of the net position, and 83.4, 0.3, and 5.1 percent of the program revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, and the Montcalm County Housing Commission, is 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 and other postemployment benefits 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 March 31, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC
Grand Rapids, Michigan
March 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Montcalm County
Management's Discussion and Analysis
September 30, 2022

These financial statements are the responsibility of Montcalm County's (the "County" or "government") management. We offer readers this narrative overview and analysis for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$37,416,206 (*net position*), an increase of \$5,664,930.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, permanent, and debt service funds) reported combined ending fund balances of \$22,788,683, an increase of \$2,961,051 in comparison with the prior year. Of the fund balance amount, \$15,572,323, or 68.3%, is available for spending at the County's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$18,517,044, an increase of \$2,348,098. At the end of the year, the unassigned portion of the fund balance in the general fund was \$15,574,719, or approximately 78.5% of total general fund expenditures and transfers out during the year.
- The County's investment in capital assets, net of accumulated depreciation, was \$7,973,777 at the end of the current year, which compares to \$6,311,766 at the end of the prior year.
- The County's total installment debt equaled \$2,610,000 at the close of the year, a decrease of \$830,000 compared to the prior year ending balance.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) or 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, public safety, public works, health and welfare, recreation and culture, and community and economic development. The business-type activities of the County include delinquent tax administration, ambulance, operation of an inmate commissary at the County jail, and building code compliance.

The government-wide financial statements include not only Montcalm County itself (known as the primary government), but also a legally separate Drain Commission, Central Dispatch Authority, Road Commission, Housing Commission, and Brownfield Redevelopment Authority (known as component units) for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself. The Building Authority, although also legally separate, functions for all practical purposes as a department of the County and, therefore, has been included as an integral part of the primary government.

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. Following both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances are reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

Information for each of the County's individual governmental funds 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 fund, which is the County's only 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 special revenue funds. Budgetary comparisons statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax collection and administration (including homestead exemption audits), ambulance services, inmate commissary, and building code compliance. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its copy machines and retiree healthcare and pension programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the County's pension and other postemployment benefits plans.

The *combining statements and schedules* referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The County's combined net position increased by \$5,664,930 for the year ended September 30, 2022 to an ending net position of \$37,416,206. Net position of governmental activities increased \$5,034,884 and business-type activities increased by \$630,046. Explanations for those changes are described below under the *Governmental Activities* and *Business-type Activities* sections of this Management's Discussion and Analysis. Following is a summarized schedule showing the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the County as of September 30 for each of the past two fiscal years:

Montcalm County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 29,311,546	\$ 27,109,525	\$ 16,982,740	\$ 16,615,900	\$ 46,294,286	\$ 43,725,425
Capital Assets, net	6,142,633	4,814,839	1,831,144	1,496,927	7,973,777	6,311,766
<i>Total Assets</i>	<u>35,454,179</u>	<u>31,924,364</u>	<u>18,813,884</u>	<u>18,112,827</u>	<u>54,268,063</u>	<u>50,037,191</u>
Deferred Outflows of Resources	<u>2,304,616</u>	<u>2,256,608</u>	<u>245,282</u>	<u>180,949</u>	<u>2,549,898</u>	<u>2,437,557</u>
Liabilities						
Long-term Liabilities	7,748,597	10,445,278	620,610	641,419	8,369,207	11,086,697
Other Liabilities	7,028,403	7,599,063	289,602	351,035	7,318,005	7,950,098
<i>Total Liabilities</i>	<u>14,777,000</u>	<u>18,044,341</u>	<u>910,212</u>	<u>992,454</u>	<u>15,687,212</u>	<u>19,036,795</u>
Deferred Inflows of Resources	<u>3,398,757</u>	<u>1,588,477</u>	<u>315,786</u>	<u>98,200</u>	<u>3,714,543</u>	<u>1,686,677</u>
Net Position						
Net Investment in Capital Assets	3,532,633	1,503,733	1,831,143	1,496,927	5,363,776	3,000,660
Restricted	3,676,327	3,057,498	-	-	3,676,327	3,057,498
Unrestricted	<u>12,374,078</u>	<u>9,986,923</u>	<u>16,002,025</u>	<u>15,706,195</u>	<u>28,376,103</u>	<u>25,693,118</u>
<i>Total Net Position</i>	<u>\$ 19,583,038</u>	<u>\$ 14,548,154</u>	<u>\$ 17,833,168</u>	<u>\$ 17,203,122</u>	<u>\$ 37,416,206</u>	<u>\$ 31,751,276</u>

A component of the County's net position reflects its net investment in capital assets, \$5,363,776, or 14.4%, (e.g. land and improvements, construction in process, buildings and additions, machinery and equipment, infrastructure, and others). Restricted net position of \$3,676,327, or 9.8%, which represents amounts subject to external restrictions, such as State legislation. The remaining portion represents an unrestricted amount, \$28,376,103 or 75.8%, that can be used at the County's discretion.

Governmental Activities. The current assets of governmental activities for the County increased by \$2,202,021 consisting of approximately an increase in cash of \$2 million while all other assets stayed relatively close to the prior year. Capital assets increased by \$1,327,794 due to approximately \$2.3 million of additions offset by depreciation of \$941,957. Long-term liabilities decreased by \$2,696,681 as a result of payment of long-term debt of \$850,000 and decrease of net pension liability of \$1.5 million. Other liabilities decreased by \$570,660 even with increase of approximately \$700 thousand in accounts payable due to decreases in unearned revenues of \$1.1 million and accrued liabilities of \$150 thousand. Deferred outflows of resources increased by \$48,008 and deferred inflows of resources increased by \$1,810,280 as a result of routine recognition of deferrals related to the net pension liability and net OPEB liability.

Business-type Activities. The current assets of business-type activities for the County increased by \$366,840 consisting of approximately an increase in cash of \$240. Capital assets increased by

\$334,217 due to fixed asset additions of approximately \$1.02 million exceeding depreciation of 638,556. Long-term and other liabilities decreased by \$20,809 and \$61,433 respectively. Deferred outflows of resources increased by \$64,333 and deferred inflows of resources increased by \$217,586 as a result of routine recognition of deferrals related to the net pension liability.

The following condensed financial information was derived from the government-wide statement of activities and reflects how the County's net position changed during the two most recently completed fiscal years:

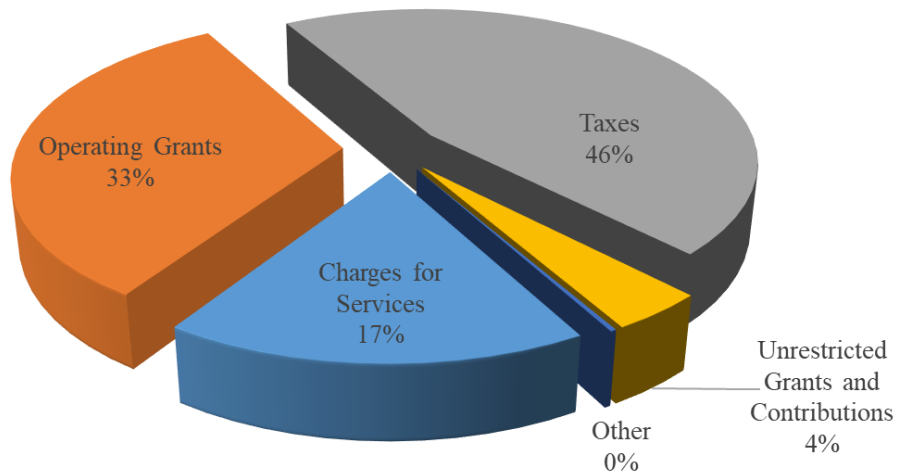
Montcalm County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 5,752,635	\$ 5,329,788	\$ 7,245,684	\$ 6,561,979	\$ 12,998,319	\$ 11,891,767
Operating Grants	10,768,746	4,888,966	158,816	30,076	10,927,562	4,919,042
General Revenues:						
Taxes	15,230,431	14,414,091	844	984,768	15,231,275	15,398,859
Unrestricted Grants and Contributions	1,325,051	1,362,943	-	-	1,325,051	1,362,943
Unrestricted Investment Earnings	124,025	5,217	51,969	3,758	175,994	8,975
Gain (Loss) on Disposal of Capital Assets	(40,180)	30,423	-	61	(40,180)	30,484
Total Revenues	33,160,708	26,031,428	7,457,313	7,580,642	40,618,021	33,612,070
Expenses						
General Government	6,200,546	8,618,834	-	-	6,200,546	8,618,834
Judicial	4,704,217	-	-	-	4,704,217	-
Public Safety	6,811,099	4,253,905	-	-	6,811,099	4,253,905
Public Works	3,496,122	655,427	-	-	3,496,122	655,427
Health and Welfare	3,672,472	2,794,388	-	-	3,672,472	2,794,388
Recreation and Culture	2,486,972	1,850,675	-	-	2,486,972	1,850,675
Community and Economic Development	667,418	450,605	-	-	667,418	450,605
Interest on Long-term Debt	108,443	125,270	-	-	108,443	125,270
Delinquent Tax	-	-	576,472	314,812	576,472	314,812
Ambulance	-	-	5,601,712	3,965,439	5,601,712	3,965,439
Building Official	-	-	582,517	504,589	582,517	504,589
PRE Audit	-	-	20,214	14,528	20,214	14,528
Inmate Commissary	-	-	24,887	31,680	24,887	31,680
Total Expenses	28,147,289	18,749,104	6,805,802	4,831,048	34,953,091	23,580,152
Change in Net Position before Transfers	5,013,419	7,282,324	651,511	2,749,594	5,664,930	10,031,918
Transfers	21,465	22,194	(21,465)	(22,194)	-	-
Change in Net Position	5,034,884	7,304,518	630,046	2,727,400	5,664,930	10,031,918
Net Position						
Beginning of year	14,548,154	7,243,636	17,203,122	14,475,722	31,751,276	21,719,358
End of Year	\$ 19,583,038	\$ 14,548,154	\$ 17,833,168	\$ 17,203,122	\$ 37,416,206	\$ 31,751,276

Governmental Activities. Charges for services increased by \$422,847 due to increased activity from the prior year. Operating grants saw an increase of \$5,879,780 due to increased grants, including ARPA funding. Tax revenues increased by \$816,340 during the current year due to both taxable value increase and new or increased millages for libraries, the sheriff department and veteran's services. State revenue sharing also increased by \$329,956 due to better than projected revenues from the state. Overall expenses increased by \$9,398,185 due to increased hiring due to new millages, increased use of funding from ARPA, and the purchasing of many fixed asset additions.

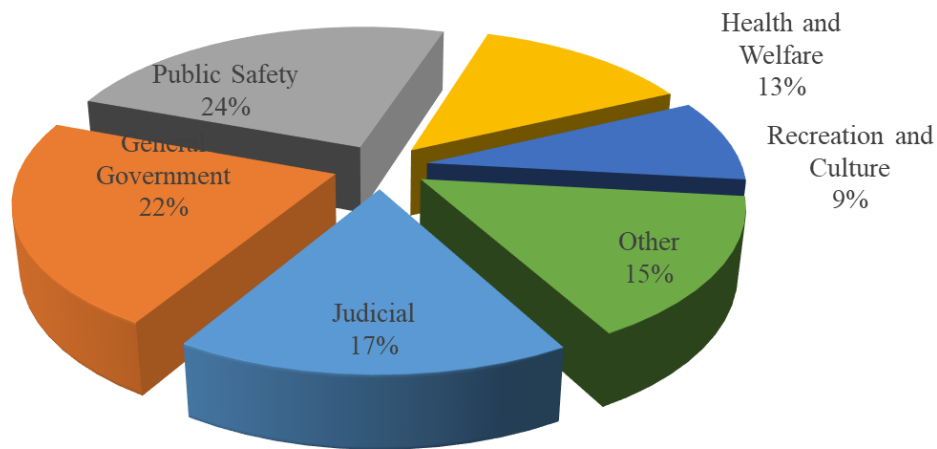
The following chart presents revenues of governmental activities for the fiscal year:

Governmental Activities Revenues



The following chart presents expenses of the governmental activities for the fiscal year:

Governmental Activities Expenses



Business-type Activities. Charges for services increased by \$683,705 as ambulance services increased by approximately \$604 thousand. Taxes decreased by \$983,924 as the EMS (ambulance services) is no longer receiving a tax levy. Overall expenses increased by \$1,974,754, or 40.88%, from the prior year with the largest increase occurring within the ambulance fund of \$1,636,273. This increase consisted mostly of increased salary and wages for the Ambulance fund.

Financial Analysis of the County's Funds

As the County completed the fiscal year, its governmental funds reported combined ending fund balances of \$22,788,683. Of this, \$269,807, or 1.2%, is legally restricted and/or unavailable to spend (i.e. amounts tied up in prepaid items and long-term advances), \$826,571 or 3.6%, is committed by the Board of Commissioners for designated projects, \$3,000,000, or 13.2%, is assigned for capital improvements, and programs, and \$3,617,586 or 15.9%, is restricted for various projects, leaving \$15,074,719, or 66.2%, as unassigned fund balance.

General Fund Budgetary Highlights

Original budget compared to final budget. There were no significant amendments made to either the original budgeted appropriations or the original estimated revenues; however, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain employee benefits such as pensions and other postemployment benefits. Generally, the movement of the appropriations between departments was *not* significant.

Final budget compared to actual results. The County had two expenditures in excess of the amounts appropriated during the year ended September 30, 2022, both of which are considered minor to the State of Michigan, the Traffic and Safety Program exceed its final budget of \$89,170, by \$1,273 and Medical Examiner exceed its final budget of \$195,932 by \$13,349.

Capital Assets and Debt Administration

Capital Assets. At September 30, 2022, the County had invested \$7,973,777 in a broad range of capital assets, net of accumulated depreciation. Additional information regarding the County's capital assets can be found in the notes to the financial statements section of this document.

Debt Administration. The County, along with the Montcalm County Building Authority, a blended component unit of the County, is empowered by law to authorize, issue, and sell debt obligations. General obligation bonds are backed by the full faith and credit of the County. As of year-end the County only had the Building Authority General Obligation bond of \$2,610,000 Outstanding.

More detailed information regarding these activities can be found in the notes to the financial statements section of this document.

Economic Condition and Outlook

The County continues to adopt a balanced budget each fiscal year, with 2023 being no exception. All major funds have maintained surplus balances for the past three fiscal years. The County continues to remain diligent in improving the status of the General Fund's fund balance, utilizing the policies and procedures put in place by the Board of Commissioners.

The County Board of Commissioners is determined to make the County better as a whole and continues to be responsible custodians of the taxpayers' dollars. Therefore, they are continually looking for ways to update and make changes to the manner in which the County does business, with technology and on-line services being the primary objective to servicing the needs of its constituents.

All signs continue to point to a positive economic outlook for Montcalm County. There continues to be measurable growth in the area of new business and new housing developments throughout the County, as well as the promising prospects of renewable energy resources sweeping across the

County for years to come. Montcalm County is currently in a solid, stable financial position and desires only to continue down the road of improvement going forward.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Office of the County Controller at (989) 831-7300 or visit our website at www.Montcalm.us.

BASIC FINANCIAL STATEMENTS

Montcalm County
Statement of Net Position
September 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 25,704,328	\$ 13,695,110	\$ 39,399,438	\$ 6,121,546
Receivables, Net	296,829	638,960	935,789	4,054,350
Special Assessments Receivable	--	--	--	2,955,781
Taxes Receivable	1,894,321	2,567,095	4,461,416	--
Due from Other Governments	570,714	22,781	593,495	30,781
Inventory	105,780	--	105,780	1,251,262
Prepays	737,178	58,794	795,972	440,216
Total Current Assets	29,309,150	16,982,740	46,291,890	14,853,936
<i>Noncurrent Assets</i>				
Restricted Cash	--	--	--	2,942,706
Capital Assets not being Depreciated	589,810	--	589,810	7,135,019
Capital Assets being Depreciated	5,552,823	1,831,144	7,383,967	53,929,691
Total Assets	35,451,783	18,813,884	54,265,667	78,861,352
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	96,668	--	96,668	--
OPEB Related	263,212	--	263,212	2,444,199
Pension Related	1,944,736	245,282	2,190,018	631,767
Total Deferred Outflows of Resources	2,304,616	245,282	2,549,898	3,075,966
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	1,466,354	197,147	1,663,501	1,019,620
Undistributed Receipts	175,893	--	175,893	--
Accrued Liabilities	350,509	71,331	421,840	72,297
Due to Other Governments	55,475	--	55,475	--
Accrued Interest	27,213	--	27,213	28,869
Unearned Revenue	3,946,600	--	3,946,600	1,730,001
Current Portion of Compensated Absences	153,963	21,124	175,087	222,572
Current Portion of Long-term Debt	850,000	--	850,000	750,711
Total Current Liabilities	7,026,007	289,602	7,315,609	3,824,070
<i>Noncurrent Liabilities</i>				
Advances from Other Governmental Units	--	--	--	330,698
Compensated Absences	312,591	35,221	347,812	1,129
Long-term Debt	1,760,000	--	1,760,000	6,905,055
Net OPEB Liability	1,034,704	--	1,034,704	1,231,496
Net Pension Liability	4,641,302	585,389	5,226,691	8,794,086
Total Liabilities	14,774,604	910,212	15,684,816	21,086,534
DEFERRED INFLOWS OF RESOURCES				
OPEB Related	895,028	--	895,028	883,103
Pension Related	2,503,729	315,786	2,819,515	1,929,243
Total Deferred Inflows of Resources	3,398,757	315,786	3,714,543	2,812,346
NET POSITION				
Net Investment in Capital Assets	3,532,633	1,831,143	5,363,776	53,408,944
<i>Restricted for:</i>				
Restricted	3,676,327	--	3,676,327	6,856,142
<i>Unrestricted</i>	12,374,078	16,002,025	28,376,103	(2,226,648)
Total Net Position	\$ 19,583,038	\$ 17,833,168	\$ 37,416,206	\$ 58,038,438

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

Montcalm County
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
Public Safety	\$ 6,811,099	\$ 907,006	\$ 524,265	\$ --	\$ (5,379,828)	\$ --	\$ (5,379,828)	\$ --
Public Works	3,496,122	360,857	--	--	(3,135,265)	--	(3,135,265)	--
Health and Welfare	3,672,472	123,048	681,684	--	(2,867,740)	--	(2,867,740)	--
Community and Economic Development	667,418	1,069,377	43,065	--	445,024	--	445,024	--
General Government	6,200,546	2,251,232	8,470,676	--	4,521,362	--	4,521,362	--
Recreation and Culture	2,486,972	24,985	--	--	(2,461,987)	--	(2,461,987)	--
Interest on Long-term Debt	108,443	--	--	--	(108,443)	--	(108,443)	--
Judicial	4,704,217	1,016,130	1,049,056	--	(2,639,031)	--	(2,639,031)	--
Total Governmental Activities	28,147,289	5,752,635	10,768,746	--	(11,625,908)	--	(11,625,908)	--
Business-type Activities:								
Ambulance	5,601,712	5,184,870	82,955	--	--	(333,887)	(333,887)	--
Delinquent Tax Revolving	576,472	1,200,177	66,211	--	--	689,916	689,916	--
Inmate Commissary	24,887	65,046	--	--	--	40,159	40,159	--
Building Official	582,517	771,600	9,650	--	--	198,733	198,733	--
PRE Audit	20,214	23,991	--	--	--	3,777	3,777	--
Total Business-type Activities	6,805,802	7,245,684	158,816	--	--	598,698	598,698	--
Total Primary Government	\$ 34,953,091	\$ 12,998,319	\$ 10,927,562	\$ --	(11,625,908)	598,698	(11,027,210)	--
Component Units								
Central Dispatch Authority	\$ 1,185,184	\$ 11,785	\$ 30,489	\$ 23,845	--	--	--	(1,119,065)
Road Commission	15,275,658	2,401,790	11,304,804	7,028,690	--	--	--	5,459,626
Drain Commission	3,019,011	1,914,521	782,798	81,941	--	--	--	(239,751)
Housing Commission (12/31/21)	1,263,549	140,780	1,130,229	--	--	--	--	7,460
Brownfield Redevelopment Authority	3,181	3,181	--	--	--	--	--	--
Total Component Units	\$ 20,746,583	\$ 4,472,057	\$ 13,248,320	\$ 7,134,476	--	--	--	4,108,270
General Purpose Revenues and Transfers:								
Revenues								
Intergovernmental					1,325,051	--	1,325,051	--
Property Taxes					15,230,431	844	15,231,275	--
Interest Income					124,025	51,969	175,994	48,728
Gain (Loss) on Disposal of Capital Assets					(40,180)	--	(40,180)	178,139
Other Revenue					--	--	--	5,126
State and Local Surcharges					--	--	--	1,861,002
Transfers					21,465	(21,465)	--	--
Total General Revenues and Transfers					16,660,792	31,348	16,692,140	2,092,995
Change in Net Position					5,034,884	630,046	5,664,930	6,201,265
Net Position at Beginning of Period					14,548,154	17,203,122	31,751,276	51,837,173
Net Position at End of Period					\$ 19,583,038	\$ 17,833,168	\$ 37,416,206	\$ 58,038,438

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

Montcalm County
Balance Sheet
Governmental Funds
September 30, 2022

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 20,796,950	\$ 4,615,138	\$ 25,412,088
Receivables, Net	154,479	142,350	296,829
Taxes Receivable	1,894,321	--	1,894,321
Due from Other Governments	362,307	208,407	570,714
Prepays	211,066	58,741	269,807
Due from Other Funds	4,211	--	4,211
<i>Total Assets</i>	<u>\$ 23,423,334</u>	<u>\$ 5,024,636</u>	<u>\$ 28,447,970</u>
LIABILITIES			
Accounts Payable	\$ 660,515	\$ 649,684	\$ 1,310,199
Undistributed Receipts	175,893	--	175,893
Accrued Liabilities	123,282	43,627	166,909
Due to Other Governments	--	55,475	55,475
Unearned Revenue	3,946,600	--	3,946,600
Due to Other Funds	--	4,211	4,211
<i>Total Liabilities</i>	<u>4,906,290</u>	<u>752,997</u>	<u>5,659,287</u>
FUND BALANCE			
Nonspendable	211,066	58,741	269,807
Restricted	--	3,617,586	3,617,586
Committed	231,259	595,312	826,571
Assigned	3,000,000	--	3,000,000
Unassigned	15,074,719	--	15,074,719
<i>Total Fund Balance</i>	<u>18,517,044</u>	<u>4,271,639</u>	<u>22,788,683</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 23,423,334</u>	<u>\$ 5,024,636</u>	<u>\$ 28,447,970</u>

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

Montcalm County
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2022

Total Fund Balance - Governmental Funds	\$ 22,788,683
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.	348,320
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(466,554)
Certain pension-related amounts, such as the net pension liability and the pension related deferrals, are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(5,200,295)
Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,666,520)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(27,213)
General government capital assets of \$27,384,994, net of accumulated depreciation of \$21,446,196, are not financial resources, and accordingly are not reported in the funds.	5,938,798
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents the sum of long-term installment debt payable of \$2,610,000 less unamortized costs of \$96,668.	(2,513,332)
Prepaid costs related to self-insurance programs do not represent current period costs and, therefore, are not reported in the funds. This increase to prepaid items represents the self-insured retention balance as of year-end.	381,151
Total Net Position - Governmental Funds	\$ <u>19,583,038</u>

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

Montcalm County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 9,515,470	\$ 5,714,961	\$ 15,230,431
Licenses and Permits	113,662	42,599	156,261
Intergovernmental	8,641,044	3,514,801	12,155,845
Charges for Services	3,457,254	562,505	4,019,759
Fines and Forfeitures	16,513	6,500	23,013
Interest and Rents	120,949	920,471	1,041,420
Local Contributions	--	148,895	148,895
Other Revenue	217,631	86,078	303,709
Total Revenues	22,082,523	10,996,810	33,079,333
Expenditures			
General Government	5,484,459	207,332	5,691,791
Judicial	2,762,902	1,938,127	4,701,029
Public Safety	4,827,472	1,856,618	6,684,090
Public Works	3,119,558	376,239	3,495,797
Health and Welfare	1,983,830	1,663,401	3,647,231
Community and Economic Development	304,146	362,809	666,955
Recreation and Culture	632,693	1,845,338	2,478,031
Capital Outlay	--	1,812,949	1,812,949
Debt Service - Interest	--	83,655	83,655
Debt Service - Principal	--	830,000	830,000
Total Expenditures	19,115,060	10,976,468	30,091,528
Excess of Revenues Over (Under) Expenditures	2,967,463	20,342	2,987,805
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	27,781	--	27,781
Transfers In	81,912	751,478	833,390
Transfers Out	(729,058)	(158,867)	(887,925)
Net Other Financing Sources (Uses)	(619,365)	592,611	(26,754)
Net Change in Fund Balance	2,348,098	612,953	2,961,051
Fund Balance at Beginning of Period	16,168,946	3,658,686	19,827,632
Fund Balance at End of Period	\$ 18,517,044	\$ 4,271,639	\$ 22,788,683

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

Montcalm County
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended September 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 2,961,051
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund	(158,375)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in compensated absences during the year.	(19,245)
Changes to the net pension liability, and the pension related deferrals, are not shown in the fund financial statements.	113,148
Other post employment benefits are expensed in the statement of activities when incurred. However, if they are not to be paid using current financial resources, they are not recorded in the fund statements. This represents the change in other post employment benefits for the year.	(19,407)
Governmental fund 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 depreciation expense of \$930,066 and net disposal of capital assets of \$40,183 is exceeded by capital outlay expenditures of \$2,309,934 during the year.	1,339,685
Changes to accrued interest are not shown in the fund financial statements.	7,435
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the amount by which principal payments on long-term debt of \$830,000 less deferred charge on bond refunding of \$32,223.	797,777
Changes in the self-insured retention balance and incurred but not reported do not require use of current financial resources and, therefore, are not reported as expenditures in the	12,815
Changes in Net Position - Governmental Funds	\$ <u>5,034,884</u>

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

Montcalm County
Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Ambulance	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
<i>Current Assets</i>					
Cash and Investments	\$ 5,638,812	\$ 6,676,085	\$ 1,380,213	\$ 13,695,110	\$ 292,240
Receivables, Net	577,279	61,681	--	638,960	--
Taxes Receivable	--	2,567,095	--	2,567,095	--
Due from Other Governments	22,781	--	--	22,781	--
Inventory	--	--	--	--	105,780
Prepays	24,933	30,267	3,594	58,794	9,205
Total Current Assets	6,263,805	9,335,128	1,383,807	16,982,740	407,225
<i>Noncurrent Assets</i>					
Capital Assets being Depreciated	1,783,542	--	47,602	1,831,144	203,835
Total Assets	8,047,347	9,335,128	1,431,409	18,813,884	611,060
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related	245,282	--	--	245,282	--
Total Deferred Outflows of Resources	245,282	--	--	245,282	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	70,095	123,226	3,826	197,147	156,155
Accrued Liabilities	63,435	--	7,896	71,331	106,585
Current Portion of Compensated Absences	21,124	--	--	21,124	--
Total Current Liabilities	154,654	123,226	11,722	289,602	262,740
<i>Noncurrent Liabilities</i>					
Compensated Absences	31,130	--	4,091	35,221	--
Net Pension Liability	585,389	--	--	585,389	--
Total Liabilities	771,173	123,226	15,813	910,212	262,740
DEFERRED INFLOWS OF RESOURCES					
Pension Related	315,786	--	--	315,786	--
Total Deferred Inflows of Resources	315,786	--	--	315,786	--
NET POSITION					
Net Investment in Capital Assets	1,783,542	--	47,601	1,831,143	203,835
<i>Unrestricted</i>	5,422,128	9,211,902	1,367,995	16,002,025	144,485
Total Net Position	\$ 7,205,670	\$ 9,211,902	\$ 1,415,596	\$ 17,833,168	\$ 348,320

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

Montcalm County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Ambulance	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
Operating Revenues					
Charges for Services	\$ 5,210,759	\$ 621,071	\$ 836,646	\$ 6,668,476	\$ 829,439
Penalties and Interest on Delinquent Taxes	--	527,872	23,991	551,863	--
Employer Contributions	--	--	--	--	870,121
Total Operating Revenues	5,210,759	1,148,943	860,637	7,220,339	1,699,560
Operating Expenses					
Personnel Services	3,984,870	--	468,561	4,453,431	202,313
Purchases of Goods and Services	982,659	576,472	151,312	1,710,443	777,737
Depreciation	634,183	--	7,745	641,928	11,891
Participant Benefits	--	--	--	--	939,996
Administrative Expense	--	--	--	--	1,998
Total Operating Expenses	5,601,712	576,472	627,618	6,805,802	1,933,935
Operating Income (Loss)	(390,953)	572,471	233,019	414,537	(234,375)
Non-Operating Revenues (Expenses)					
Property Taxes	1,559	--	--	1,559	--
Intergovernmental	--	--	9,650	9,650	--
Interest Income	20,472	31,471	30	51,973	--
Other Revenue	92,229	117,445	--	209,674	--
Gain (Loss) on Disposal of Capital Assets	(35,882)	--	--	(35,882)	--
Net Non-Operating Revenues (Expenses)	78,378	148,916	9,680	236,974	--
Income Before Contributions and Transfers	(312,575)	721,387	242,699	651,511	(234,375)
Transfers In	--	--	--	--	76,000
Transfers Out	--	--	(21,465)	(21,465)	--
Change In Net Position	(312,575)	721,387	221,234	630,046	(158,375)
<i>Net Position at Beginning of Period</i>	<i>7,518,245</i>	<i>8,490,515</i>	<i>1,194,362</i>	<i>17,203,122</i>	<i>506,695</i>
Net Position at End of Period	\$ 7,205,670	\$ 9,211,902	\$ 1,415,596	\$ 17,833,168	\$ 348,320

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

Montcalm County
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Ambulance	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total Enterprise Funds	
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 5,069,449	\$ 725,514	\$ 836,646	\$ 6,631,609	\$ 810,877
Cash Received from Interfund Services	--	--	--	--	905,182
Cash Payments for Goods and Services	(1,145,501)	(519,368)	(165,811)	(1,830,680)	(753,675)
Cash Received to Purchase Delinquent Taxes	--	493,858	23,991	517,849	--
Cash Payments to Employees	(3,821,922)	--	(476,190)	(4,298,112)	(1,155,116)
Net Cash Provided (Used) by Operating Activities	102,026	700,004	218,636	1,020,666	(192,732)
Cash Flows from Noncapital Financing Activities					
Property Taxes	1,559	--	--	1,559	--
Intergovernmental	--	--	9,650	9,650	--
Other Revenue	92,229	117,445	--	209,674	--
Net Transfers	--	--	(21,465)	(21,465)	76,000
Net Cash Provided (Used) by Noncapital Financing Activities	93,788	117,445	(11,815)	199,418	76,000
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid on Long-term Debt	--	--	--	--	--
Sale of Capital Assets	(35,882)	--	--	(35,882)	--
Purchase of Capital Assets	(999,011)	--	--	(999,011)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,034,893)	--	--	(1,034,893)	--
Cash Flows from Investing Activities					
Interest Income	20,473	31,471	30	51,974	--
Net Cash Provided by Investing Activities	20,473	31,471	30	51,974	--
Net Increase in Cash and Investments	(818,606)	848,920	206,851	237,165	(116,732)
<i>Cash and Investments - Beginning of Year</i>	<i>6,457,418</i>	<i>5,827,165</i>	<i>1,173,362</i>	<i>13,457,945</i>	<i>408,972</i>
<i>Cash and Investments - End of Year</i>	<i>\$ 5,638,812</i>	<i>\$ 6,676,085</i>	<i>\$ 1,380,213</i>	<i>\$ 13,695,110</i>	<i>\$ 292,240</i>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (390,953)	\$ 572,471	\$ 233,019	\$ 414,537	\$ (234,375)
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	634,183	--	7,745	641,928	11,891
Changes in Assets, Liabilities, and Deferrals					
Receivables, Net	(135,479)	104,443	--	(31,036)	--
Taxes Receivable	--	(34,014)	--	(34,014)	--
Prepays	(24,933)	(30,267)	(3,594)	(58,794)	(9,205)
Due from Other Governments	(5,831)	--	--	(5,831)	16,499
Inventory	--	--	--	--	(51,463)
Accounts Payable	(53,348)	87,371	1,009	35,032	73,921
Accrued Liabilities	(84,561)	--	(11,914)	(96,475)	--
Net Pension Liability and Related Deferrals	153,253	--	--	153,253	--
Compensated Absences	9,695	--	(7,629)	2,066	--
Net Cash Provided (Used) by Operating Activities	\$ 102,026	\$ 700,004	\$ 218,636	\$ 1,020,666	\$ (192,732)

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

Montcalm County
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 8,330,529
<i>Total Assets</i>	<u>8,330,529</u>
LIABILITIES	
Undistributed Receipts	290,545
Due to Other Governments	4,622,367
<i>Total Liabilities</i>	<u>4,912,912</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 3,417,617</u></u>

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

Montcalm County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2022

	<u>Custodial Funds</u>
Additions	
Inmate Trust Collections	\$ 216
Taxes Collected for Other Governments	16,377,867
Library Penal Fine Collections	416,681
Court Collections	--
County Clerk/Register of Deeds Collections	1,515,471
Treasurer Collections	15,572,672
Total Additions	<u>33,882,907</u>
Deductions	
Payments of Property Taxes to Other Governments	16,377,867
Library Penal Fines Distributions	357,990
Inmate Trust Distributions	216
Court Distributions	--
County Clerk and Register of Deeds Distributions	1,515,471
Treasurer Distributions	12,213,746
Total Deductions	<u>30,465,290</u>
Change in Net Position	<u>3,417,617</u>
<i>Net Position at Beginning of Period</i>	--
Net Position at End of Period	<u>\$ 3,417,617</u>

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

Montcalm County
Combining Statement of Net Position
Component Units
September 30, 2022

	Central Dispatch Authority	Road Commission	Drain Commission	Housing Commission (12/31/21)	Brownfield Redevelopment Authority	Total Component Units
ASSETS						
<i>Current Assets</i>						
Cash and Investments	\$ 848,175	\$ 2,334,972	\$ 2,736,872	\$ 201,527	\$ --	\$ 6,121,546
Receivables, Net	429,554	3,601,707	16,103	6,986	--	4,054,350
Special Assessments Receivable	--	--	2,955,781	--	--	2,955,781
Due from Other Governments	30,781	--	--	--	--	30,781
Inventory	--	1,251,262	--	--	--	1,251,262
Prepays	116,344	316,573	--	7,299	--	440,216
Total Current Assets	1,424,854	7,504,514	5,708,756	215,812	--	14,853,936
<i>Noncurrent Assets</i>						
Restricted Cash	--	2,803,045	102,000	37,661	--	2,942,706
Capital Assets not being Depreciated	--	7,035,560	--	99,459	--	7,135,019
Capital Assets being Depreciated	424,781	45,843,365	7,219,147	442,398	--	53,929,691
Total Assets	1,849,635	63,186,484	13,029,903	795,330	--	78,861,352
DEFERRED OUTFLOWS OF RESOURCES						
OPEB Related	267,606	2,176,593	--	--	--	2,444,199
Pension Related	322,166	309,601	--	--	--	631,767
Total Deferred Outflows of Resources	589,772	2,486,194	--	--	--	3,075,966
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	20,968	877,701	77,027	43,924	--	1,019,620
Accrued Liabilities	--	30,625	--	41,672	--	72,297
Accrued Interest	--	--	28,869	--	--	28,869
Unearned Revenue	--	1,730,001	--	--	--	1,730,001
Current Portion of Compensated Absences	41,675	176,949	--	3,948	--	222,572
Current Portion of Long-term Debt	--	566,111	184,600	--	--	750,711
Total Current Liabilities	62,643	3,381,387	290,496	89,544	--	3,824,070
<i>Noncurrent Liabilities</i>						
Advances from Other Governmental Units	--	330,698	--	--	--	330,698
Compensated Absences	--	--	--	1,129	--	1,129
Long-term Debt	--	3,788,333	3,116,722	--	--	6,905,055
Net OPEB Liability	521,736	709,760	--	--	--	1,231,496
Net Pension Liability	513,268	8,280,818	--	--	--	8,794,086
Total Liabilities	1,097,647	16,490,996	3,407,218	90,673	--	21,086,534
DEFERRED INFLOWS OF RESOURCES						
OPEB Related	296,788	586,315	--	--	--	883,103
Pension Related	732,660	1,196,583	--	--	--	1,929,243
Total Deferred Inflows of Resources	1,029,448	1,782,898	--	--	--	2,812,346
NET POSITION						
Net Investment in Capital Assets	424,781	48,524,481	3,917,825	541,857	--	53,408,944
<i>Restricted for:</i>						
Public Safety	40,577	--	--	--	--	40,577
Roads	--	1,073,044	--	--	--	1,073,044
Drains	--	--	5,704,860	--	--	5,704,860
Housing	--	--	--	37,661	--	37,661
<i>Unrestricted</i>	(153,046)	(2,198,741)	--	125,139	--	(2,226,648)
Total Net Position	\$ 312,312	\$ 47,398,784	\$ 9,622,685	\$ 704,657	\$ --	\$ 58,038,438

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

Montcalm County
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2022

	Central Dispatch Authority	Road Commission	Drain Commission	Housing Commission (12/31/21)	Brownfield Redevelopment Authority	Total Component Units
Expenses						
Brownfield Redevelopment Authority	\$ --	\$ --	\$ --	\$ --	\$ 3,181	\$ 3,181
Central Dispatch Authority	1,185,184	--	--	--	--	1,185,184
Road Commission	--	15,275,658	--	--	--	15,275,658
Drain Commission	--	--	3,019,011	--	--	3,019,011
Housing Commission	--	--	--	1,263,549	--	1,263,549
Total Expenses	1,185,184	15,275,658	3,019,011	1,263,549	3,181	20,746,583
Program Revenues						
Charges for services	11,785	2,401,790	1,914,521	140,780	3,181	4,472,057
Operating grants and contributions	30,489	11,304,804	782,798	1,130,229	--	13,248,320
Capital grants and contributions	23,845	7,028,690	81,941	--	--	7,134,476
Total Program Revenues	66,119	20,735,284	2,779,260	1,271,009	3,181	24,854,853
Net Program Revenues (Expenses)	(1,119,065)	5,459,626	(239,751)	7,460	--	4,108,270
General Revenue						
State and Local Surcharges	1,861,002	--	--	--	--	1,861,002
Interest Income	2,925	45,802	1	--	--	48,728
Other Revenue	--	--	--	5,126	--	5,126
Gain (Loss) on Disposal of Capital Assets	--	178,139	--	--	--	178,139
Total General Revenues	1,863,927	223,941	1	5,126	--	2,092,995
Change in Net Position	744,862	5,683,567	(239,750)	12,586	--	6,201,265
<i>Net Position at Beginning of Period</i>	<i>(432,550)</i>	<i>41,715,217</i>	<i>9,862,435</i>	<i>692,071</i>	<i>--</i>	<i>51,837,173</i>
Net Position at End of Period	\$ 312,312	\$ 47,398,784	\$ 9,622,685	\$ 704,657	\$ --	\$ 58,038,438

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

NOTES TO FINANCIAL STATEMENTS

Montcalm County

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

Montcalm County (the “County” or “government”) was incorporated in 1850 and covers an area of approximately 710 square miles with the County seat located in the City of Stanton. The County operates under a nine-member elected Board of Commissioners and provides a variety of services to its residents including: law enforcement, administration, community and economic development, culture and recreation, and human services.

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is 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.

Blended Component Unit

The Building Authority is governed by a three-member board appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County’s public buildings. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of capital assets for the County only. The bonds are secured by lease agreements with the County and will be retired through lease payments from the County. It is reported as a debt service and a capital projects fund. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Montcalm County Drain Commission (the “Drain Commission”) – All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may

Montcalm County

Notes to the Financial Statements

be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, as defined by GAAP, and accordingly is disclosed as a component unit.

Montcalm County Central Dispatch Authority (the “Authority”) – The Authority was established by resolution by the County Board of Commissioners. It establishes policy and reviews operations of the E-911 service for the County Board of Commissioners. The Authority is governed by a nine-member board. The Authority Board consists of three members appointed by the Montcalm County Board of Commissioners, one member representing the Montcalm Township Association, and two members from the City of Greenville. The three statutory representatives are appointed by the Sheriff, the Fire Chief, and the Michigan State Police. The Authority can set its own budget and issue debt. Inasmuch as the Authority participates in pooled cash and has employees in the County defined benefit pension and OPEB plans, the Authority has been included as a component unit of the County on the misleading to exclude criteria. The Authority is presented as a proprietary fund type. The component unit is audited separately from the County and complete financial statements may be obtained from the Authority’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Authority in these financial statements.

Montcalm County Road Commission (the “Road Commission”) – The Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission’s operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the County Board of Commissioners, which is deemed to provide the County with effective control over the Road Commission. The component unit is audited separately from the County and complete financial statements may be obtained from the Road Commission’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Montcalm Housing Commission (the “Housing Commission”) – The Housing Commission, which was established pursuant to Public Act 18 of 1933, as amended, consists of five members who are appointed by the County Board of Commissioners. Because the County may remove commission members, it is deemed to have the ability to impose its will on the entity. The Housing Commission is presented in the accompanying financial statements on its fiscal year end of December 31. The component unit is audited separately from the County and complete financial statements may be obtained from the Housing Commission’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Housing Commission in these financial statements.

Montcalm County Brownfield Redevelopment Authority - Brownfield Redevelopment Authority (the Authority) was created by the County under the provisions of State of Michigan Public Act 381 of 1996, as amended. The purpose of the Authority is to promote the revitalization of environmentally distressed areas and/or functionally obsolete properties within the boundaries of the County. The Authority Board members are from the general public. The Authority is a

Montcalm County
Notes to the Financial Statements

legally separate entity. Separate financial statements for the Authority are not prepared and are not available.

Joint Venture

Mid-Michigan District Health Department (the "Department") - The County is a member of the Mid-Michigan District Health Department which is a joint venture between Montcalm, Clinton, and Gratiot counties. Each unit appoints two of the six members to the governing Board. The Department has responsibility for preparing the annual budget (which is approved by each County) and to carry out all activities of the Department. The County is responsible to fund 36% of the required local contribution to cover operational costs. For the year ended September 30, 2022, the County contributed \$434,417 to cover its share of operational costs. The County Treasurer holds certain investment accounts of the Department in a fiduciary capacity. Such amounts are reported in the accompanying financial statements as a custodial fund. Separate audited financial statements for the Department are available at its administrative offices.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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 certain 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*.

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.

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

Montcalm County

Notes to the Financial Statements

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. Custodial funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, custodial funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when 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. The County considers revenues reported in the governmental funds to be available if they are collected within 60 days of year-end with the exception of reimbursement-based grants that use a one year collection period and property taxes. Property taxes for the County are levied and payable within the current fiscal year are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving Fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of sixty days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

The *delinquent tax revolving fund* accounts for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the County's general fund, the respective amount of taxes that are not collected as of March 1 of each year.

Montcalm County

Notes to the Financial Statements

The ambulance fund accounts for emergency medical services provided. Services are financed primarily by insurance revenue and user charges which are expected to cover the cost of providing these activities.

Additionally, the County 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 that comprise, or are expected to comprise a substantial portion of the fund's total reported inflows.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs.

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.

The *permanent fund* accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

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.

Internal service funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. This includes an office equipment pool and costs for retiree healthcare and pension benefits.

The *pension trust fund* account for the accumulation of resources to be used for retirement annuity payments to eligible full-time employees of the County.

Custodial funds account for resources held in a trustee or agent capacity.

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.

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

Montcalm County
Notes to the Financial Statements

principal operating revenues of the County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

Restricted net position represents amounts that are subject to restrictions beyond the County's control.

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

Deposits and Investments

The County maintains a cash and investment pool. Each participating fund's portion of the pool is readily identifiable and available on-demand. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase, are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Montcalm County

Notes to the Financial Statements

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.”

Property taxes receivable in the delinquent tax revolving fund represent unpaid balances from the previous years' levies for the County itself as well as other local taxing authorities in the County's geographical region. The County is responsible for pursuing and administering collection of these balances and coordinating the forfeiture and foreclosure activities for the related parcels. This process takes place over a three-year period. Interest at 1% per month (increased to 1.5% after 12 months, retroactive to the date of delinquency) and administrative fees at 4% are accrued in accordance with State statute. No amounts have been included in an allowance for uncollectible balances, as the structure of the delinquent tax revolving fund has been designed to make the fund whole either through the eventual auction of the foreclosed parcels or through chargebacks to the local taxing authorities initially levying the taxes.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Inventories and Prepaids

Inventory of the Road Commission component unit consists of various operating parts, supplies, and road material, and the cost is recognized using the consumption method (inventories recorded as expenses when they are used). Inventories are priced at cost as determined on the average cost valuation method.

Montcalm County
Notes to the Financial Statements

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since June 30, 1980), 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 having a useful life in excess of one year and whose costs exceed \$5,000. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at estimated acquisition value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

	<u>Years</u>
Land Improvements	10
Buildings and Additions	10 - 25
Equipment, Furniture, and Vehicles	4 - 10
Drain Infrastructure	50

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

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 for contributions subsequent to the measurement period and changes in expected and actual investment returns, assumptions, and benefits provided in its pension plans and other postemployment benefits as well as for the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Montcalm County
Notes to the Financial Statements

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused sick and vacation time, subject to certain limitations. Vacation time is earned based on each employee's anniversary date and it paid out 100% at retirement or termination. Sick time accrued up to a maximum of 720 hours and is paid out at 25% or 50%, based on bargaining unit. A vesting period of 8-10 applies to most bargaining units. A liability for these amounts is reported in governmental funds only if they 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 are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

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 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.

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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows in the proprietary and government-wide statements relate to the County's defined benefit pension plan and other postemployment benefits. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Montcalm County

Notes to the Financial Statements

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.

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.

Fund Balance Policies

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. *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.

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 is authorized to assign fund balance. The Board of Commissioners may also assign

Montcalm County

Notes to the Financial Statements

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.

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the County. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

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 Municipal Employees Retirement System ("MERS") of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through March 31, 2023. The County is not aware of any subsequent events that would have a material effect on the financial statements.

Montcalm County

Notes to the Financial Statements

Note 2 - Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds, except as noted below. All annual appropriations lapse at year-end. The legal level of budgetary control is the activity level in the general fund and the functional level for special revenue funds.

All departments and budgetary centers of the County are required to submit budget requests to the County Administrator. The Administrator then develops and presents a proposed budget to the Board for review. The Board generally holds public hearings in August and a final budget is approved prior to September 30, the close of the County's fiscal year. Department heads are permitted to transfer funds between line items without Board approval (with the exception of personnel expenses, conference travel, and capital outlay).

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended September 30, 2022, the County had the following expenditures over final budget:

	<u>Final Amount Appropriated</u>	<u>Actual Amount</u>	<u>Budget Variance</u>
Public Safety			
Traffic and Safety Program	\$ 89,170	\$ 90,443	\$ (1,273)
Health and Welfare			
Medical Examiner	195,932	209,281	(13,349)

Montcalm County
Notes to the Financial Statements

Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and Investments	\$ 39,399,438	\$ 6,121,546	\$ 45,520,984
Restricted Cash	-	2,942,706	2,942,706
Statement of Fiduciary Assets and Liabilities			
Cash and Investments	8,330,529	-	8,330,529
Total Deposits and Investments	<u>47,729,967</u>	<u>9,064,252</u>	<u>56,794,219</u>
Less Component Units Separately Audited			
Central Dispatch Authority	-	(848,175)	(848,175)
Road Commission	-	(5,138,017)	(5,138,017)
Housing Commission (12/31/21)	-	(239,188)	(239,188)
Deposits and Investments Managed by the County Treasurer	<u>\$ 47,729,967</u>	<u>\$ 2,838,872</u>	<u>\$ 50,568,839</u>
Deposits and Investments			
Checking and Savings Accounts			\$ 21,178,791
Pooled Investments			29,387,774
Cash on Hand			2,274
Total Deposits and Investments			<u>\$ 50,568,839</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, \$33,905,299 of the County's bank balance of \$34,714,297 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. The County's entire investment balance of \$29,387,774 was invested in money market funds.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September

Montcalm County

Notes to the Financial Statements

30, 2022, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County or the Plan.

Credit Risk. State law limits investments to specific government securities, certificates of deposit 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.

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension trust funds to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The retirement board has the responsibility and authority to oversee the investment portfolio. Two professional investment managers are contracted to assist in managing the pension trust fund's assets. All investment decisions are subject to Michigan law and the investment policy established by the retirement board.

Credit risk ratings (Standard and Poor's), where applicable, are summarized as follows: AAAM for the entire investment balance of \$29,387,774.

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 and Pension Trust investment policies do not have specific limits in excess of state law on investment 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 for the entire investment balance of \$29,387,774.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. 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. The County and Pension Trust's investment policies do not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

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.

Montcalm County
Notes to the Financial Statements

The County has the following recurring fair value measurements as of September 30, 2022:

- Michigan Cooperative Liquid Assets Securities System, with a balance of \$29,387,774, which invests primarily in Level 2 investments.

Restricted Cash - Repair, Replacement, and Improvement Fund

The Sidney Township Sewage Disposal Bonds, Series 2010, carry a requirement to maintain a Repair, Replacement, and Improvement Fund within the Drains Commission, a discretely presented component unit of the County. The amount of \$8,500 shall be deposited annually. Moneys deposited in the fund may be withdrawn to pay the cost of emergency maintenance of the original project, extensions to the original project facilities, and replacement of the original project assets having useful lives ending prior to the final maturity of the bonds. As of September 30, 2022, the total amount within the Repair, Replacement, and Improvement Fund was \$102,000.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2022 for governmental and business-type activities were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 76,656	\$ -	\$ -	\$ 76,656
Construction in Progress	-	513,154	-	513,154
	<u>76,656</u>	<u>513,154</u>	<u>-</u>	<u>589,810</u>
Capital Assets, being Depreciated				
Land Improvements	133,640	35,539	-	169,179
Buildings and Additions	23,173,927	801,678	-	23,975,605
Equipment and Furniture	1,127,789	329,805	31,389	1,426,205
Vehicles	1,067,759	629,758	235,507	1,462,010
	<u>25,503,115</u>	<u>1,796,780</u>	<u>266,896</u>	<u>27,032,999</u>
Less Accumulated Depreciation For:				
Land Improvements	14,385	15,166	-	29,551
Buildings and Additions	19,149,256	674,193	-	19,823,449
Equipment and Furniture	866,858	98,555	31,389	934,024
Vehicles	734,433	154,043	195,324	693,152
	<u>20,764,932</u>	<u>941,957</u>	<u>226,713</u>	<u>21,480,176</u>
Total Capital Assets being Depreciated, Net	<u>4,738,183</u>	<u>854,823</u>	<u>40,183.00</u>	<u>5,552,823</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 4,814,839</u>	<u>\$ 1,367,977</u>	<u>\$ 40,183</u>	<u>\$ 6,142,633</u>

Montcalm County
Notes to the Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital Assets, being Depreciated				
Buildings and Additions	\$ 443,908	\$ -	\$ -	\$ 443,908
Equipment and Furniture	1,404,936	14,500	(269,280)	1,150,156
Vehicles	2,143,320	1,000,676	(129,219)	3,014,777
	<u>3,992,164</u>	<u>1,015,176</u>	<u>(398,499)</u>	<u>4,608,841</u>
Less Accumulated Depreciation For:				
Buildings and Additions	363,563	22,570	-	386,133
Equipment and Furniture	899,234	153,897	(226,876)	826,255
Vehicles	1,232,440	462,089	(129,219)	1,565,310
	<u>2,495,237</u>	<u>638,556</u>	<u>(356,095)</u>	<u>2,777,698</u>
Total Capital Assets being Depreciated, Net	<u>1,496,927</u>	<u>376,620</u>	<u>(42,404)</u>	<u>1,831,143</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 1,496,927</u>	<u>\$ 376,620</u>	<u>\$ (42,404)</u>	<u>\$ 1,831,143</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Depreciation of Governmental
Activities By Function**

General Government	\$405,762
Public Safety	499,294
Health and Welfare	16,084
Recreation and Culture	8,926
Fuel Station Internal Service Fund	<u>11,891</u>

**Total Depreciation Expense -
Governmental Activities**

\$ 941,957

**Depreciation of Business-type
Activities By Function**

Ambulance	\$630,811
Building Official	<u>7,745</u>

**Total Depreciation Expense -
Business-type Activities**

\$ 638,556

Montcalm County
Notes to the Financial Statements

Capital asset activity for the drain commission (a discretely presented component unit) for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Drain Commission				
Capital Assets, being Depreciated				
Drain Infrastructure	\$ 10,062,748	\$ -	\$ -	\$ 10,062,748
Equipment	86,348	-	-	86,348
Vehicles	41,381	-	-	41,381
	<u>10,190,477</u>	<u>-</u>	<u>-</u>	<u>10,190,477</u>
Less Accumulated Depreciation For:				
Drain Infrastructure	2,687,953	247,307	-	2,935,260
Equipment	11,667	10,058	-	21,725
Vehicles	7,807	6,538	-	14,345
	<u>2,707,427</u>	<u>263,903</u>	<u>-</u>	<u>2,971,330</u>
Total Capital Assets being Depreciated, Net	<u>7,483,050</u>	<u>(263,903)</u>	<u>-</u>	<u>7,219,147</u>
Drain Commission				
Capital Assets, Net	<u>\$ 7,483,050</u>	<u>\$ (263,903)</u>	<u>\$ -</u>	<u>\$ 7,219,147</u>

Note 5 - Interfund Transfers

For the year ended September 30, 2022, interfund transfers consisted of the following:

	Transfer In	Transfer Out
General	\$ 81,912	\$ 729,058
Nonmajor Governmental Funds	751,478	98,420
Cemetery	-	60,447
Inmate Commissary	-	21,465
Office Equipment	61,000	-
OPEB	15,000	-
Drains Commission	156,081	156,081
	<u>\$ 1,065,471</u>	<u>\$ 1,065,471</u>

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.

Montcalm County
Notes to the Financial Statements

Note 6 - Long-term Debt

Long-term debt activity for the year ended September 30, 2022 for governmental activities, business-type activities, and the drain commission (discretely presented component unit) was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
General Obligation Bonds	\$ 3,440,000	\$ -	\$ (830,000)	\$ 2,610,000	\$ 850,000
Total Installment Debt	<u>3,440,000</u>	<u>-</u>	<u>(830,000)</u>	<u>2,610,000</u>	<u>850,000</u>
Compensated Absences	447,309	19,245	-	466,554	153,963
	<u>\$ 3,887,309</u>	<u>\$ 19,245</u>	<u>\$ (830,000)</u>	<u>\$ 3,076,554</u>	<u>\$ 1,003,963</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type Activities					
Compensated Absences	54,279	2,066	-	56,345	21,124
	<u>\$ 54,279</u>	<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ 56,345</u>	<u>\$ 21,124</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Drain Commission Component Unit					
General Obligation Bonds	<u>\$ 2,634,141</u>	<u>\$ 902,000</u>	<u>\$ (234,819)</u>	<u>\$ 3,301,322</u>	<u>\$ 184,600</u>

Montcalm County
Notes to the Financial Statements

For the governmental activities, compensated absences are generally liquidated by the general fund.

Governmental Activities

\$8,025,000 2015 Building Authority Refunding Bonds, due in annual installments of \$690,000 to \$890,000 plus interest ranging from 0.90% to 2.65%, payable semi-annually through May 1, 2025 \$ 2,610,000

Drain Commission Component Unit

\$1,151,000 2004 Duck Lake Drain District Bonds, Series A, due in annual installments of \$22,000 to \$45,000 plus interest at 4.50% payable semi-annually through March 1, 2034 \$ 300,000

\$539,000 2022 Drain Bonds, due in annual installments of \$27,000 plus interest ranging from 1.30% to 2.80% payable semi-annually through June 1, 2042 539,000

\$363,000 2022 Drain Note, due in annual installments of \$72,600 plus interest of 2.15% payable semi-annually through June 1, 2027 363,000

\$3,262,000 2010 Sidney Township Sewage Disposal Bonds due in annual installments ranging from \$87,000 to \$97,000 plus interest at 3.00% payable semi-annually through June 1, 2050 2,099,322

Total \$ 3,301,322

Debt service requirements to maturity for all installment debt of the County are as follows:

Year Ending September 30,	Governmental Activities			Drain Commission Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 850,000	\$ 65,310	\$ 915,310	\$ 184,600	\$ 116,248	\$ 300,848
2024	870,000	45,335	915,335	184,600	107,245	291,845
2025	890,000	23,585	913,585	186,600	101,585	288,185
2026	-	-	-	194,600	95,829	290,429
2027	-	-	-	196,600	89,771	286,371
2028-2032	-	-	-	654,000	370,156	1,024,156
2033-2037	-	-	-	588,000	251,079	839,079
2038-2042	-	-	-	524,000	161,651	685,651
2043-2047	-	-	-	390,000	82,100	472,100
2048-2050	-	-	-	198,322	16,416	214,738
	<u>\$ 2,610,000</u>	<u>\$ 134,230</u>	<u>\$ 2,744,230</u>	<u>\$ 3,301,322</u>	<u>\$ 1,392,080</u>	<u>\$ 4,693,402</u>

Note 7 - Risk Management

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

Montcalm County

Notes to the Financial Statements

used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

The Authority 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 the Authority. In the event that the County incurs loss in excess of the resources available, the Authority as a whole (i.e. all constituent municipalities) is liable for the excess. In the event that the Authority's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific Authority'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.

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.

Montcalm County
Notes to the Financial Statements

Note 8 - Fund Balances - Governmental Funds

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Nonmajor Governmental Funds	Totals
Nonspendable			
Prepaid Expenditures	\$ 211,066	\$ 58,741	\$ 269,807
	<u>211,066</u>	<u>58,741</u>	<u>269,807</u>
Restricted			
Register of Deeds Automation	-	164,975	164,975
Law Enforcement	-	1,463,582	1,463,582
Libraries	-	144,567	144,567
Housing Rehabilitation Programs	-	41,971	41,971
Soldiers, Sailors, and Veterans Assistance	-	573,118	573,118
Animal Shelter	-	61,136	61,136
Capital Improvements (Unexpended Bond Proceeds)	-	7,288	7,288
Other Purposes	-	1,160,949	1,160,949
	<u>-</u>	<u>3,617,586</u>	<u>3,617,586</u>
Committed			
Parks	16,580	58,193	74,773
Child Care	214,679	-	214,679
Solid Waste Planning	-	446,147	446,147
Capital Improvements	-	90,972	90,972
	<u>231,259</u>	<u>595,312</u>	<u>826,571</u>
Assigned			
Capital Improvements	3,000,000	-	3,000,000
Unassigned	<u>15,074,719</u>	<u>-</u>	<u>15,074,719</u>
Total Fund Balance - Governmental Funds	<u>\$ 18,517,044</u>	<u>\$ 4,271,639</u>	<u>\$ 22,788,683</u>

Montcalm County
Notes to the Financial Statements

Note 9 - Net Position

Restricted Net Position

The composition of the County's restricted net position as of September 30, 2022 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Restricted			
Register of Deeds Automation	\$ 164,975	\$ -	\$ -
Law Enforcement	1,463,582	-	-
Libraries	144,567	-	-
Housing Rehabilitation Programs	41,971	-	-
Public Safety	-	-	40,577
Housing Assistance Payments	-	-	37,661
Soldiers, Sailors, and Veterans Assistance	573,118	-	-
Roads	-	-	1,073,044
Drain Maintenance and Construction	-	-	5,931,192
Other Purposes	1,288,114	-	-
	<u>\$ 3,676,327</u>	<u>\$ -</u>	<u>\$ 7,082,474</u>

Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of September 30, 2022 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital Assets:			
Capital Assets not being Depreciated	\$ 589,810	\$ -	\$ 7,135,019
Capital Assets being Depreciated, Net	5,552,823	1,831,143	53,929,691
Total Capital Assets	<u>6,142,633</u>	<u>1,831,143</u>	<u>61,064,710</u>
Related Debt:			
Bonds and Notes Payable	(2,610,000)	-	(7,655,766)
Total Related Debt	<u>(2,610,000)</u>	<u>-</u>	<u>(7,655,766)</u>
Net Investment in Capital Assets	<u>\$ 3,532,633</u>	<u>\$ 1,831,143</u>	<u>\$ 53,408,944</u>

Montcalm County
Notes to the Financial Statements

Note 10 - Defined Benefit Pension Plan

General Information about the 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. Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service. Benefit multipliers range from 2.0% to 2.5%, based on bargaining unit. The Plan is closed to new employees except those in the FOP/COAM/POAM divisions.

Normal retirement age is 60 with 5 to 10 years of service (depending on division) or early (unreduced retirement) at 55 with 25 years of service for Officers/Sherriff. A reduced benefit is available age 50 with 25 years of service or age 55 with 15 years of service.

Employees Covered by Benefit Terms. At the December 31, 2021 valuation date, plan membership consisted of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefits	107
Inactive Employees Entitled to but Not Yet Receiving Benefits	26
Active Employees	<u>56</u>
Total Membership	<u>189</u>

Contributions. The contribution requirements of Plan members are established and may be amended by the County Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. The Board of Commissioners establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County's actuarially determined employer contribution for the plan for the year ended September 30, 2022 ranged from 11.64% to 28.25% of billable wages for the FOP, POAM, and COAM divisions and a flat monthly amount of \$31,164 for the closed divisions. Employees are required to contribute to the Plan at rates ranging from 3.50% to 11.20% depending on bargaining unit and hire date.

Net Pension Liability. The net pension liability reported at September 30, 2022 was determined using a measure of the total pension liability and the pension net position as of December 31, 2021.

Montcalm County

Notes to the Financial Statements

The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of December 31, 2021.

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

Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.00%

Although no specific price inflation assumptions are needed for the valuation, the 3% 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-2021 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 Allocation 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 was 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

Montcalm County

Notes to the Financial Statements

to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

Changes in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	\$ 32,788,586	\$ 26,030,209	\$ 6,758,377
Service Cost	471,524	-	471,524
Interest	2,429,142	-	2,429,142
Changes in Benefits	-	-	-
Differences Between Expected and Actual Experience	(1,010,920)	-	(1,010,920)
Changes in Actuarial Assumptions	1,193,348	-	1,193,348
Employer Contributions	-	747,541	(747,541)
Employee Contributions	-	293,698	(293,698)
Net Investment Income	-	3,615,023	(3,615,023)
Benefit Payments, Including Refunds	(2,123,902)	(2,123,902)	-
Administrative Expense	-	(41,480)	41,480
Other Changes	2		2
<i>Net Changes</i>	959,194	2,490,880	(1,531,686)
Balances at December 31, 2021	\$ 33,747,780	\$ 28,521,089	\$ 5,226,691
Allocated to:			
Governmental Activities			\$ 4,641,302
Business-type Activities			585,389
			\$ 5,226,691

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% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's Net Pension Liability	\$ 9,227,834	\$ 5,226,691	\$ 1,921,786

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

Montcalm County

Notes to the Financial Statements

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the plan year ended December 31, 2021, the County recognized a reduction of pension expense of \$934,701.

At September 30, 2022 the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 75,629	\$ 827,106
Changes in Assumptions	1,426,470	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,992,409
Contributions Subsequent to Measurement Date*	687,919	-
Total Deferred Outflows/Inflows of Resources	\$ 2,190,018	\$ 2,819,515
Allocated to:		
Governmental Activities	\$ 1,944,736	\$ 2,503,729
Business-type Activities	245,282	315,786
	\$ 2,190,018	\$ 2,819,515

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022.

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

Year Ended September 30,	Amount
2023	\$ 342,518
2024	(751,740)
2025	(572,305)
2026	(335,889)

Assumption and Method Change in 2022

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically adjusts the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. Full details of this dedicated gains policy are available in the Actuarial Policy found on the MERS website. Some goals of the dedicated gains policy are to:

- Provide a systematic approach to lower the assumed rate of investment return between experience studies, and

Montcalm County

Notes to the Financial Statements

- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first year after implementation (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

The dedicated gains policy has been implemented with the December 31, 2021 annual actuarial valuation. After initial application of the smoothing method, remaining market gains were used to lower the assumed rate of investment return from 7.35% to 7.00%. The December 31, 2021 valuation liabilities were developed using this new, lower assumption. Additionally, as a result of recognizing excess market gains, the valuation assets used to fund these liabilities are 7.2% higher than if there were no dedicated gain policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

Note 11 - Defined Contribution Retirement Plan

The County administers a defined contribution plan for all non-union and AFSCME employees hired after December 31, 2003 (and those employees that elected to transfer to the plan in 2004). The County contributes 5.0% of covered payroll to the Plan and employees contribute 3.5%-4.0%. County contributions for the fiscal year ended September 30, 2022 were \$463,837 while member contributions were \$290,128.

Note 12 - Postemployment Health Care Benefits

Plan Description. The Montcalm County Retiree Health Care Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by Montcalm County. The Plan provides certain health care benefits and life insurance, in accordance with union agreements and/or personnel policies to employees who have retired.

Benefits Provided and Contributions

The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. The required contribution is based on projected pay-as-you go financing requirements, with an additional amount to prefund benefits as determined annually by the County Board of Commissioners.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (September 30, 2022):

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to but Not Yet Receiving Benefits	7
Active Employees	46
Total Membership	55

Montcalm County
Notes to the Financial Statements

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2022 and a measurement date of September 30, 2022 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	Not applicable
Salary Increases	2.50%
Investment Rate of Return	N/A; plan is not prefunded
20-year Aa Municipal bond rate	4.77%
Mortality	Public General 2010 employee and healthy retiree, headcount weighted, with scale MP-2021

Discount Rate

The discount rate used to measure the total OPEB liability was 4.77%, a change from 2.43% from the prior year. Based on those assumptions, the retirement plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. The discount used to develop the beginning of year liability was 3.58% - the bond rate in effect at that time.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at September 30, 2021	\$ 1,349,673	\$ -	\$ 1,349,673
Service Cost	62,718	-	62,718
Interest	34,228	-	34,228
Differences Between Expected and Actual Experience	(81,078)	-	(81,078)
Changes in Actuarial Assumptions	(323,237)	-	(323,237)
Employer Contributions	-	7,600	(7,600)
Benefit Payments, Including Refunds	(7,600)	(7,600)	-
<i>Net Changes</i>	<u>(314,969)</u>	<u>-</u>	<u>(314,969)</u>
Balance at September 30, 2022	<u>\$ 1,034,704</u>	<u>\$ -</u>	<u>\$ 1,034,704</u>

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

Montcalm County

Notes to the Financial Statements

The following presents the net OPEB liability of the employer, calculated using the discount rate of 4.77%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
County's Net OPEB Liability	<u>\$ 1,140,633</u>	<u>\$ 1,034,704</u>	<u>\$ 940,143</u>

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

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate of 8.50%, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease	Current Trend	1% Increase
County's Net OPEB Liability	<u>\$ 832,908</u>	<u>\$ 1,034,704</u>	<u>\$ 1,271,124</u>

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$27,013. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 483,162
Changes in Assumptions	263,212	411,867
Total Deferred Outflows/Inflows of Resources	<u>\$ 263,212</u>	<u>\$ 895,029</u>

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

Montcalm County
Notes to the Financial Statements

Year Ended September 30,	Amount
2023	\$ (69,938)
2024	(69,938)
2025	(69,938)
2026	(69,938)
Thereafter	(352,065)

Note 13 - Contingent Liabilities

Federal Grant Programs. Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, 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 government expects such amounts, if any, to be immaterial.

Risk Management. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 14 - Tax Abatements

The County received reduced property tax revenues during the year as a result of industrial facilities tax exemptions (IFT's) and Tool and Die Recovery Zones ("Recovery Zones"). All other abatements were immaterial.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$78,265 in reduced County tax revenues for 2022.

The Recovery Zones were entered into under the Michigan Renaissance Zone Act, PA 376 of 1996 and have a duration of not less than five years and not more than fifteen years as determined by the board of the Michigan Strategic Fund. The recovery zones are intended to offer tax incentives to participants who enhance economic effectiveness utilizing collaborative agreements for specified products and services. Properties qualifying for Recovery Zone status are taxed at 25% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$187,759 in reduced County tax revenues for 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Montcalm County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 8,823,500	\$ 8,992,500	\$ 9,515,470	\$ 522,970
Licenses and Permits	124,275	124,275	113,662	(10,613)
Intergovernmental	2,876,145	8,459,709	8,641,044	181,335
Charges for Services	2,833,685	2,931,685	3,457,254	525,569
Fines and Forfeitures	20,000	20,000	16,513	(3,487)
Interest and Rents	--	--	120,949	120,949
Other Revenue	157,000	157,000	217,631	60,631
Total Revenues	14,834,605	20,685,169	22,082,523	1,397,354
Other Financing Sources				
Proceeds from Sale of Capital Assets	3,000	3,000	27,781	24,781
Transfers In	616,461	616,461	81,912	(534,549)
Total Revenues and Other Financing Sources	15,454,066	21,304,630	22,192,216	887,586
Expenditures				
General Government				
Board of Commissioners	129,470	129,470	117,090	12,380
Controller	390,386	390,386	385,665	4,721
Clerk	423,232	423,232	394,815	28,417
Audit	28,000	28,000	27,650	350
Information Systems	173,000	291,400	290,358	1,042
Central Services and Purchasing	16,500	16,500	15,661	839
Survey/Remonumentation	352,239	313,944	122,744	191,200
Treasurer	341,413	341,413	332,843	8,570
Equalization	267,703	267,703	262,898	4,805
Elections	51,150	51,150	23,362	27,788
Buildings and Grounds	862,802	875,302	857,718	17,584
Building Rent	913,655	913,655	913,655	--
General Government - ARPA	--	1,740,000	1,740,000	--
Total General Government	\$ 3,949,550	\$ 5,782,155	\$ 5,484,459	\$ 297,696

Continued...

Montcalm County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	Original	Final	Actual	
Expenditures				
Judicial				
Circuit Court	\$ 298,800	\$ 298,800	\$ 255,786	\$ 43,014
District Court	776,918	786,918	752,827	34,091
Probate/Juvenile Court	987,932	987,932	966,149	21,783
Witness Cost	13,000	13,000	2,486	10,514
Prosecuting Attorney	844,848	833,855	785,654	48,201
Total Judicial	2,921,498	2,920,505	2,762,902	157,603
Public Safety				
Sheriff	979,112	886,112	800,886	85,226
Contracted Police Service	640,764	680,764	679,588	1,176
Justice Training	140,246	140,246	132,134	8,112
Marine Safety	47,597	47,597	36,522	11,075
Jail	2,884,894	2,996,943	2,871,677	125,266
Community Corrections	122,517	122,517	107,165	15,352
Animal Control	84,934	109,534	109,057	477
Traffic and Safety Program	86,170	89,170	90,443	(1,273)
Total Public Safety	4,986,234	5,072,883	4,827,472	245,411
Public Works				
Public Works - ARPA	--	2,585,711	2,585,711	--
Drain Commissioners	234,464	234,464	208,484	25,980
Public Works - Drains at Large	80,000	326,000	325,363	637
Total Public Works	314,464	3,146,175	3,119,558	26,617
Health and Welfare				
Health and Welfare - ARPA	--	587,263	587,263	--
Substance Abuse Commission	98,070	109,104	108,104	1,000
Medical Examiner	195,932	195,932	209,281	(13,349)
Veterans Burials	21,650	8,650	7,520	1,130
District Health	434,417	434,417	434,417	--
Health Services	10,500	10,500	10,020	480
Mental Health	188,053	188,053	188,053	--
Child Care	745,172	745,172	439,172	306,000
Total Health and Welfare	1,693,794	2,279,091	1,983,830	295,261
Community and Economic Development				
Register of Deeds	327,587	327,587	280,029	47,558
West Michigan Regional Planning	4,500	4,500	4,117	383
Economic Development	20,000	20,000	20,000	--
Total Community and Economic Development	352,087	352,087	304,146	47,941
Recreation and Culture				
Recreation and Culture - ARPA	--	608,000	608,000	--
Parks	20,082	26,082	24,693	1,389
Total Recreation and Culture	20,082	634,082	632,693	1,389
Total Expenditures	14,237,709	20,186,978	19,115,060	1,071,918
Other Financing Uses				
Transfers Out	1,348,976	1,327,271	729,058	598,213
Total Expenditures and Other Financing Uses	15,586,685	21,514,249	19,844,118	1,670,131
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(132,619)	(209,619)	2,348,098	2,557,717
Net Change in Fund Balance	(132,619)	(209,619)	2,348,098	2,557,717
Fund Balance at Beginning of Period	16,168,946	16,168,946	16,168,946	--
Fund Balance at End of Period	\$ 16,036,327	\$ 15,959,327	\$ 18,517,044	\$ 2,557,717

Concluded.

Montcalm County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Eight Calendar Years

	2021	2020	2019	2018	2017*	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 471,524	\$ 494,204	\$ 489,168	\$ 505,165	\$ 510,243	\$ 1,285,924	\$ 1,006,943	\$ 1,006,943
Interest	2,429,142	2,313,738	2,266,704	2,162,802	3,005,024	1,753,666	1,900,616	1,779,050
Changes in Benefits	-	-	65,640	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,010,920)	(459,479)	302,516	317,913	-	-	(530,426)	-
Changes of Assumptions ***	1,193,348	1,232,607	880,140	-	(12,590,050)	(3,675,223)	6,232,817	-
Benefit Payments, including Refunds of Employee Contributions	(2,123,902)	(1,978,613)	(1,814,525)	(1,543,633)	(1,357,304)	(1,590,719)	(1,508,500)	(1,365,511)
Other Changes	2	-	-	-	-	-	-	-
Net Change in Total Pension Liability	959,194	1,602,457	2,189,643	1,442,247	(10,432,087)	(2,226,352)	7,101,450	1,420,482
Total Pension Liability, Beginning of Year	32,788,586	31,186,129	28,996,486	27,554,239	37,986,326	43,682,403	36,580,953	35,160,471
Total Pension Liability, End of Year	33,747,780	32,788,586	31,186,129	28,996,486	27,554,239	41,456,051	43,682,403	36,580,953
Plan Fiduciary Net Position								
Employer Contributions	747,541	647,483	1,079,709	746,121	485,179	851,050	513,450	536,125
Employee Contributions	293,698	277,547	273,177	580,032	13,936	350,774	377,299	400,487
Net Investment Income (Loss)	3,615,023	2,976,055	2,920,508	(893,309)	2,646,653	1,640,751	(5,877)	1,078,217
Benefit Payments, including Refunds of Employee Contributions	(2,123,902)	(1,978,613)	(1,814,525)	(1,543,633)	(1,357,304)	(1,590,719)	(1,508,500)	(1,368,958)
Administrative Expenses	(41,480)	(47,884)	(50,286)	(44,206)	(41,205)	(109,915)	(21,590)	(7,524)
Other Changes/Net Transfers	-	-	-	132,238	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,490,880	1,874,588	2,408,583	(1,022,757)	1,747,259	1,141,941	(645,218)	638,347
Plan Fiduciary Net Position - Beginning	26,030,209	24,155,621	21,747,038	22,769,795	21,022,536	21,664,366	22,309,584	21,671,237
Plan Fiduciary Net Position - Ending	28,521,089	26,030,209	24,155,621	21,747,038	22,769,795	22,806,307	21,664,366	22,309,584
Net Pension Liability	\$ 5,226,691	\$ 6,758,377	\$ 7,030,508	\$ 7,249,448	\$ 4,784,444	\$ 18,649,744	\$ 22,018,037	\$ 14,271,369
Plan Fiduciary Net position as a Percentage of Total Pension Liability	84.51%	79.39%	77.46%	75.00%	82.64%	55.01%	49.60%	60.99%
Covered Payroll	\$ 3,354,608	\$ 3,353,485	\$ 3,424,219	\$ 3,621,321	\$ 3,690,642	N/A	\$ 5,031,428	\$ 5,344,449
Net Pension Liability as a Percentage of Covered Payroll	155.81%	201.53%	205.32%	200.19%	129.64%	N/A	437.61%	267.03%

*As of the December 31, 2017 valuation, the County switched plans resulting in significant change of assumptions as well as omitted the Central Dispatch Authority from net pension liability and related deferred items calculations.

**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:

2015 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 RP-2014 tables.

2019 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%.

2020 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

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

Montcalm County
Required Supplementary Information
Schedule of Contributions - Pension
Last Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 915,537	\$ 708,120	\$ 609,710	\$ 683,104	\$ 499,115	\$ 826,402	\$ 704,880	\$ 699,970
Contributions in Relation to the Actuarially Determined Contribution	915,537	708,120	609,710	683,104	499,115	536,125	-	520,257
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,277</u>	<u>\$ 704,880</u>	<u>\$ 179,713</u>
Covered Payroll	\$ 3,723,047	\$ 3,555,662	\$ 3,329,856	\$ 3,563,091	\$ 3,690,642	N/A	\$ 5,031,428	\$ 5,202,565
Contributions as a Percentage of Covered Payroll	24.59%	19.92%	18.31%	19.17%	13.52%	N/A	0.00%	10.00%

Notes

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 9 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 payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.00%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 and fully generational MP-2019

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

Montcalm County
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 62,718	\$ 74,370	\$ 49,890	\$ 56,758	\$ 52,399
Interest	34,228	31,254	48,755	41,793	43,194
Differences Between Expected and Actual Experience	(81,078)	(41,292)	(304,598)	(50,243)	(233,733)
Changes in Assumptions	(323,237)	(96,051)	289,524	(62,675)	96,674
Benefit Payments, Including Refunds	(7,600)	(9,360)	(9,600)	(10,480)	(8,660)
Net Change in total OPEB Liability	(314,969)	(41,079)	73,971	(24,847)	(50,126)
<i>Total OPEB Liability - Beginning</i>	<i>1,349,673</i>	<i>1,390,752</i>	<i>1,316,781</i>	<i>1,341,628</i>	<i>1,391,754</i>
Total OPEB Liability - Ending (a)	\$ 1,034,704	\$ 1,349,673	\$ 1,390,752	\$ 1,316,781	\$ 1,341,628
 Plan Fiduciary Net Position					
Employer Contributions	\$ 7,600	\$ 9,360	\$ 9,600	\$ 10,480	\$ 8,660
Benefit Payments, Including Refunds	(7,600)	(9,360)	(9,600)	(10,480)	(8,660)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
<i>Plan Fiduciary Net Position - Beginning</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
 Net OPEB Liability - Ending (a) - (b)	\$ 1,034,704	\$ 1,349,673	\$ 1,390,752	\$ 1,316,781	\$ 1,341,628
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
 Covered Payroll	\$ 2,989,803	\$ 2,704,297	\$ 3,291,099	\$ 2,648,267	\$ 2,531,289
 Net OPEB Liability as a Percentage of Covered Payroll	34.61%	49.91%	42.26%	49.72%	53.00%

* Built prospectively upon implementation of GASB 75

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

2018 valuation (2019 fiscal year) - The discount rate was increased from 3.00% to 3.58%.

2020 valuation (2020 fiscal year) - The discount rate was reduced from 3.50% to 2.14%.

2020 valuation (2021 fiscal year) - The discount rate was increased from 2.14% to 2.43%.

2022 valuation (2022 fiscal year) - The discount rate was increased from 2.43% to 4.77%.

Montcalm County
Required Supplementary Information
Schedule of Contributions - OPEB
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 200,118	\$ 200,118	\$ 176,147	\$ 160,094	\$ 161,065
Contributions in Relation to the Actuarially Determined Contribution	9,360	9,360	9,600	10,480	8,660
Contribution Deficiency (Excess)	<u>\$ 190,758</u>	<u>\$ 190,758</u>	<u>\$ 166,547</u>	<u>\$ 149,614</u>	<u>\$ 152,405</u>
Covered Payroll	\$ 2,989,803	\$ 2,704,297	\$ 3,291,099	\$ 2,648,267	\$ 2,531,289
Contributions as a Percentage of Covered Payroll	0.31%	0.35%	0.29%	0.40%	0.34%

Notes

Valuation Date: September 30, 2022

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal (level percentage of compensation)
Amortization Method	Average Future Service
Remaining Amortization Period	11 years
Asset Valuation Method	Not applicable; plan is not pre-funded
Inflation	Implicit in expected payroll increases
Salary Increases	2.50%
Investment Rate of Return	Not applicable; plan is not pre-funded
Retirement Age	Varies depending on plan adoption
Mortality	MP -2021 Improvement

** Built prospectively upon implementation of GASB 75*

OTHER SUPPLEMENTARY INFORMATION

Montcalm County
General Fund Combining Balance Sheet
All Funds Treated as General
September 30, 2022

	<u>General</u>	<u>Parks</u>	<u>Child Care</u>	<u>Court Collections</u>	<u>Total General Funds</u>
ASSETS					
Cash and Investments	\$ 20,002,954	\$ 16,994	\$ 221,735	\$ 555,267	\$ 20,796,950
Receivables, Net	154,479	--	--	--	154,479
Taxes Receivable	1,894,321	--	--	--	1,894,321
Due from Other Governments	353,181	--	9,126	--	362,307
Prepays	211,066	--	--	--	211,066
Due from Other Funds	4,211	--	--	--	4,211
Total Assets	\$ 22,620,212	\$ 16,994	\$ 230,861	\$ 555,267	\$ 23,423,334
LIABILITIES					
Accounts Payable	\$ 264,741	\$ 218	\$ 16,182	\$ 379,374	\$ 660,515
Undistributed Receipts	--	--	--	175,893	175,893
Accrued Liabilities	123,086	196	--	--	123,282
Unearned Revenue	3,946,600	--	--	--	3,946,600
Total Liabilities	4,334,427	414	16,182	555,267	4,906,290
FUND BALANCE					
Nonspendable	211,066	--	--	--	211,066
Committed	--	16,580	214,679	--	231,259
Assigned	2,500,000	--	--	--	2,500,000
Unassigned	15,574,719	--	--	--	15,574,719
Total Fund Balance	18,285,785	16,580	214,679	--	18,517,044
Total Liabilities and Fund Balance	\$ 22,620,212	\$ 16,994	\$ 230,861	\$ 555,267	\$ 23,423,334

Montcalm County
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds Treated as General
For the Year Ended September 30, 2022

	<u>General</u>	<u>Parks</u>	<u>Child Care</u>	<u>Court Collections</u>	<u>Eliminating Fund</u>	<u>Total General Funds</u>
Revenues						
Property Taxes	\$ 9,515,470	\$ --	\$ --	\$ --	\$ --	\$ 9,515,470
Licenses and Permits	113,662	--	--	--	--	113,662
Intergovernmental	8,519,223	--	121,821	--	--	8,641,044
Charges for Services	3,415,359	24,985	16,910	--	--	3,457,254
Fines and Forfeitures	16,513	--	--	--	--	16,513
Interest and Rents	120,949	--	--	--	--	120,949
Other Revenue	217,631	--	--	--	--	217,631
Total Revenues	<u>21,918,807</u>	<u>24,985</u>	<u>138,731</u>	<u>--</u>	<u>--</u>	<u>22,082,523</u>
Expenditures						
General Government	5,484,459	--	--	--	--	5,484,459
Judicial	2,762,902	--	--	--	--	2,762,902
Public Safety	4,827,472	--	--	--	--	4,827,472
Public Works	3,119,558	--	--	--	--	3,119,558
Health and Welfare	1,544,658	--	439,172	--	--	1,983,830
Community and Economic Development	304,146	--	--	--	--	304,146
Recreation and Culture	608,000	24,693	--	--	--	632,693
Total Expenditures	<u>18,651,195</u>	<u>24,693</u>	<u>439,172</u>	<u>--</u>	<u>--</u>	<u>19,115,060</u>
Excess of Revenues Over (Under) Expenditures	<u>3,267,612</u>	<u>292</u>	<u>(300,441)</u>	<u>--</u>	<u>--</u>	<u>2,967,463</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	27,781	--	--	--	--	27,781
Transfers In	81,912	--	310,000	(310,000)	--	81,912
Transfers Out	(1,039,058)	--	--	310,000	--	(729,058)
Net Other Financing Sources (Uses)	<u>(929,365)</u>	<u>--</u>	<u>310,000</u>	<u>--</u>	<u>--</u>	<u>(619,365)</u>
Net Change in Fund Balance	<u>2,338,247</u>	<u>292</u>	<u>9,559</u>	<u>--</u>	<u>--</u>	<u>2,348,098</u>
Fund Balance at Beginning of Period	15,947,538	16,288	205,120	--	--	16,168,946
Fund Balance at End of Period	<u>\$ 18,285,785</u>	<u>\$ 16,580</u>	<u>\$ 214,679</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,517,044</u>

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue						
	Register of Deeds Automation	Concealed Pistol License	Local Correction Training	Drug Law Enforcement	Law Enforcement - K9	Law Library	County Libraries
ASSETS							
Cash and Investments	\$ 181,094	\$ 146,311	\$ 23,301	\$ 8,021	\$ 474	\$ 25,662	\$ 177,895
Receivables, Net	--	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--	--
Prepays	--	--	--	--	--	--	--
Total Assets	\$ 181,094	\$ 146,311	\$ 23,301	\$ 8,021	\$ 474	\$ 25,662	\$ 177,895
LIABILITIES							
Accounts Payable	\$ 16,119	\$ 745	\$ 242	\$ --	\$ --	\$ --	\$ 3,515
Accrued Liabilities	--	--	--	--	--	--	--
Due to Other Governments	--	--	--	--	--	--	55,475
Due to Other Funds	--	--	--	--	--	--	--
Total Liabilities	16,119	745	242	--	--	--	58,990
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	164,975	145,566	23,059	8,021	474	25,662	118,905
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	164,975	145,566	23,059	8,021	474	25,662	118,905
Total Liabilities and Fund Balance	\$ 181,094	\$ 146,311	\$ 23,301	\$ 8,021	\$ 474	\$ 25,662	\$ 177,895

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue						
	Animal Shelter Donation	CDBG Housing	Commission on Aging	Soldiers and Sailors Relief	Veterans' Trust	Social Welfare - County	Montcalm Conservation District
ASSETS							
Cash and Investments	\$ 61,977	\$ 41,971	\$ 709,486	\$ --	\$ --	\$ 1,016	\$ 18
Receivables, Net	--	--	66,176	--	--	--	--
Due from Other Governments	--	--	--	--	--	--	--
Prepays	--	--	5,677	--	--	--	--
Total Assets	\$ 61,977	\$ 41,971	\$ 781,339	\$ --	\$ --	\$ 1,016	\$ 18
LIABILITIES							
Accounts Payable	\$ 841	\$ --	\$ 35,795	\$ --	\$ --	\$ --	\$ --
Accrued Liabilities	--	--	12,282	--	--	--	--
Due to Other Governments	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--
Total Liabilities	841	--	48,077	--	--	--	--
FUND BALANCE							
Nonspendable	--	--	5,677	--	--	--	--
Restricted	61,136	41,971	727,585	--	--	1,016	18
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	61,136	41,971	733,262	--	--	1,016	18
Total Liabilities and Fund Balance	\$ 61,977	\$ 41,971	\$ 781,339	\$ --	\$ --	\$ 1,016	\$ 18

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue						
	<u>MSU Cooperative Extension</u>	<u>Indigent Defense</u>	<u>Drug Court</u>	<u>Law Enforcement</u>	<u>Veterans</u>	<u>CMET Operating</u>	<u>Leadership Montcalm</u>
ASSETS							
Cash and Investments	\$ 106,763	\$ 98,527	\$ 14,504	\$ 1,255,074	\$ 562,365	\$ --	\$ 15,056
Receivables, Net	--	--	--	--	--	4,211	--
Due from Other Governments	--	82,850	--	--	19,900	--	--
Prepays	--	--	--	42,584	2,799	--	--
Total Assets	\$ 106,763	\$ 181,377	\$ 14,504	\$ 1,297,658	\$ 585,064	\$ 4,211	\$ 15,056
LIABILITIES							
Accounts Payable	\$ --	\$ 178,453	\$ 2,720	\$ 32,339	\$ 5,499	\$ --	\$ --
Accrued Liabilities	--	2,924	--	13,847	3,648	--	--
Due to Other Governments	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	4,211	--
Total Liabilities	--	181,377	2,720	46,186	9,147	4,211	--
FUND BALANCE							
Nonspendable	--	--	--	42,584	2,799	--	--
Restricted	106,763	--	11,784	1,208,888	573,118	--	15,056
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	106,763	--	11,784	1,251,472	575,917	--	15,056
Total Liabilities and Fund Balance	\$ 106,763	\$ 181,377	\$ 14,504	\$ 1,297,658	\$ 585,064	\$ 4,211	\$ 15,056

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue						Debt Service
	Sheriff Programs	Victim Support	Law Enforcement Trust	Friend of the Court	Solid Waste Planning	Homeland Security Grant	Building Authority
ASSETS							
Cash and Investments	\$ 30,176	\$ 5,279	\$ 23,598	\$ (12,903)	\$ 394,168	\$ 53,976	\$ 7,288
Receivables, Net	--	--	--	--	71,963	--	--
Due from Other Governments	--	--	--	105,657	--	--	--
Prepays	--	--	--	7,681	--	--	--
Total Assets	\$ 30,176	\$ 5,279	\$ 23,598	\$ 100,435	\$ 466,131	\$ 53,976	\$ 7,288
LIABILITIES							
Accounts Payable	\$ --	\$ --	\$ --	\$ 2,139	\$ 19,984	\$ --	\$ --
Accrued Liabilities	--	--	--	10,926	--	--	--
Due to Other Governments	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--
Total Liabilities	--	--	--	13,065	19,984	--	--
FUND BALANCE							
Nonspendable	--	--	--	7,681	--	--	--
Restricted	30,176	5,279	23,598	79,689	--	53,976	7,288
Committed	--	--	--	--	446,147	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	30,176	5,279	23,598	87,370	446,147	53,976	7,288
Total Liabilities and Fund Balance	\$ 30,176	\$ 5,279	\$ 23,598	\$ 100,435	\$ 466,131	\$ 53,976	\$ 7,288

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Capital Projects						Permanent	Total Nonmajor Governmental Funds
	Equipment Purchase and Replacement	Jail Improvement	General Projects	Park Improvements	Building Authority Improvements	Public Improvement	Cemetery	
ASSETS								
Cash and Investments	\$ 35,910	\$ 9,790	\$ 509,513	\$ 58,193	\$ 3	\$ 70,632	\$ --	\$ 4,615,138
Receivables, Net	--	--	--	--	--	--	--	142,350
Due from Other Governments	--	--	--	--	--	--	--	208,407
Prepays	--	--	--	--	--	--	--	58,741
Total Assets	\$ 35,910	\$ 9,790	\$ 509,513	\$ 58,193	\$ 3	\$ 70,632	\$ --	\$ 5,024,636
LIABILITIES								
Accounts Payable	\$ 25,360	\$ --	\$ 325,933	\$ --	\$ --	\$ --	\$ --	\$ 649,684
Accrued Liabilities	--	--	--	--	--	--	--	43,627
Due to Other Governments	--	--	--	--	--	--	--	55,475
Due to Other Funds	--	--	--	--	--	--	--	4,211
Total Liabilities	25,360	--	325,933	--	--	--	--	752,997
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	58,741
Restricted	--	--	183,580	--	3	--	--	3,617,586
Committed	10,550	9,790	--	58,193	--	70,632	--	595,312
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	10,550	9,790	183,580	58,193	3	70,632	--	4,271,639
Total Liabilities and Fund Balance	\$ 35,910	\$ 9,790	\$ 509,513	\$ 58,193	\$ 3	\$ 70,632	\$ --	\$ 5,024,636

Concluded.

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue						
	Register of Deeds Automation	Concealed Pistol License	Local Correction Training	Drug Law Enforcement	Law Enforcement - K9	Law Library	County Libraries
Revenues							
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,839,271
Licenses and Permits	--	36,204	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--	--
Charges for Services	70,581	--	7,896	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	6,500	--
Interest and Rents	1,351	--	--	--	--	--	--
Local Contributions	--	--	--	--	--	--	--
Other Revenue	--	--	--	--	--	--	--
Total Revenues	<u>71,932</u>	<u>36,204</u>	<u>7,896</u>	<u>--</u>	<u>--</u>	<u>6,500</u>	<u>1,839,271</u>
Expenditures							
General Government	--	10,493	--	--	--	--	--
Judicial	--	--	--	--	--	7,732	--
Public Safety	--	--	6,477	--	--	--	--
Public Works	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Community and Economic Development	90,137	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	1,843,297
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--
Total Expenditures	<u>90,137</u>	<u>10,493</u>	<u>6,477</u>	<u>--</u>	<u>--</u>	<u>7,732</u>	<u>1,843,297</u>
Excess of Revenues Over (Under) Expenditures	<u>(18,205)</u>	<u>25,711</u>	<u>1,419</u>	<u>--</u>	<u>--</u>	<u>(1,232)</u>	<u>(4,026)</u>
Other Financing Sources (Uses)							
Transfers In	--	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>(18,205)</u>	<u>25,711</u>	<u>1,419</u>	<u>--</u>	<u>--</u>	<u>(1,232)</u>	<u>(4,026)</u>
Fund Balance at Beginning of Period	183,180	119,855	21,640	8,021	474	26,894	122,931
Fund Balance at End of Period	<u>\$ 164,975</u>	<u>\$ 145,566</u>	<u>\$ 23,059</u>	<u>\$ 8,021</u>	<u>\$ 474</u>	<u>\$ 25,662</u>	<u>\$ 118,905</u>

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue						
	Animal Shelter Donation	CDBG Housing	Commission on Aging	Soldiers and Sailors Relief	Veterans' Trust	Social Welfare - County	Montcalm Conservation District
Revenues							
Property Taxes	\$ --	\$ --	\$ 917,410	\$ --	\$ --	\$ --	\$ 136,035
Licenses and Permits	--	--	--	--	--	--	--
Intergovernmental	--	42,200	412,316	--	--	--	--
Charges for Services	--	180	83,455	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	--	--
Interest and Rents	--	--	3	--	--	--	--
Local Contributions	66,018	--	19,230	--	--	--	--
Other Revenue	--	--	--	--	--	--	--
Total Revenues	66,018	42,380	1,432,414	--	--	--	136,035
Expenditures							
General Government	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	--	--
Public Works	--	--	--	--	--	--	136,035
Health and Welfare	61,099	--	1,203,939	--	--	--	--
Community and Economic Development	--	4,985	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--
Total Expenditures	61,099	4,985	1,203,939	--	--	--	136,035
Excess of Revenues Over (Under) Expenditures	4,919	37,395	228,475	--	--	--	--
Other Financing Sources (Uses)							
Transfers In	--	--	--	--	--	--	--
Transfers Out	--	--	(75,998)	(1,541)	(20,881)	--	--
Net Other Financing Sources (Uses)	--	--	(75,998)	(1,541)	(20,881)	--	--
Net Change in Fund Balance	4,919	37,395	152,477	(1,541)	(20,881)	--	--
Fund Balance at Beginning of Period	56,217	4,576	580,785	1,541	20,881	1,016	18
Fund Balance at End of Period	\$ 61,136	\$ 41,971	\$ 733,262	\$ --	\$ --	\$ 1,016	\$ 18

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue						
	MSU Cooperative Extension	Indigent Defense	Drug Court	Law Enforcement	Veterans	CMET Operating	Leadership Montcalm
Revenues							
Property Taxes	\$ 271,361	\$ --	\$ --	\$ 2,039,120	\$ 511,764	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--	--
Intergovernmental	865	752,977	--	4,327	62,379	--	--
Charges for Services	--	--	2,827	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	--	--
Interest and Rents	--	--	--	1,722	--	--	--
Local Contributions	--	59,997	--	--	--	--	--
Other Revenue	--	--	--	50,295	2,776	23,007	9,700
Total Revenues	272,226	812,974	2,827	2,095,464	576,919	23,007	9,700
Expenditures							
General Government	--	--	--	--	--	--	7,958
Judicial	--	1,035,950	12,060	--	--	--	--
Public Safety	--	--	--	1,814,918	--	23,007	--
Public Works	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	398,363	--	--
Community and Economic Development	267,687	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--
Total Expenditures	267,687	1,035,950	12,060	1,814,918	398,363	23,007	7,958
Excess of Revenues Over (Under) Expenditures	4,539	(222,976)	(9,233)	280,546	178,556	--	1,742
Other Financing Sources (Uses)							
Transfers In	--	222,976	--	--	22,421	--	--
Transfers Out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	222,976	--	--	22,421	--	--
Net Change in Fund Balance	4,539	--	(9,233)	280,546	200,977	--	1,742
Fund Balance at Beginning of Period	102,224	--	--	970,926	374,940	--	13,314
Fund Balance at End of Period	\$ 106,763	\$ --	\$ 11,784	\$ 1,251,472	\$ 575,917	\$ --	\$ 15,056

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue						Debt Service
	Sheriff Programs	Victim Support	Law Enforcement Trust	Friend of the Court	Solid Waste Planning	Homeland Security Grant	Building Authority
Revenues							
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	6,395	--	--	--
Intergovernmental	--	--	--	569,190	--	--	--
Charges for Services	--	--	--	130,483	267,083	--	--
Fines and Forfeitures	--	--	--	--	--	--	--
Interest and Rents	--	--	--	--	--	--	913,655
Local Contributions	--	3,650	--	--	--	--	--
Other Revenue	300	--	--	--	--	--	--
Total Revenues	300	3,650	--	706,068	267,083	--	913,655
Expenditures							
General Government	--	--	--	--	--	--	--
Judicial	--	--	--	882,385	--	--	--
Public Safety	10,509	1,707	--	--	--	--	--
Public Works	--	--	--	--	240,204	--	--
Health and Welfare	--	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	83,655
Debt Service - Principal	--	--	--	--	--	--	830,000
Total Expenditures	10,509	1,707	--	882,385	240,204	--	913,655
Excess of Revenues Over (Under) Expenditures	(10,209)	1,943	--	(176,317)	26,879	--	--
Other Financing Sources (Uses)							
Transfers In	--	--	--	106,727	--	--	--
Transfers Out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	106,727	--	--	--
Net Change in Fund Balance	(10,209)	1,943	--	(69,590)	26,879	--	--
Fund Balance at Beginning of Period	40,385	3,336	23,598	156,960	419,268	53,976	7,288
Fund Balance at End of Period	\$ 30,176	\$ 5,279	\$ 23,598	\$ 87,370	\$ 446,147	\$ 53,976	\$ 7,288

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Capital Projects						Permanent	Total Nonmajor Governmental Funds
	Equipment Purchase and Replacement	Jail Improvement	General Projects	Park Improvements	Building Authority Improvements	Public Improvement	Cemetery	
Revenues								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,714,961
Licenses and Permits	--	--	--	--	--	--	--	42,599
Intergovernmental	429,453	--	1,241,094	--	--	--	--	3,514,801
Charges for Services	--	--	--	--	--	--	--	562,505
Fines and Forfeitures	--	--	--	--	--	--	--	6,500
Interest and Rents	--	--	--	--	--	3,740	--	920,471
Local Contributions	--	--	--	--	--	--	--	148,895
Other Revenue	--	--	--	--	--	--	--	86,078
Total Revenues	429,453	--	1,241,094	--	--	3,740	--	10,996,810
Expenditures								
General Government	188,881	--	--	--	--	--	--	207,332
Judicial	--	--	--	--	--	--	--	1,938,127
Public Safety	--	--	--	--	--	--	--	1,856,618
Public Works	--	--	--	--	--	--	--	376,239
Health and Welfare	--	--	--	--	--	--	--	1,663,401
Community and Economic Development	--	--	--	--	--	--	--	362,809
Recreation and Culture	--	--	--	2,041	--	--	--	1,845,338
Capital Outlay	388,841	--	1,388,569	35,539	--	--	--	1,812,949
Debt Service - Interest	--	--	--	--	--	--	--	83,655
Debt Service - Principal	--	--	--	--	--	--	--	830,000
Total Expenditures	577,722	--	1,388,569	37,580	--	--	--	10,976,468
Excess of Revenues Over (Under) Expenditures	(148,269)	--	(147,475)	(37,580)	--	3,740	--	20,342
Other Financing Sources (Uses)								
Transfers In	149,354	--	250,000	--	--	--	--	751,478
Transfers Out	--	--	--	--	--	--	(60,447)	(158,867)
Net Other Financing Sources (Uses)	149,354	--	250,000	--	--	--	(60,447)	592,611
Net Change in Fund Balance	1,085	--	102,525	(37,580)	--	3,740	(60,447)	612,953
<i>Fund Balance at Beginning of Period</i>	9,465	9,790	81,055	95,773	3	66,892	60,447	3,658,686
Fund Balance at End of Period	\$ 10,550	\$ 9,790	\$ 183,580	\$ 58,193	\$ 3	\$ 70,632	\$ --	\$ 4,271,639

Concluded.

Montcalm County
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 273,939	\$ 1,067,759	\$ 38,515	\$ 1,380,213
Prepays	--	3,594	--	3,594
Total Current Assets	273,939	1,071,353	38,515	1,383,807
<i>Noncurrent Assets</i>				
Capital Assets being Depreciated	--	47,602	--	47,601
Total Assets	273,939	1,118,955	38,515	1,431,409
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	1,650	2,176	--	3,826
Accrued Liabilities	--	7,896	--	7,896
Total Current Liabilities	1,650	10,072	--	11,722
<i>Noncurrent Liabilities</i>				
Compensated Absences	--	4,091	--	4,091
Total Liabilities	1,650	14,163	--	15,813
NET POSITION				
Net Investment in Capital Assets	--	47,601	--	47,601
<i>Unrestricted</i>	272,289	1,057,191	38,515	1,367,995
Total Net Position	\$ 272,289	\$ 1,104,792	\$ 38,515	\$ 1,415,596

Montcalm County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$ 65,046	\$ 771,600	\$ --	\$ 836,646
Penalties and Interest on Delinquent Taxes	--	--	23,991	23,991
Total Operating Revenues	65,046	771,600	23,991	860,637
Operating Expenses				
Personnel Services	--	468,561	--	468,561
Purchases of Goods and Services	24,887	106,211	20,214	151,312
Depreciation	--	7,745	--	7,745
Total Operating Expenses	24,887	582,217	20,214	627,618
Operating Income (Loss)	40,159	189,083	3,777	233,019
Non-Operating Revenues (Expenses)				
Intergovernmental	--	9,650	--	9,650
Interest Income	1	--	29	30
Net Non-Operating Revenues (Expenses)	1	9,650	29	9,680
Income Before Contributions and Transfers	40,160	198,733	3,806	242,699
Transfers In	--	--	--	--
Transfers Out	(21,465)	--	--	(21,465)
Change In Net Position	18,695	198,733	3,806	221,234
<i>Net Position at Beginning of Period</i>	253,594	906,059	34,709	1,194,362
Net Position at End of Period	\$ 272,289	\$ 1,104,792	\$ 38,515	\$ 1,415,596

Montcalm County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
Cash Flows from Operating Activities				
Cash Received from Customers and Users	\$ 65,046	\$ 771,600	\$ --	\$ 836,646
Cash Payments for Goods and Services	(25,107)	(120,490)	(20,214)	(165,811)
Cash Received to Purchase Delinquent Taxes	--	--	23,991	23,991
Cash Payments to Employees	--	(476,190)	--	(476,190)
Net Cash Provided by Operating Activities	39,939	174,920	3,777	218,636
Cash Flows from Noncapital Financing Activities				
Intergovernmental	--	9,650	--	9,650
Transfers Out	(21,465)	--	--	(21,465)
Net Cash Used by Noncapital Financing Activities	(21,465)	9,650	--	(11,815)
Cash Flows from Capital and Related Financing Activities				
Sale of Capital Assets	--	--	--	--
Net Cash Provided by Capital and Related Financing Activities	--	--	--	--
Cash Flows from Investing Activities				
Interest Income	1	--	29	30
Net Cash Provided by Investing Activities	1	--	29	30
Net Increase in Cash and Investments	18,475	184,570	3,806	206,851
<i>Cash and Investments - Beginning of Year</i>	<i>255,464</i>	<i>883,189</i>	<i>34,709</i>	<i>1,173,362</i>
<i>Cash and Investments - End of Year</i>	<i>\$ 273,939</i>	<i>\$ 1,067,759</i>	<i>\$ 38,515</i>	<i>\$ 1,380,213</i>
Reconciliation of Operating Income to				
Net Cash Provided by Operating Activities				
Operating Income	\$ 40,159	\$ 189,083	\$ 3,777	\$ 233,019
Adjustments to Reconcile Operating Income to				
Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	--	7,745	--	7,745
Changes in Liabilities				
Prepays	--	(3,594)	--	(3,594)
Accounts Payable	(220)	1,229	--	1,009
Accrued Liabilities	--	(11,914)	--	(11,914)
Compensated Absences	--	(7,629)	--	(7,629)
Net Cash Provided by Operating Activities	\$ 39,939	\$ 174,920	\$ 3,777	\$ 218,636

Montcalm County
Combining Statement of Net Position
Internal Service Funds
September 30, 2022

	Internal Service					
	Office Equipment	OPEB	Pension Employee Benefits	Fuel Station	Payroll	Total Internal Service Funds
ASSETS						
<i>Current Assets</i>						
Cash and Investments	\$ 15,725	\$ 21,384	\$ 101,720	\$ 681	\$ 152,730	\$ 292,240
Inventory	--	--	--	105,780	--	105,780
Prepays	--	805	--	--	8,400	9,205
Total Current Assets	15,725	22,189	101,720	106,461	161,130	407,225
<i>Noncurrent Assets</i>						
Capital Assets being Depreciated	--	--	--	203,835	--	203,835
Total Assets	15,725	22,189	101,720	310,296	161,130	611,060
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	3,116	--	97,846	648	54,545	156,155
Accrued Liabilities	--	--	--	--	106,585	106,585
Total Current Liabilities	3,116	--	97,846	648	161,130	262,740
<i>Noncurrent Liabilities</i>						
Total Liabilities	3,116	--	97,846	648	161,130	262,740
NET POSITION						
Net Investment in Capital Assets	--	--	--	203,835	--	203,835
<i>Unrestricted</i>	12,609	22,189	3,874	105,813	--	144,485
Total Net Position	\$ 12,609	\$ 22,189	\$ 3,874	\$ 309,648	\$ --	\$ 348,320

Montcalm County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2022

	Internal Service					
	Office Equipment	OPEB	Pension Employee Benefits	Fuel Station	Payroll	Total Internal Service Funds
Operating Revenues						
Charges for Services	\$ --	\$ 18,562	\$ --	\$ 810,877	\$ --	\$ 829,439
Employer Contributions	--	--	870,121	--	--	870,121
Total Operating Revenues	<u>--</u>	<u>18,562</u>	<u>870,121</u>	<u>810,877</u>	<u>--</u>	<u>1,699,560</u>
Operating Expenses						
Personnel Services	--	202,313	--	--	--	202,313
Purchases of Goods and Services	60,634	--	--	717,103	--	777,737
Depreciation	--	--	--	11,891	--	11,891
Participant Benefits	--	--	939,996	--	--	939,996
Administrative Expense	--	--	--	1,998	--	1,998
Total Operating Expenses	<u>60,634</u>	<u>202,313</u>	<u>939,996</u>	<u>730,992</u>	<u>--</u>	<u>1,933,935</u>
Operating Income (Loss)	<u>(60,634)</u>	<u>(183,751)</u>	<u>(69,875)</u>	<u>79,885</u>	<u>--</u>	<u>(234,375)</u>
Non-Operating Revenues (Expenses)						
Net Non-Operating Revenues (Expenses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Income Before Contributions and Transfers	<u>(60,634)</u>	<u>(183,751)</u>	<u>(69,875)</u>	<u>79,885</u>	<u>--</u>	<u>(234,375)</u>
Transfers In	61,000	15,000	--	--	--	76,000
Transfers Out	--	--	--	--	--	--
Change In Net Position	<u>366</u>	<u>(168,751)</u>	<u>(69,875)</u>	<u>79,885</u>	<u>--</u>	<u>(158,375)</u>
<i>Net Position at Beginning of Period</i>	12,243	190,940	73,749	229,763	--	506,695
Net Position at End of Period	<u>\$ 12,609</u>	<u>\$ 22,189</u>	<u>\$ 3,874</u>	<u>\$ 309,648</u>	<u>\$ --</u>	<u>\$ 348,320</u>

Montcalm County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Internal Service					
	Office Equipment	OPEB	Pension Employee Benefits	Fuel Station	Payroll	Total Internal Service Funds
Cash Flows from Operating Activities						
Cash Received from Interfund Services	\$ --	\$ 18,562	\$ 870,121	\$ --	\$ 16,499	\$ 905,182
Cash Received from Customers	--	--	--	810,877	--	810,877
Cash Payments for Goods and Services	(60,634)	--	--	(829,272)	136,231	(753,675)
Cash Payments to Employees	--	(203,118)	(951,998)	--	--	(1,155,116)
Net Cash Provided (Used) by Operating Activities	(60,634)	(184,556)	(81,877)	(18,395)	152,730	(192,732)
Cash Flows from Noncapital Financing Activities						
Transfers In	61,000	15,000	--	--	--	76,000
Net Cash Provided by Noncapital Financing Activities	61,000	15,000	--	--	--	76,000
Cash Flows from Investing Activities						
Interest Income	--	--	--	--	--	--
Net Cash Provided by Investing Activities	--	--	--	--	--	--
Net Increase in Cash and Investments	366	(169,556)	(81,877)	(18,395)	152,730	(116,732)
<i>Cash and Investments - Beginning of Year</i>	<i>15,359</i>	<i>190,940</i>	<i>183,597</i>	<i>19,076</i>	<i>--</i>	<i>408,972</i>
<i>Cash and Investments - End of Year</i>	<i>\$ 15,725</i>	<i>\$ 21,384</i>	<i>\$ 101,720</i>	<i>\$ 681</i>	<i>\$ 152,730</i>	<i>\$ 292,240</i>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ (60,634)	\$ (183,751)	\$ (69,875)	79,885	\$ --	\$ (234,375)
Adjustments to Reconcile Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Depreciation Expense	--	--	--	11,891	--	11,891
Changes in Assets and Liabilities						
Inventory	--	--	--	(51,463)	--	(51,463)
Prepays	--	(805)	--	--	(8,400)	(9,205)
Due to Due From	--	--	--	--	16,499	16,499
Accounts Payable	--	--	(12,002)	(58,708)	144,631	73,921
Net Cash Provided (Used) by Operating Activities	(60,634)	(184,556)	(81,877)	(18,395)	152,730	(192,732)

Montcalm County
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	Custodial				
	District Health Department	General Custodial	Penal Fines	Inmate Trust	Total Custodial Funds
ASSETS					
Cash and Investments	\$ 3,601,454	\$ 4,604,444	\$ 106,708	\$ 17,923	\$ 8,330,529
<i>Total Assets</i>	3,601,454	4,604,444	106,708	17,923	8,330,529
LIABILITIES					
Undistributed Receipts	242,528	--	48,017	--	290,545
Due to Other Governments	--	4,604,444	--	17,923	4,622,367
<i>Total Liabilities</i>	242,528	4,604,444	48,017	17,923	4,912,912
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	\$ 3,358,926	\$ --	\$ 58,691	\$ --	\$ 3,417,617

Montcalm County
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2022

	Custodial				
	District Health Department	General Custodial	Penal Fines	Inmate Trust	Total Custodial Funds
Additions					
Inmate Trust Collections	\$ --	\$ --	\$ --	\$ 216	\$ 216
Taxes Collected for Other Governments	--	16,377,867	--	--	16,377,867
Library Penal Fine Collections	--	--	416,681	--	416,681
Court Collections	--	--	--	--	--
County Clerk/Register of Deeds Collections	--	1,515,471	--	--	1,515,471
Treasurer Collections	12,886,192	2,686,480	--	--	15,572,672
Total Additions	12,886,192	20,579,818	416,681	216	33,882,907
Deductions					
Payments of Property Taxes to Other Governments	--	16,377,867	--	--	16,377,867
Library Penal Fines Distributions	--	--	357,990	--	357,990
Inmate Trust Distributions	--	--	--	216	216
Court Distributions	--	--	--	--	--
County Clerk and Register of Deeds Distributions	--	1,515,471	--	--	1,515,471
Treasurer Distributions	9,527,266	2,686,480	--	--	12,213,746
Total Deductions	9,527,266	20,579,818	357,990	216	30,465,290
Change in Net Position	3,358,926	--	58,691	--	3,417,617
<i>Net Position at Beginning of Period</i>	--	--	--	--	--
Net Position at End of Period	\$ 3,358,926	\$ --	\$ 58,691	\$ --	\$ 3,417,617

**Montcalm County Drains
Statement of Net Position
September 30, 2022**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 2,380,726	\$ 356,146	\$ 2,736,872
Accounts Receivable	--	16,103	16,103
Current Portion of Special Assessments Receivable	122,431	82,429	204,860
<i>Total Current Assets</i>	<u>2,503,157</u>	<u>454,678</u>	<u>2,957,835</u>
<i>Noncurrent Assets</i>			
Restricted Cash	--	102,000	102,000
Special Assessment Receivable	859,136	1,891,785	2,750,921
Capital Assets being Depreciated, net	2,843,310	4,375,837	7,219,147
<i>Total Assets</i>	<u>6,205,603</u>	<u>6,824,300</u>	<u>13,029,903</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	60,977	16,050	77,027
Accrued Interest	3,740	25,129	28,869
Current Portion of Long-term Debt	117,600	67,000	184,600
<i>Total Current Liabilities</i>	<u>182,317</u>	<u>108,179</u>	<u>290,496</u>
<i>Noncurrent Liabilities</i>			
Long-term Debt	1,084,400	2,032,322	3,116,722
<i>Total Liabilities</i>	<u>1,266,717</u>	<u>2,140,501</u>	<u>3,407,218</u>
NET POSITION			
Net Investment in Capital Assets	1,641,310	2,276,515	3,917,825
<i>Restricted for:</i>			
Drain Projects	3,297,420	--	3,297,420
Debt Service	156	2,407,284	2,407,440
<i>Total Net Position</i>	<u>\$ 4,938,886</u>	<u>\$ 4,683,799</u>	<u>\$ 9,622,685</u>

**Montcalm County Drains
Statement of Activities
For the Year Ended September 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Public Works	\$ 2,659,946	\$ 1,743,026	\$ 782,798	\$ --	\$ (134,122)	\$ --	\$ (134,122)
Interest on Long-term Debt	17,559	--	--	--	(17,559)	--	(17,559)
Total Governmental Activities	2,677,505	1,743,026	782,798	--	(151,681)	--	(151,681)
Business-type Activities:							
Sidney Sewer Project	341,506	171,495	--	81,941	--	(88,070)	(88,070)
Total Business-type Activities	341,506	171,495	--	81,941	--	(88,070)	(88,070)
Total	\$ 3,019,011	\$ 1,914,521	\$ 782,798	\$ 81,941	(151,681)	(88,070)	(239,751)
General Purpose Revenues:							
Interest Income					1	--	1
Total General Revenues					1	--	1
Change in Net Position					(151,680)	(88,070)	(239,750)
Net Position at Beginning of Period					5,090,566	4,771,869	9,862,435
Net Position at End of Period					\$ 4,938,886	\$ 4,683,799	\$ 9,622,685

**Montcalm County Drains
Balance Sheet
Governmental Funds
September 30, 2022**

	Debt Service		Capital Projects				Total Governmental Funds	
	Regular Drain Debt Service	Lake Level Revolving	Lake Level Special Assessment	Drain Maintenance Revolving	Drain Special Assessment	Regular Drain	Lake Improvement	
ASSETS								
Cash and Cash Equivalents	\$ 156	\$ --	\$ 243,217	\$ --	\$ 25,569	\$ 1,487,149	\$ 624,635	\$ 2,380,726
Current Portion of Special Assessments Receivable	18,000	3,000	--	--	--	101,431	--	122,431
Due from Other Funds	--	--	--	120,471	129,130	10,536	--	260,137
Special Assessment Receivable	282,000	--	--	--	--	577,136	--	859,136
Total Assets	\$ 300,156	\$ 3,000	\$ 243,217	\$ 120,471	\$ 154,699	\$ 2,176,252	\$ 624,635	\$ 3,622,430
LIABILITIES								
Accounts Payable	\$ --	\$ --	\$ 5,195	\$ 1,691	\$ --	\$ 35,420	\$ 18,671	\$ 60,977
Due to Other Funds	--	1,454	--	9,082	--	249,601	--	260,137
Total Liabilities	--	1,454	5,195	10,773	--	285,021	18,671	321,114
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	300,000	--	--	--	--	678,567	--	978,567
Total Liabilities and Deferred Inflows of Resources	300,000	1,454	5,195	10,773	--	963,588	18,671	1,299,681
FUND BALANCE								
Restricted	156	1,546	238,022	109,698	154,699	1,212,664	605,964	2,322,749
Total Fund Balance	156	1,546	238,022	109,698	154,699	1,212,664	605,964	2,322,749
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 300,156	\$ 3,000	\$ 243,217	\$ 120,471	\$ 154,699	\$ 2,176,252	\$ 624,635	\$ 3,622,430

Montcalm County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2022

Total Fund Balance - Governmental Funds	\$ 2,322,749
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.	(3,740)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is capital assets net of accumulated depreciation.	2,843,310
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,202,000)
Certain assets, such as special assessments receivable, are not available to pay current period expenditures and, therefore, are reported as deferred in the funds.	978,567
Total Net Position - Governmental Activities	\$ <u>4,938,886</u>

Montcalm County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2022

	Debt Service		Capital Projects					Total
	Regular Drain Debt Service	Lake Level Revolving	Lake Level Special Assessment	Drain Maintenance Revolving	Drain Special Assessment	Regular Drain	Lake Improvement	Governmental Funds
Revenues								
Special Assessments	\$ 28,838	\$ --	\$ 45,000	\$ --	\$ --	\$ 774,159	\$ 325,695	\$ 1,173,692
Intergovernmental	--	--	--	--	--	782,798	--	782,798
Other Revenue	--	--	--	16,121	--	9,787	--	25,908
Interest Income	--	--	--	--	1	--	--	1
Total Revenues	28,838	--	45,000	16,121	1	1,566,744	325,695	1,982,399
Expenditures								
Public Works	--	--	166,409	251,250	--	1,729,276	421,925	2,568,860
Debt Service - Principal	15,000	--	--	--	--	120,141	--	135,141
Debt Service - Interest	13,838	--	--	--	--	3,060	--	16,898
Total Expenditures	28,838	--	166,409	251,250	--	1,852,477	421,925	2,720,899
Excess of Revenues Over (Under) Expenditures	--	--	(121,409)	(235,129)	1	(285,733)	(96,230)	(738,500)
Other Financing Sources (Uses)								
Issuance of Long-Term Debt	--	--	--	--	--	902,000	--	902,000
Transfers In	--	--	--	267	92,680	--	63,134	156,081
Transfers Out	--	--	--	(13,134)	(50,000)	(92,947)	--	(156,081)
Net Other Financing Sources (Uses)	--	--	--	(12,867)	42,680	809,053	63,134	902,000
Net Change in Fund Balance	--	--	(121,409)	(247,996)	42,681	523,320	(33,096)	163,500
Fund Balance at Beginning of Period	156	1,546	359,431	357,694	112,018	689,344	639,060	2,159,249
Fund Balance at End of Period	\$ 156	\$ 1,546	\$ 238,022	\$ 109,698	\$ 154,699	\$ 1,212,664	\$ 605,964	\$ 2,322,749

Montcalm County Drains
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended September 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 163,500
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay expenditures.	(91,086)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year. The following is the change in deferred inflows for special assessments receivable.	543,426
Proceeds from the issuance of notes payable are reported as other financing sources in the fund statements, but reported as liabilities in the statement of net position.	(902,000)
Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position. The following represents the principal payment made during the year on long-term debt.	135,141
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. The following is the change in accrued interest payable on long-term debt.	(661)
Changes in Net Position - Governmental Activities	\$ <u>(151,680)</u>

**Montcalm County Drains
Statement of Net Position
Proprietary Fund
September 30, 2022**

	Sidney Sewer Project
ASSETS	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ 356,146
Accounts Receivable	16,103
Current Portion of Special Assessments Receivable	82,429
Total Current Assets	454,678
<i>Noncurrent Assets</i>	
Restricted Cash	102,000
Special Assessment Receivable	1,891,785
Capital Assets being Depreciated, net	4,375,837
Total Assets	6,824,300
LIABILITIES	
<i>Current Liabilities</i>	
Accounts Payable	16,050
Accrued Interest	25,129
Current Portion of Long-term Debt	67,000
Total Current Liabilities	108,179
<i>Noncurrent Liabilities</i>	
Long-term Debt	2,032,322
Total Liabilities	2,140,501
NET POSITION	
Net Investment in Capital Assets	2,276,515
<i>Restricted for:</i>	
Debt Service	2,407,284
Total Net Position	\$ 4,683,799

Montcalm County Drains
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2022

	Sidney Sewer Project
Operating Revenues	
Special Assessments	\$ 81,941
Charges for Services	171,495
<i>Total Operating Revenues</i>	253,436
Operating Expenses	
Public Works	108,865
Depreciation	166,961
<i>Total Operating Expenses</i>	275,826
<i>Operating Income (Loss)</i>	(22,390)
Non-Operating Revenues (Expenses)	
Interest Expense	(65,680)
<i>Net Non-Operating Revenues (Expenses)</i>	(65,680)
<i>Change In Net Position</i>	(88,070)
<i>Net Position at Beginning of Period</i>	4,771,869
<i>Net Position at End of Period</i>	\$ 4,683,799

**Montcalm County Drains
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2022**

	Sidney Sewer Project
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 346,869
Cash Payments to Suppliers for Goods and Services	(96,258)
<i>Net Cash Provided by Operating Activities</i>	250,611
Cash Flows from Capital and Related Financing Activities	
Disposal/Removal of Capital Assets	--
Principal Paid on Long-term Debt	(99,678)
Interest Paid on Long-term Debt	(66,493)
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	(166,171)
Cash Flows from Investing Activities	
Interest Income Received	1
<i>Net Cash Provided by Investing Activities</i>	1
<i>Increase in Cash and Investments</i>	84,441
<i>Cash and Investments, Beginning of Year</i>	373,705
<i>Cash and Investments, End of Year</i>	\$ 458,146
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	\$ (22,390)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities	
Depreciation Expense	166,961
Change in Operating Assets and Liabilities	
Special Assessments Receivable	93,433
Accounts Payable	12,607
<i>Net Cash Provided by Operating Activities</i>	\$ 250,611



**MONTCALM COUNTY
STANTON, MICHIGAN
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED SEPTEMBER 30, 2022**

Montcalm County
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
<i>Forest Service Schools and Roads Cluster</i>					
Schools and Roads - Grants to States	10.665	MDNR	-n/a-	\$ 2,771	\$ 2,771
<i>Total Forest Service Schools and Roads Cluster</i>				2,771	2,771
Total U.S. Department of Agriculture				2,771	2,771
U.S. Department of Justice					
Residential Substance Abuse Treatment	16.593	Direct	-n/a-	192,108	192,108
Coronavirus Emergency Supplemental Funding Grant					
COVID-19 Montcalm County Sheriff's Office	16.034	MSP	CESF-128-2020	-	1,438
COVID-19 Montcalm County Courts	16.034	MSP	CESF-8-59-0219	-	15,513
COVID-19 Montcalm County Prosecutor's Office	16.034	MSP	CESF-8-59-0132	-	1,614
Total U.S. Department of Justice				194,879	18,565
U.S. Department of Health and Human Services					
<i>Aging Cluster:</i>					
Title IIIB - Homemaker	93.044	AAAWM	61.76	-	30,989
Title IIIB - Transportation	93.044	AAAWM	61.76	-	20,000
Title IIIC-1 - Congregate Meals	93.045	AAAWM	61.76	-	28,018
Title IIIC-2 - Home Delivered Meals	93.053	AAAWM	61.76	-	164,936
Nutrition Services Incentive Program:					
Congregate Meals	93.053	AAAWM	61.76	-	509
Home Delivered Meals	93.053	AAAWM	61.76	-	38,798
<i>Total Aging Cluster</i>				-	283,250
Title IIIE - Respite	93.052	AAAWM	61.76	-	27,813
				-	-
Child Support Enforcement:					
Title IV-D - Incentive Payments	93.563	MDHHS	-n/a-	-	125,008
Title IV-D - Friend of the Court	93.563	MDHHS	CSFOC-17-59001	-	415,037
Title IV-D - Prosecuting Attorney	93.563	MDHHS	CSPA-17-59002	-	68,757
Total Child Support Enforcement				-	608,802
Total U.S. Department of Health and Human Services				\$ -	\$ 919,865

See Notes to the Schedule of Expenditures of Federal Awards

Continued...

Montcalm County
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Homeland Security					
Boating Safety Financial Assistance	97.012	MDNR	MSR-MS18-086-279	\$ -	\$ 23,300
Emergency Management Performance Grants	97.042	MSP	EMC-2022-EP-00001P	-	22,780
COVID-19 National Disaster Relief (Co. Jails)	97.036	MDHHS	E20225255-00	-	15,163
Homeland Security Grant Program (non-cash)	97.067	WMSRDC	EMW-2020-SS-00044-S01	-	54,548
Total U.S. Department of Homeland Security				-	115,791
U.S. Department of Treasury					
COVID-19 American Rescue Plan Act	21.027	MDT	n/a	-	7,319,398
Total U.S. Department of Treasury				-	7,319,398
U.S. Department of Transportation					
<i>Highway Safety Cluster:</i>					
Highway Safety Project	20.600	MOHSP	PT-22-25	-	12,968
Total Highway Safety Cluster				-	12,968
Hazardous Materials Emergency Preparedness	20.703	MSP	693JK31940022HMEP	-	3,525
Total U.S. Department of Transportation				-	16,493
Total Expenditures of Federal Awards				\$ 194,879	\$ 8,584,991

See Notes to the Schedule of Expenditures of Federal Awards

Concluded.

Montcalm 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 Montcalm County (the "County") under programs of the federal government for the year ended September 30, 2022. 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 Montcalm County Road Commission, the Montcalm County Housing Commission, and the Montcalm County Central Dispatch Authority, which received federal awards that are not included in the Schedule for the year ended September 30, 2022, as these entities were separately audited.

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 - 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 Revenue Reported in the Financial Statements	
Governmental Funds	\$ 12,155,845
Proprietary Funds	9,650
Subtract State and Local Sources:	<u>(3,580,504)</u>
Total Expenditures of Federal Awards	<u>\$ 8,584,991</u>

Montcalm County

Notes to the Schedule of Expenditures of Federal Awards

NOTE D - PASS-THROUGH AGENCIES

The County receives 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:

Pass-through

Agency	
Abbreviation	Pass-through Agency Name
AAAWM	Area Agency on Aging of West Michigan
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MSP	Michigan Department of State Police
WMSRDC	West Michigan Shoreline Regional Development Corporation
MOHSP	Michigan Office of Highway Safety Planning
MDT	Michigan Department of Treasury

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 County Board of Commissioners and Management
Montcalm County
Stanton, 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 Montcalm County (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated March 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the Montcalm County Road Commission, the Montcalm County Housing Commission, and the Montcalm Central Dispatch Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not 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.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC
Grand Rapids, MI
March 31, 2023

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

To the County Board of Commissioners and Management
Montcalm County
Stanton, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montcalm County (the "County"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements also include the operations of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, and the Montcalm County Housing Commission, which all received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2022. Our audit, described below, did not include the operations of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, or the Montcalm County Housing Commission because they arranged for separate financial statement audits and did not meet the criteria for a single audit.

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 each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

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.

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.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC
Grand Rapids, MI
March 31, 2023

Montcalm County
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

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 not considered to be material weaknesses?	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?	None reported
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
American Rescue Plan Act	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 findings or questioned costs in the prior year.

March 31, 2023

To the County Board of Commissioners and Management
Montcalm County
Stanton, 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 Montcalm County, Michigan (the "County") as of and for the year ended September 30, 2022. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *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 January 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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. Governmental Accounting Standards Board Statement No. 87, *Leases* was adopted during the year (and had no impact on the financial statements) and the application of existing policies were not changed during the fiscal year ended September 30, 2022. 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 life 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 current hourly rates and policies regarding payment of sick and vacation banks.
- Management's assumptions used in the actuarial valuations of the pension and OPEB are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic 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, professional standards define a disagreement with management as 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 March 31, 2023.

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.

As required by the OMB Uniform Guidance, we have also completed an audit of the federal programs administered by the County. The results of that audit are provided to the Board of Commissioners in our report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the OMB Uniform Guidance dated March 31, 2023.

Other Matters

We applied certain limited procedures to management's discussion and analysis, pension and OPEB schedules, and the budgetary comparison schedules, 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 schedules 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 the 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