



**MONTCALM COUNTY
STANTON, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Commissioners
Montcalm County
Stanton, Michigan

Report on the Financial Statements

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, Michigan (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 represent 78.3, 2.5, and 1.1 percent of the assets, 80.5, (0.8), and 1.3 percent of the net position, and 85.8, 0.2, and 7.1 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. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

Change in Accounting Principle

As stated in Note 15 to the basic financial statements, the County adopted **GASB Statement No. 84 Fiduciary Activities** in the fiscal year September 30, 2021, which represents a change in its policy for reporting fiduciary activities. Beginning net position of the fiduciary funds were restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules for pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual

nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, 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 particularly stylized.

Gabridge & Company, PLC
Grand Rapids, Michigan
March 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Montcalm County
Management's Discussion and Analysis
September 30, 2021

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, 2021. 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 \$31,751,276 (*net position*), an increase of \$10,031,918.
- 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 \$19,827,632, an increase of \$4,511,604 in comparison with the prior year. Of the fund balance amount, \$13,355,641, or 67.3%, is available for spending at the County's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$16,209,331, an increase of \$3,064,405. At the end of the year, the unassigned portion of the fund balance in the general fund was \$13,355,641, or approximately 94.8% of total general fund expenditures and transfers out during the year.
- The County's investment in capital assets, net of accumulated depreciation, was \$6,311,766 at the end of the current year, which compares to \$6,537,999 at the end of the prior year.
- The County's total installment debt equaled \$3,440,000 at the close of the year, a decrease of \$805,000 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 \$10,031,918 for the year ended September 30, 2021 to an ending net position of \$31,751,276. Net position of governmental activities increased \$7,304,518 and business-type activities increased by \$2,727,400. 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	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 27,109,525	\$ 17,041,930	\$ 16,615,900	\$ 14,859,505	\$ 43,725,425	\$ 31,901,435
Capital Assets, net	4,814,839	4,924,059	1,496,927	1,613,940	6,311,766	6,537,999
<i>Total Assets</i>	<u>31,924,364</u>	<u>21,965,989</u>	<u>18,112,827</u>	<u>16,473,445</u>	<u>50,037,191</u>	<u>38,439,434</u>
Deferred Outflows of Resources	<u>2,256,608</u>	<u>2,083,159</u>	<u>180,949</u>	<u>216,683</u>	<u>2,437,557</u>	<u>2,299,842</u>
Liabilities						
Long-term Liabilities	10,445,278	11,077,509	641,419	855,492	11,086,697	11,933,001
Other Liabilities	7,599,063	2,424,986	351,035	981,213	7,950,098	3,406,199
<i>Total Liabilities</i>	<u>18,044,341</u>	<u>13,502,495</u>	<u>992,454</u>	<u>1,836,705</u>	<u>19,036,795</u>	<u>15,339,200</u>
Deferred Inflows of Resources	<u>1,588,477</u>	<u>3,303,017</u>	<u>98,200</u>	<u>377,701</u>	<u>1,686,677</u>	<u>3,680,718</u>
Net Position						
Net Investment in Capital Assets	1,503,733	894,413	1,496,927	1,613,940	3,000,660	2,508,353
Restricted	3,057,498	1,542,688	-	-	3,057,498	1,542,688
Unrestricted	<u>9,986,923</u>	<u>4,806,535</u>	<u>15,706,195</u>	<u>12,861,782</u>	<u>25,693,118</u>	<u>17,668,317</u>
<i>Total Net Position</i>	<u>\$ 14,548,154</u>	<u>\$ 7,243,636</u>	<u>\$ 17,203,122</u>	<u>\$ 14,475,722</u>	<u>\$ 31,751,276</u>	<u>\$ 21,719,358</u>

A component of the County's net position reflects its net investment in capital assets, \$3,000,660, or 9.6%, (e.g. land and improvements, construction in process, buildings and additions, machinery and equipment, infrastructure, and others). Restricted net position of \$3,057,498, or 9.6%, which represents amounts subject to external restrictions, such as State legislation. The remaining portion represents an unrestricted amount, \$25,693,118 or 80.9%, that can be used at the County's discretion.

Governmental Activities. The current assets of governmental activities for the County increased by \$10,067,595 consisting of approximately an increase in cash of \$10.4 million while all other assets stayed relatively close to the prior year. Capital assets decreased by \$109,220 due to depreciation exceeding the replacement of capital assets. Long-term liabilities decreased by \$632,231 as a result of payment of long-term debt of \$802,580 and slight decreases of net pension and opeb liabilities. Other liabilities increased by \$5,174,077 due to unearned revenues for unspent ARPA funding as of the end of the fiscal year. Deferred outflows of resources increased by \$173,449 while deferred inflows of resources decreased by \$1,714,540 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 \$1,756,395 consisting of approximately an increase in cash of \$2.6 million against a decline of approximately \$895,000 in all receivables. Capital assets decreased by \$117,013 due to

depreciation and replacement of assets. Long-term liabilities decreased by \$214,073 as a result of payment of long-term debt and a reduction in net pension liability. Other liabilities decreased by \$630,178 due to long-term debt being paid off and net change in accounts payable and accrued liabilities decreasing about \$20,000. Deferred outflows of resources decreased by \$35,734 while deferred inflows of resources decreased by \$279,501 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

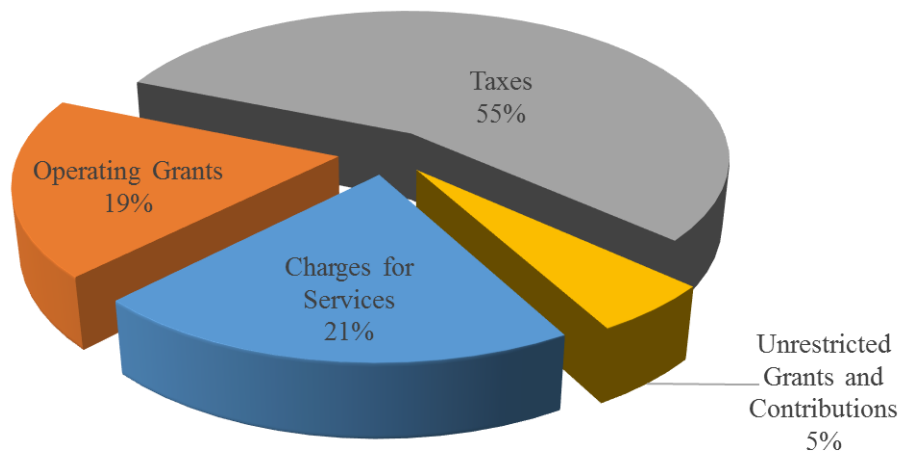
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 5,329,788	\$ 3,850,273	\$ 6,561,979	\$ 6,515,539	\$ 11,891,767	\$ 10,365,812
Operating Grants	4,888,966	4,304,896	30,076	75,895	4,919,042	4,380,791
General Revenues:						
Taxes	14,414,091	10,774,236	984,768	1,134,619	15,398,859	11,908,855
Unrestricted Grants and Contributions	1,362,943	999,397	-	-	1,362,943	999,397
Unrestricted Investment Earnings	5,217	58,734	3,758	89,362	8,975	148,096
Gain (Loss) on Disposal of Capital Assets	30,423	(6,969)	61	-	30,484	(6,969)
Other Revenues (Losses)	-	65,640	-	(61,885)	-	3,755
Total Revenues	26,031,428	20,046,207	7,580,642	7,753,530	33,612,070	27,799,737
Expenses						
General Government	8,618,834	6,900,298	-	-	8,618,834	6,900,298
Public Safety	4,253,905	3,860,415	-	-	4,253,905	3,860,415
Public Works	655,427	517,536	-	-	655,427	517,536
Health and Welfare	2,794,388	2,727,082	-	-	2,794,388	2,727,082
Recreation and Culture	1,850,675	980,170	-	-	1,850,675	980,170
Community and Economic Development	450,605	483,764	-	-	450,605	483,764
Interest on Long-term Debt	125,270	140,378	-	-	125,270	140,378
Delinquent Tax	-	-	314,812	416,600	314,812	416,600
Ambulance	-	-	3,965,439	3,634,821	3,965,439	3,634,821
Building Official	-	-	504,589	519,906	504,589	519,906
PRE Audit	-	-	14,528	361	14,528	361
Inmate Commissary	-	-	31,680	30,510	31,680	30,510
Total Expenses	18,749,104	15,609,643	4,831,048	4,602,198	23,580,152	20,211,841
Change in Net Position before Transfers	7,282,324	4,436,564	2,749,594	3,151,332	10,031,918	7,587,896
Transfers	22,194	1,405	(22,194)	(1,405)	-	-
Change in Net Position	7,304,518	4,437,969	2,727,400	3,149,927	10,031,918	7,587,896
Net Position						
Beginning of year	7,243,636	2,805,667	14,475,722	11,325,795	21,719,358	14,131,462
End of Year	\$ 14,548,154	\$ 7,243,636	\$ 17,203,122	\$ 14,475,722	\$ 31,751,276	\$ 21,719,358

Governmental Activities. Charges for services increased by \$1,479,515 due to increased activity from the prior year (which was decreased by some of the ongoing pandemic restrictions). Operating grants saw an increase of \$584,070 due to increased grants, including ARPA funding. Tax revenues increased by \$3,639,855 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 \$363,546 due to better than projected revenues from the state.

Overall expenses increased by \$3,139,461 due to increased hiring due to new millages, and increased funding from ARPA.

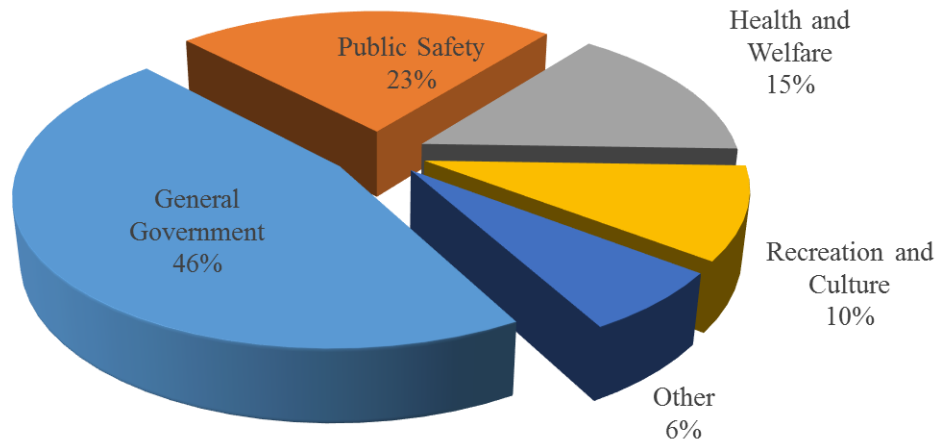
The following chart presents revenues of governmental activities for the fiscal year:

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 \$46,440 as ambulance services increased by approximately \$230,000 and charges from the delinquent tax revolving fund decreased by approximately \$392,000. Taxes decreased by \$149,851 as the EMS (ambulance services) had received a lesser tax levy during the current fiscal year. Overall expenses increased by \$607,983, or 15.2%, from the prior year with the largest increase occurring within the ambulance fund of \$228,850. This increase consisted mostly of increased salary and wages for the Ambulance fund, while the delinquent tax collection had slightly lower expenses in part due to not having to make interest payments. The increased EMS activity was due to the COVID-19 Pandemic.

Financial Analysis of the County's Funds

As the County completed the fiscal year, its governmental funds reported combined ending fund balances of \$19,827,632. Of this, \$153,821, or .8%, is legally restricted and/or unavailable to spend (i.e. amounts tied up in prepaid items and long-term advances), \$822,596 or 4.1%, is committed by the Board of Commissioners for designated projects, \$2,500,000, or 12.6%, is assigned for capital improvements, and programs, and \$2,995,574 or 15.1%, is restricted for various projects, leaving \$13,355,641, or 67.4%, 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 two expenditures in excess of the amounts appropriated during the year ended September 30, 2021, both of which are considered minor to the State of Michigan, the Animal Control exceed its final budget of \$71,186, by \$12,501 and Parks exceed its final budget of \$34,112 by \$1,032.

Capital Assets and Debt Administration

Capital Assets. At September 30, 2021, the County had invested \$6,311,766 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 \$3,440,00 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 2022 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. Additionally, management and the County Board of Commissioners are currently working to determine the significance that the COVID-19 Pandemic will have on the County's upcoming revenues and expenditures.

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, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 23,596,969	\$ 13,457,945	\$ 37,054,914	\$ 6,282,069
Receivables, net	291,776	607,924	899,700	2,619,435
Special Assessments Receivable	--	--	--	2,505,788
Taxes Receivable	2,060,584	2,533,081	4,593,665	--
Due from Other Governments	567,956	16,950	584,906	27,409
Inventory	54,317	--	54,317	1,235,833
Prepays	537,923	--	537,923	254,161
Total Current Assets	27,109,525	16,615,900	43,725,425	12,924,695
<i>Noncurrent Assets</i>				
Restricted Cash	--	--	--	158,917
Capital Assets not being Depreciated	76,656	--	76,656	5,362,864
Capital Assets being Depreciated, net	4,738,183	1,496,927	6,235,110	50,760,369
Total Assets	31,924,364	18,112,827	50,037,191	69,206,845
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	128,891	--	128,891	--
OPEB Related	298,122	--	298,122	1,710,180
Pension Related	1,829,595	180,949	2,010,544	463,588
Total Deferred Outflows of Resources	2,256,608	180,949	2,437,557	2,173,768
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	766,961	162,115	929,076	652,188
Accrued Liabilities	503,303	167,806	671,109	62,987
Due to Others	242,494	--	242,494	--
Due to Other Governments	48,579	--	48,579	--
Accrued Interest	34,648	--	34,648	52,987
Unearned Revenue	5,061,251	--	5,061,251	--
Current Portion of Compensated Absences	111,827	21,114	132,941	219,381
Current Portion of Long-term Debt	830,000	--	830,000	599,127
Total Current Liabilities	7,599,063	351,035	7,950,098	1,586,670
<i>Noncurrent Liabilities</i>				
Advances from Other Governmental Units	--	--	--	380,815
Compensated Absences	335,482	33,165	368,647	--
Long-term Debt	2,610,000	--	2,610,000	4,140,256
Net OPEB Liability	1,349,673	--	1,349,673	1,266,142
Net Pension Liability	6,150,123	608,254	6,758,377	9,542,390
Total Liabilities	18,044,341	992,454	19,036,795	16,916,273
DEFERRED INFLOWS OF RESOURCES				
OPEB Related	595,562	--	595,562	593,334
Pension Related	992,915	98,200	1,091,115	2,033,833
Total Deferred Inflows of Resources	1,588,477	98,200	1,686,677	2,627,167
NET POSITION				
Net Investment in Capital Assets	1,503,733	1,496,927	3,000,660	51,383,850
Restricted (Note 9)	3,057,498	--	3,057,498	5,094,955
Unrestricted	9,986,923	15,706,195	25,693,118	(4,641,632)
Total Net Position	\$ 14,548,154	\$ 17,203,122	\$ 31,751,276	\$ 51,837,173

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, 2021

		Program Revenues			Net (Expense) Revenue			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
Public Safety	\$ 4,253,905	\$ 824,662	\$ 515,092	\$ --	\$ (2,914,151)	\$ --	\$ (2,914,151)	\$ --
Public Works	655,427	253,347	--	--	(402,080)	--	(402,080)	--
Health and Welfare	2,794,388	101,150	567,360	--	(2,125,878)	--	(2,125,878)	--
Community and Economic Development	450,605	1,025,054	--	--	574,449	--	574,449	--
General Government	8,618,834	3,100,814	3,770,014	--	(1,748,006)	--	(1,748,006)	--
Recreation and Culture	1,850,675	24,761	36,500	--	(1,789,414)	--	(1,789,414)	--
Debt Service - Interest	125,270	--	--	--	(125,270)	--	(125,270)	--
<i>Total Governmental Activities</i>	18,749,104	5,329,788	4,888,966	--	(8,530,350)	--	(8,530,350)	--
Business-type Activities:								
Ambulance	3,965,439	4,580,889	30,076	--	--	645,526	645,526	--
Delinquent Tax Revolving	314,812	1,188,962	--	--	--	874,150	874,150	--
Inmate Commissary	31,680	64,561	--	--	--	32,881	32,881	--
Building Official	504,589	710,266	--	--	--	205,677	205,677	--
PRE Audit	14,528	17,301	--	--	--	2,773	2,773	--
<i>Total Business-type Activities</i>	4,831,048	6,561,979	30,076	--	--	1,761,007	1,761,007	--
<i>Total Primary Government</i>	\$ 23,547,929	\$ 11,891,767	\$ 4,919,042	\$ --	(8,530,350)	1,761,007	(6,769,343)	--
Component Units								
Central Dispatch Authority	\$ 1,241,605	\$ 11,224	\$ 23,448	\$ 7,404	--	--	--	(1,199,529)
Road Commission	15,472,904	2,084,526	10,352,504	5,395,781	--	--	--	2,359,907
Drain Commission	1,454,461	1,325,382	29,513	80,031	--	--	--	(19,535)
Housing Commission (12/31/20)	1,360,839	128,603	1,344,648	--	--	--	--	112,412
Brownfield Redevelopment Authority	3,136	--	--	--	--	--	--	(3,136)
<i>Total Component Units</i>	\$ 19,532,945	\$ 3,549,735	\$ 11,750,113	\$ 5,483,216	--	--	--	1,250,119
General Purpose Revenues and Transfers:								
Revenues								
Unrestricted State Sources					1,362,943	--	1,362,943	150,519
Property Taxes					14,414,091	984,768	15,398,859	3,136
Interest Income					5,217	3,758	8,975	20,544
Gain on Disposal of Capital Assets					30,423	61	30,484	157,101
Other Revenue					--	--	--	6,805
State and Local Surcharges					--	--	--	1,801,878
Special Item (Note 17)					--	--	--	(1,912,234)
Transfers					22,194	(22,194)	--	--
<i>Total General Revenues and Transfers</i>					15,834,868	966,393	16,801,261	227,749
<i>Change in Net Position</i>					7,304,518	2,727,400	10,031,918	1,477,868
<i>Net Position at Beginning of Period</i>					7,243,636	14,475,722	21,719,358	50,359,305
<i>Net Position at End of Period</i>					\$ 14,548,154	\$ 17,203,122	\$ 31,751,276	\$ 51,837,173

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

**Montcalm County
Balance Sheet
Governmental Funds
September 30, 2021**

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 19,421,311	\$ 3,766,686	\$ 23,187,997
Receivables, Net	141,889	149,887	291,776
Taxes Receivable	2,060,584	--	2,060,584
Due from Other Governments	377,705	190,251	567,956
Prepays	91,897	1,477	93,374
Due from Other Funds	--	23,769	23,769
<i>Total Assets</i>	<u>\$ 22,093,386</u>	<u>\$ 4,132,070</u>	<u>\$ 26,225,456</u>
LIABILITIES			
Accounts Payable	\$ 258,616	\$ 336,025	\$ 594,641
Accrued Liabilities	305,195	105,396	410,591
Due to Others	242,494	--	242,494
Due to Other Governments	--	48,579	48,579
Unearned Revenue	5,061,251	--	5,061,251
Due to Other Funds	16,499	23,769	40,268
<i>Total Liabilities</i>	<u>5,884,055</u>	<u>513,769</u>	<u>6,397,824</u>
FUND BALANCE			
Nonspendable	91,897	61,924	153,821
Restricted	40,385	2,955,189	2,995,574
Committed	221,408	601,188	822,596
Assigned	2,500,000	--	2,500,000
Unassigned	13,355,641	--	13,355,641
<i>Total Fund Balance</i>	<u>16,209,331</u>	<u>3,618,301</u>	<u>19,827,632</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 22,093,386</u>	<u>\$ 4,132,070</u>	<u>\$ 26,225,456</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, 2021

Total Fund Balance - Governmental Funds	\$ 19,827,632
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.	506,695
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(447,309)
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.	(5,313,443)
Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,647,113)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(34,648)
General government capital assets of \$25,341,956, net of accumulated depreciation of \$20,742,843, are not financial resources, and accordingly are not reported in the funds.	4,599,113
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 \$3,440,000 less unamortized costs of \$128,891.	(3,311,109)
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.	368,336
Total Net Position - Governmental Activities	\$ <u>14,548,154</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, 2021

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 8,928,370	\$ 5,485,721	\$ 14,414,091
Licenses and Permits	139,254	59,184	198,438
Intergovernmental	4,313,376	1,763,027	6,076,403
Charges for Services	3,339,900	562,859	3,902,759
Fines and Forfeitures	11,135	6,500	17,635
Interest and Rents	4,856	908,837	913,693
Local Contributions	--	135,121	135,121
Other Revenue	373,210	61	373,271
Total Revenues	17,110,101	8,921,310	26,031,411
Expenditures			
General Government	6,423,788	2,081,648	8,505,436
Public Safety	4,954,889	628,551	5,583,440
Public Works	435,524	206,236	641,760
Health and Welfare	1,429,747	1,326,421	2,756,168
Community and Economic Development	237,432	213,173	450,605
Recreation and Culture	35,144	1,809,867	1,845,011
Capital Outlay	--	740,826	740,826
Debt Service - Interest	--	99,755	99,755
Debt Service - Principal	--	805,000	805,000
Total Expenditures	13,516,524	7,911,477	21,428,001
Excess of Revenues Over (Under) Expenditures	3,593,577	1,009,833	4,603,410
Other Financing Sources (Uses)			
Transfers In	33,935	594,637	628,572
Transfers Out	(563,107)	(117,271)	(680,378)
Net Other Financing Sources (Uses)	(529,172)	477,366	(51,806)
Net Change in Fund Balance	3,064,405	1,487,199	4,551,604
Fund Balance at Beginning of Period	13,144,926	2,131,102	15,276,028
Fund Balance at End of Period	\$ 16,209,331	\$ 3,618,301	\$ 19,827,632

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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$ 4,551,604
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 changes in net position in the entity-wide statements.	(47,544)
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.	67,707
Changes to the net pension liability, and the pension related deferrals, are not shown in the fund financial statements.	2,054,202
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.	(56,187)
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 \$838,153 and net disposal of capital assets of \$2 exceeds capital outlay expenditures of \$740,826 during the year.	(97,329)
Changes to accrued interest are not shown in the fund financial statements.	6,708
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.	772,777
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 funds.	52,580
Changes in Net Position - Governmental Activities	\$ <u>7,304,518</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, 2021

	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	\$ 6,457,418	\$ 5,827,165	\$ 1,173,362	\$ 13,457,945	\$ 408,972
Receivables, net	441,800	166,124	--	607,924	--
Taxes Receivable	--	2,533,081	--	2,533,081	--
Due from Other Governments	16,950	--	--	16,950	--
Inventory	--	--	--	--	54,317
Due from Other Funds	--	--	--	--	16,499
Total Current Assets	6,916,168	8,526,370	1,173,362	16,615,900	479,788
<i>Noncurrent Assets</i>					
Capital Assets being Depreciated, net	1,441,580	--	55,347	1,496,927	215,726
Total Assets	8,357,748	8,526,370	1,228,709	18,112,827	695,514
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related	180,949	--	--	180,949	--
Total Deferred Outflows of Resources	180,949	--	--	180,949	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	123,443	35,855	2,817	162,115	172,320
Accrued Liabilities	147,996	--	19,810	167,806	16,499
Current Portion of Compensated Absences	17,246	--	3,868	21,114	--
Total Current Liabilities	288,685	35,855	26,495	351,035	188,819
<i>Noncurrent Liabilities</i>					
Compensated Absences	25,313	--	7,852	33,165	--
Net Pension Liability	608,254	--	--	608,254	--
Total Liabilities	922,252	35,855	34,347	992,454	188,819
DEFERRED INFLOWS OF RESOURCES					
Pension Related	98,200	--	--	98,200	--
Total Deferred Inflows of Resources	98,200	--	--	98,200	--
NET POSITION					
Investment in Capital Assets	1,441,580	--	55,347	1,496,927	215,726
<i>Unrestricted</i>	6,076,665	8,490,515	1,139,015	15,706,195	290,969
Total Net Position	\$ 7,518,245	\$ 8,490,515	\$ 1,194,362	\$ 17,203,122	\$ 506,695

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Ambulance	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 4,580,889	\$ 834,233	\$ 774,827	\$ 6,189,949	\$ 1,214,949
Penalties and Interest on Delinquent Taxes	--	249,470	17,301	266,771	--
Total Operating Revenues	4,508,889	1,083,703	792,128	6,456,720	1,214,949
Operating Expenses					
Personnel Services	2,778,210	--	424,106	3,202,316	33,515
Purchases of Goods and Services	733,253	314,812	117,227	1,165,292	473,717
Depreciation	453,976	--	9,464	463,440	11,891
Participant Benefits	--	--	--	--	816,279
Administrative Expense	--	--	--	--	1,110
Total Operating Expenses	3,965,439	314,812	550,797	4,831,048	1,336,512
Operating Income (Loss)	615,450	768,891	241,331	1,625,672	(121,563)
Non-Operating Revenues (Expenses)					
Property Taxes	984,768	--	--	984,768	--
Interest Income	1,595	1,967	196	3,758	19
Other Revenue	30,076	105,259	--	135,335	--
Gain on Disposal of Capital Assets	--	--	61	61	--
Net Non-Operating Revenues (Expenses)	1,016,439	107,226	257	1,123,922	19
Income Before Contributions and Transfers	1,631,889	876,117	241,588	2,749,594	(121,544)
Transfers In	--	--	--	--	74,000
Transfers Out	--	(759)	(21,435)	(22,194)	--
Change In Net Position	1,631,889	875,358	220,153	2,727,400	(47,544)
<i>Net Position at Beginning of Period</i>	<i>5,886,356</i>	<i>7,615,157</i>	<i>974,209</i>	<i>14,475,722</i>	<i>554,239</i>
Net Position at End of Period	\$ 7,518,245	\$ 8,490,515	\$ 1,194,362	\$ 17,203,122	\$ 506,695

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, 2021

	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	\$ 4,616,512	\$ 1,225,713	\$ 774,827	\$ 6,617,052	\$ 811,345
Cash Received from Interfund Services	--	--	--	--	403,604
Cash Payments for Goods and Services	(741,444)	(330,658)	(115,012)	(1,187,114)	(454,833)
Cash Received to Purchase Delinquent Taxes	--	719,088	17,301	736,389	--
Cash Payments to Employees	(3,250,481)	--	(428,031)	(3,678,512)	(794,793)
Net Cash Provided (Used) by Operating Activities	624,587	1,614,143	249,085	2,487,815	(34,677)
Cash Flows from Noncapital Financing Activities					
Property Taxes	984,768	--	--	984,768	--
Other Revenue	30,076	105,259	--	135,335	--
Net Transfers	--	(759)	(21,435)	(22,194)	74,000
Net Cash Provided (Used) by Noncapital Financing Activities	1,014,844	104,500	(21,435)	1,097,909	74,000
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid on Long-term Debt	--	(590,000)	--	(590,000)	--
Sale of Capital Assets	--	--	61	61	--
Purchase of Capital Assets	(346,426)	--	--	(346,426)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	(346,426)	(590,000)	61	(936,365)	--
Cash Flows from Investing Activities					
Interest Income	1,595	1,967	195	3,757	19
Net Cash Provided by Investing Activities	1,595	1,967	195	3,757	19
Net Increase in Cash and Investments	1,294,600	1,130,610	227,906	2,653,116	39,342
<i>Cash and Investments - Beginning of Year</i>	<i>5,162,818</i>	<i>4,696,555</i>	<i>945,456</i>	<i>10,804,829</i>	<i>369,630</i>
<i>Cash and Investments - End 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>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 615,450	\$ 768,891	\$ 241,331	\$ 1,625,672	\$ (121,563)
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	453,976	--	9,464	463,440	11,891
Changes in Assets, Liabilities, and Deferrals					
Receivables, Net	34,446	391,480	--	425,926	--
Taxes Receivable	--	469,618	--	469,618	--
Due from Other Governments	1,177	--	--	1,177	--
Inventory	--	--	--	--	(39,362)
Accounts Payable	(40,456)	(15,846)	852	(55,450)	114,357
Accrued Liabilities	32,265	--	1,363	33,628	--
Net Pension Liability and Related Deferrals	(479,174)	--	--	(479,174)	--
Compensated Absences	6,903	--	(3,925)	2,978	--
Net Cash Provided (Used) by Operating Activities	\$ 624,587	\$ 1,614,143	\$ 249,085	\$ 2,487,815	\$ (34,677)

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, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 9,721,056
<i>Total Assets</i>	<u>9,721,056</u>
LIABILITIES	
Undistributed Receipts	242,556
Due to Other Governments	9,478,500
<i>Total Liabilities</i>	<u>9,721,056</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	\$ --

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, 2021

	<u>Custodial Funds</u>
Additions	
Inmate Trust Collections	\$ 7,206
Taxes Collected for Other Governments	12,735,681
Library Penal Fine Collections	509,492
Court Collections	248,682
County Clerk/Register of Deeds Collections	162,860
Treasurer Collections	10,460,881
<i>Total Additions</i>	<u>24,124,802</u>
Deductions	
Payments of Property Taxes to Other Governments	12,735,681
Library Penal Fines Distributions	509,492
Inmate Trust Distributions	7,206
Court Distributions	248,682
County Clerk and Register of Deeds Distributions	162,860
Treasurer Distributions	10,460,881
<i>Total Deductions</i>	<u>24,124,802</u>
<i>Change in Net Position</i>	--
<i>Net Position at Beginning of Period</i>	--
<i>Net Position at End of Period</i>	<u>\$ --</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, 2021

	<u>Central Dispatch Authority</u>	<u>Road Commission</u>	<u>Drain Commission</u>	<u>Housing Commission (12/31/20)</u>	<u>Brownfield Redevelopment Authority</u>	<u>Total Component Units</u>
ASSETS						
<i>Current Assets</i>						
Cash and Investments	\$ 695,916	\$ 2,850,326	\$ 2,459,387	\$ 276,440	\$ --	\$ 6,282,069
Receivables, Net	420,388	2,178,865	16,696	3,486	--	2,619,435
Special Assessments Receivable	--	--	2,505,788	--	--	2,505,788
Due from Other Governments	27,409	--	--	--	--	27,409
Inventory	--	1,235,833	--	--	--	1,235,833
Prepays	91,519	154,798	--	7,844	--	254,161
Total Current Assets	1,235,232	6,419,822	4,981,871	287,770	--	12,924,695
<i>Noncurrent Assets</i>						
Restricted Cash	--	--	93,500	65,417	--	158,917
Capital Assets not being Depreciated	--	5,362,864	--	--	--	5,362,864
Capital Assets being Depreciated	500,085	42,383,405	7,477,195	399,684	--	50,760,369
Total Assets	1,735,317	54,166,091	12,552,566	752,871	--	69,206,845
DEFERRED OUTFLOWS OF RESOURCES						
OPEB Related	127,385	1,582,795	--	--	--	1,710,180
Pension Related	253,775	209,813	--	--	--	463,588
Total Deferred Outflows of Resources	381,160	1,792,608	--	--	--	2,173,768
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	55,532	566,161	22,989	7,506	--	652,188
Accrued Liabilities	--	9,125	3,980	49,882	--	62,987
Accrued Interest	--	23,966	29,021	--	--	52,987
Current Portion of Compensated Absences	57,213	158,756	--	3,412	--	219,381
Current Portion of Long-term Debt	--	447,771	151,356	--	--	599,127
Total Current Liabilities	112,745	1,205,779	207,346	60,800	--	1,586,670
<i>Noncurrent Liabilities</i>						
Advances from Other Governmental Units	--	380,815	--	--	--	380,815
Long-term Debt	--	1,657,471	2,482,785	--	--	4,140,256
Net OPEB Liability	495,625	770,517	--	--	--	1,266,142
Net Pension Liability	577,185	8,965,205	--	--	--	9,542,390
Total Liabilities	1,185,555	12,979,787	2,690,131	60,800	--	16,916,273
DEFERRED INFLOWS OF RESOURCES						
OPEB Related	150,598	442,736	--	--	--	593,334
Pension Related	1,212,874	820,959	--	--	--	2,033,833
Total Deferred Inflows of Resources	1,363,472	1,263,695	--	--	--	2,627,167
NET POSITION						
Net Investment in Capital Assets	500,085	45,641,027	4,843,054	399,684	--	51,383,850
<i>Restricted for:</i>						
Public Safety	35,558	--	--	--	--	35,558
Drains	--	--	5,019,381	--	--	5,019,381
Housing	--	--	--	40,016	--	40,016
<i>Unrestricted</i>	(968,193)	(3,925,810)	--	252,371	--	(4,641,632)
Total Net Position	\$ (432,550)	\$ 41,715,217	\$ 9,862,435	\$ 692,071	\$ --	\$ 51,837,173

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, 2021

	Central Dispatch Authority	Road Commission	Drain Commission	Housing Commission (12/31/20)	Brownfield Redevelopment Authority	Total Component Units
Expenses						
Brownfield Redevelopment Authority	\$ --	\$ --	\$ --	\$ --	\$ 3,136	\$ 3,136
Central Dispatch Authority	1,241,605	--	--	--	--	1,241,605
Road Commission	--	15,472,904	--	--	--	15,472,904
Drain Commission	--	--	1,454,461	--	--	1,454,461
Housing Commission	--	--	--	1,360,839	--	1,360,839
Total Expenses	1,241,605	15,472,904	1,454,461	1,360,839	3,136	19,532,945
Program Revenues						
Charges for services	11,224	2,084,526	1,325,382	128,603	--	3,549,735
Operating grants and contributions	23,448	10,352,504	29,513	1,344,648	--	11,750,113
Capital grants and contributions	7,404	5,395,781	80,031	--	--	5,483,216
Total Program Revenues	42,076	17,832,811	1,434,926	1,473,251	--	20,783,064
Net Program Revenues (Expenses)	(1,199,529)	2,359,907	(19,535)	112,412	(3,136)	1,250,119
General Revenue						
Property Taxes	--	--	--	--	3,136	3,136
Unrestricted State Sources	--	--	150,519	--	--	150,519
State and Local Surcharges	1,801,878	--	--	--	--	1,801,878
Special Item (Note 17)	--	--	(1,912,234)	--	--	(1,912,234)
Interest Income	271	20,150	123	--	--	20,544
Other Revenue	--	--	--	6,805	--	6,805
Gain on Disposal of Capital Assets	--	157,101	--	--	--	157,101
Total General Revenues	1,802,149	177,251	(1,761,592)	6,805	3,136	227,749
Change in Net Position	602,620	2,537,158	(1,781,127)	119,217	--	1,477,868
<i>Net Position at Beginning of Period</i>	<i>(1,035,170)</i>	<i>39,178,059</i>	<i>11,643,562</i>	<i>572,854</i>	<i>--</i>	<i>50,359,305</i>
Net Position at End of Period	\$ (432,550)	\$ 41,715,217	\$ 9,862,435	\$ 692,071	\$ --	\$ 51,837,173

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, Michigan (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, 2021, the County contributed \$430,647 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 an agency 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency 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.

Agency 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

The County will be affected by the ongoing outbreak of the Coronavirus (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. COVID-19 has caused

Montcalm County
Notes to the Financial Statements

significant government and business disruptions through mandated and voluntary closings and stay at home orders.

The extent of the impact of COVID-19 on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is highly uncertain.

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, 2021, the County had one expenditure in excess of the amounts appropriated. Expenditures for Recreation and Culture were budgeted to be \$34,112 while actual amount expended was \$35,144. This results in an excess of \$1,032.

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	\$ 37,054,914	\$ 6,282,069	\$ 43,336,983
Restricted Cash	-	158,917	158,917
Statement of Fiduciary Assets and Liabilities			
Cash and Investments	9,721,056	-	9,721,056
Total Deposits and Investments	<u>46,775,970</u>	<u>6,440,986</u>	<u>53,216,956</u>
Less Component Units Separately Audited			
Central Dispatch Authority	-	(695,916)	(695,916)
Road Commission	-	(2,850,326)	(2,850,326)
Housing Commission (12/31/19)	-	(276,440)	(276,440)
Deposits and Investments Managed by the County Treasurer	<u>\$ 46,775,970</u>	<u>\$ 2,618,304</u>	<u>\$ 49,394,274</u>
Deposits and Investments			
Checking and Savings Accounts			\$ 29,036,428
Pooled Investments			20,355,571
Cash on Hand			2,275
Total Deposits and Investments			<u>\$ 49,394,274</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, \$31,305,783 of the County's bank balance of \$32,024,722 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 \$21,612,938 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, 2021, 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 \$21,612,938.

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 \$21,612,938.

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, 2021:

- Michigan Cooperative Liquid Assets Securities System, with a balance of \$21,612,938, 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, 2021, the total amount within the Repair, Replacement, and Improvement Fund was \$93,500.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2021 for governmental and business-type activities were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 76,658	\$ -	\$ (2)	\$ 76,656
	<u>76,658</u>	<u>-</u>	<u>(2)</u>	<u>76,656</u>
Capital Assets, being Depreciated				
Land Improvements	40,035	93,605	-	133,640
Buildings and Additions	22,979,915	194,012	-	23,173,927
Equipment and Furniture	1,120,018	76,061	(68,290)	1,127,789
Vehicles	817,126	377,148	(126,515)	1,067,759
	<u>24,957,094</u>	<u>740,826</u>	<u>(194,805)</u>	<u>25,503,115</u>
Less Accumulated Depreciation For:				
Land Improvements	9,388	4,997	-	14,385
Buildings and Additions	18,483,413	665,843	-	19,149,256
Equipment and Furniture	853,564	81,584	(68,290)	866,858
Vehicles	763,328	97,620	(126,515)	734,433
	<u>20,109,693</u>	<u>850,044</u>	<u>(194,805)</u>	<u>20,764,932</u>
Total Capital Assets				
being Depreciated, Net	<u>4,847,401</u>	<u>(109,218)</u>	<u>-</u>	<u>4,738,183</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 4,924,059</u>	<u>\$ (109,218)</u>	<u>\$ (2)</u>	<u>\$ 4,814,839</u>

Montcalm County
Notes to the Financial Statements

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets, being Depreciated				
Buildings and Additions	443,908	-	-	443,908
Equipment and Furniture	1,219,559	186,558	(1,181)	1,404,936
Vehicles	2,389,013	214,751	(460,444)	2,143,320
	<u>4,052,480</u>	<u>401,309</u>	<u>(461,625)</u>	<u>3,992,164</u>
Less Accumulated Depreciation For:				
Buildings and Additions	340,912	22,651	-	363,563
Equipment and Furniture	756,677	143,738	(1,181)	899,234
Vehicles	1,340,951	297,049	(405,560)	1,232,440
	<u>2,438,540</u>	<u>463,438</u>	<u>(406,741)</u>	<u>2,495,237</u>
Total Capital Assets being Depreciated, Net	<u>1,613,940</u>	<u>(62,129)</u>	<u>(54,884)</u>	<u>1,496,927</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 1,613,940</u>	<u>\$ (62,129)</u>	<u>\$ (54,884)</u>	<u>\$ 1,496,927</u>

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

**Depreciation of Governmental
Activities By Function**

General Government	\$364,609
Public Safety	436,076
Health and Welfare	31,804
Recreation and Culture	5,664
Fuel Station Internal Service Fund	<u>11,891</u>

**Total Depreciation Expense -
Governmental Activities** \$ 850,044

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

Ambulance	\$453,974
Building Official	<u>9,464</u>

**Total Depreciation Expense -
Business-type Activities** \$ 463,438

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, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Drain Commission				
Capital Assets, not being Depreciated				
Land	\$ 75,650	\$ -	\$ (75,650)	\$ -
Capital Assets, being Depreciated				
Drain Infrastructure	13,617,107	21,348	(3,554,359)	10,084,096
Vehicles	41,381	-	-	41,381
	<u>13,658,488</u>	<u>21,348</u>	<u>(3,554,359)</u>	<u>10,125,477</u>
Less Accumulated Depreciation For:				
Drain Infrastructure	4,127,204	206,368	(1,686,559)	2,647,013
Vehicles	1,269	-	-	1,269
	<u>4,128,473</u>	<u>206,368</u>	<u>(1,686,559)</u>	<u>2,648,282</u>
Total Capital Assets being Depreciated, Net	<u>9,530,015</u>	<u>(185,020)</u>	<u>(1,867,800)</u>	<u>7,477,195</u>
Drain Commission				
Capital Assets, Net	<u>\$ 9,605,665</u>	<u>\$ (185,020)</u>	<u>\$ (1,943,450)</u>	<u>\$ 7,477,195</u>

Note 5 - Interfund Transfers

For the year ended September 30, 2021, interfund transfers consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 1,158,626	\$ 478,935
Nonmajor Governmental Funds	117,271	594,638
Delinquent Tax Revolving	759	-
Inmate Commissary	21,435	-
Office Equipment	-	60,000
Drains Commission	426,554	577,073
OPEB	-	14,000
	<u>\$ 1,724,645</u>	<u>\$ 1,724,646</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, 2021 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	\$ 4,245,000	\$ -	\$ (805,000)	\$ 3,440,000	\$ 830,000
Total Installment Debt	<u>4,245,000</u>	<u>-</u>	<u>(805,000)</u>	<u>3,440,000</u>	<u>830,000</u>
Compensated Absences	515,016	-	(67,707)	447,309	111,827
	<u>\$ 4,760,016</u>	<u>\$ -</u>	<u>\$ (872,707)</u>	<u>\$ 3,887,309</u>	<u>\$ 941,827</u>
 Business-type Activities					
2020 GOLT Note	<u>590,000</u>	<u>-</u>	<u>(590,000)</u>	<u>-</u>	<u>-</u>
Total Installment Debt	<u>590,000</u>	<u>-</u>	<u>(590,000)</u>	<u>-</u>	<u>-</u>
Compensated Absences	51,301	2,978	-	54,279	21,114
	<u>\$ 641,301</u>	<u>\$ 2,978</u>	<u>\$ (590,000)</u>	<u>\$ 54,279</u>	<u>\$ 21,114</u>
 Drain Commission Component Unit					
General Obligation Bonds	<u>\$ 3,991,796</u>	<u>\$ -</u>	<u>\$ (1,357,655)</u>	<u>\$ 2,634,141</u>	<u>\$ 151,356</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 \$ 3,440,000

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 \$ 315,000

\$761,772 2008 Greenville West Drain District Bonds, due in annual installments of \$50,785 plus interest at 3.84% payable semi-annually through June 1, 2023 101,570

\$130,000 2015 Tow Drain Bonds due in annual installments of \$18,571 plus interest ranging from 1.00% to 2.75% payable semi-annually through June 1, 2022 18,571

\$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 2,199,000

Total \$ 2,634,141

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
2022	\$ 830,000	\$ 83,115	\$ 913,115	\$ 151,356	\$ 84,556	\$ 235,912
2023	850,000	65,310	915,310	135,785	79,410	215,195
2024	870,000	45,335	915,335	85,000	74,640	159,640
2025	890,000	23,585	913,585	87,000	71,820	158,820
2026	-	-	-	95,000	68,910	163,910
2027-2031	-	-	-	506,000	295,665	801,665
2032-2036	-	-	-	485,000	198,450	683,450
2037-2041	-	-	-	390,000	139,950	529,950
2042-2046	-	-	-	390,000	81,450	471,450
2047-2051	-	-	-	309,000	23,130	332,130
	<u>\$ 3,440,000</u>	<u>\$ 217,345</u>	<u>\$ 3,657,345</u>	<u>\$ 2,634,141</u>	<u>\$ 1,117,981</u>	<u>\$ 3,752,122</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	\$ 91,897	\$ 1,477	\$ 93,374
Corpus of Permanent Fund	-	60,447	60,447
	<u>91,897</u>	<u>61,924</u>	<u>153,821</u>
Restricted			
Register of Deeds Automation	-	183,180	183,180
Law Enforcement	-	1,197,013	1,197,013
Libraries	-	149,825	149,825
Housing Rehabilitation Programs	-	4,576	4,576
Soldiers, Sailors, and Veterans Assistance	-	397,362	397,362
Animal Shelter	-	56,217	56,217
Capital Improvements (Unexpended Bond Proceeds)	-	7,288	7,288
Other Purposes	40,385	959,728	1,000,113
	<u>40,385</u>	<u>2,955,189</u>	<u>2,995,574</u>
Committed			
Parks	16,288	95,773	112,061
Child Care	205,120	-	205,120
Solid Waste Planning	-	419,268	419,268
Capital Improvements	-	86,147	86,147
	<u>221,408</u>	<u>601,188</u>	<u>822,596</u>
Assigned			
Capital Improvements	2,500,000	-	2,500,000
Unassigned	13,355,641	-	13,355,641
Total Fund Balance - Governmental Funds	<u>\$ 16,209,331</u>	<u>\$ 3,618,301</u>	<u>\$ 19,827,632</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, 2021 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Restricted			
Register of Deeds Automation	\$ 183,180	\$ -	\$ -
Nonexpendable Cemetery	60,447	-	-
Law Enforcement	1,197,013	-	-
Libraries	149,825	-	-
Housing Rehabilitation Programs	4,576	-	-
Public Safety	-	-	35,558
Housing Assistance Payments	-	-	40,016
Soldiers, Sailors, and Veterans Assistance	397,362	-	-
Repair, Replacement, and Improvement	-	-	-
Drain Maintenance and Construction	-	-	5,019,381
Other Purposes	1,065,095	-	-
	<u>\$ 3,057,498</u>	<u>\$ -</u>	<u>\$ 5,094,955</u>

Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of September 30, 2021 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital Assets:			
Capital Assets not being Depreciated	\$ 76,656	\$ -	\$ 5,362,864
Capital Assets being Depreciated, Net	4,738,183	1,496,927	50,760,369
Total Capital Assets	<u>4,814,839</u>	<u>1,496,927</u>	<u>56,123,233</u>
Related Debt:			
Bonds and Notes Payable	(3,440,000)	-	(4,739,383)
Deferred Charge on Bond Refunding	128,891	-	-
Unexpended Bond Proceeds	3	-	-
Total Related Debt	<u>(3,311,106)</u>	<u>-</u>	<u>(4,739,383)</u>
Net Investment in Capital Assets	<u>\$ 1,503,733</u>	<u>\$ 1,496,927</u>	<u>\$ 51,383,850</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 multipleemployer, 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, 2020 valuation date, plan membership consisted of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefits	105
Inactive Employees Entitled to but Not Yet Receiving Benefits	24
Active Employees	<u>57</u>
Total Membership	<u>186</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, 2021 ranged from 10.28% to 19.92% of billable wages for the FOP, POAM, and COAM divisions and a flat monthly amount of \$26,652 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.

Montcalm County

Notes to the Financial Statements

Net Pension Liability. The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2020 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	7.35%

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%	7.45%	4.47%	2.50%	2.97%
Global Fixed Income	20.00%	4.90%	0.98%	2.50%	0.48%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
	100.00%		7.35%		4.85%

Discount Rate. The discount rate used to measure the total pension liability was 7.6%. 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
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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, 2019	\$ 31,186,129	\$ 24,155,621	\$ 7,030,508
Service Cost	494,204	-	494,204
Interest	2,313,738	-	2,313,738
Changes in Benefits	-	-	-
Differences Between Expected and Actual Experience	(459,479)	-	(459,479)
Changes in Actuarial Assumptions	1,232,607	-	1,232,607
Employer Contributions	-	647,483	(647,483)
Employee Contributions	-	277,547	(277,547)
Net Investment Income	-	2,976,055	(2,976,055)
Benefit Payments, Including Refunds	(1,978,613)	(1,978,613)	-
Administrative Expense	-	(47,884)	47,884
<i>Net Changes</i>	<u>1,602,457</u>	<u>1,874,588</u>	<u>(272,131)</u>
Balances at December 31, 2020	<u>\$ 32,788,586</u>	<u>\$ 26,030,209</u>	<u>\$ 6,758,377</u>
Allocated to:			
Governmental Activities			\$ 6,150,123
Business-type Activities			608,254
			<u>\$ 6,758,377</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
County's Net Pension Liability	<u>\$ 10,312,307</u>	<u>\$ 6,758,377</u>	<u>\$ 3,833,949</u>

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.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the plan year ended December 31, 2020, the County recognized a reduction of pension expense of \$1,825,302.

Montcalm County
Notes to the Financial Statements

At September 30, 2021 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	\$ 230,736	\$ 306,319
Changes in Assumptions	1,261,809	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	784,796
Contributions Subsequent to Measurement Date*	517,999	-
Total Deferred Outflows/Inflows of Resources	\$ 2,010,544	\$ 1,091,115
Allocated to:		
Governmental Activities	\$ 1,829,595	\$ 992,915
Business-type Activities	180,949	98,200
	\$ 2,010,544	\$ 1,091,115

*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
2022	\$ 496,910
2023	617,597
2024	(476,661)
2025	(236,416)

Significant Changes to the Pension Valuation

At the February 2020 board meeting, the MERS Retirement Board updated investment valuations for private equity investments in March and April, which must be booked as income for the prior year end. In 2020, there was an additional \$135 million investment appreciation booked during this process. Given the significance of the adjustment, MERS added a new alternatives adjustment column to the Schedule of Changes in Fiduciary Net Position by Employer.

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%.

Montcalm County
Notes to the Financial Statements

County contributions for the fiscal year ended September 30, 2021 were \$294,312 while member contributions were \$186,591.

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, 2021):

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Inactive Employees Entitled to but Not Yet Receiving Benefits	7
Active Employees	40
Total Membership	51

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2021 and a measurement date of September 30, 2021 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	Implicit in expected payroll increases
Salary Increases	1.25%
Investment Rate of Return	N/A; plan is not prefunded
20-year Aa Municipal bond rate	2.43%
Mortality	RP 2014, sex distinct, annuitant and non-annuitant, headcount weighted, adjusted to 2006 and projected with scale MP-2021

Discount Rate

The discount rate used to measure the total OPEB liability was 2.43%, a change from 2.14% 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.

Montcalm County
Notes to the Financial Statements

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, 2020	\$ 1,390,752	\$ -	\$ 1,390,752
Service Cost	74,370	-	74,370
Interest	31,254	-	31,254
Differences Between Expected and Actual Experience	(41,292)	-	(41,292)
Changes in Actuarial Assumptions	(96,051)	-	(96,051)
Employer Contributions	-	9,360	(9,360)
Benefit Payments, Including Refunds	(9,360)	(9,360)	-
<i>Net Changes</i>	<u>(41,079)</u>	<u>-</u>	<u>(41,079)</u>
Balance at September 30, 2021	<u>\$ 1,349,673</u>	<u>\$ -</u>	<u>\$ 1,349,673</u>

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

The following presents the net OPEB liability of the employer, calculated using the discount rate of 2.43%, 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 (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
County's Net OPEB Liability	<u>\$ 1,545,225</u>	<u>\$ 1,349,673</u>	<u>\$ 1,174,808</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>\$ 921,355</u>	<u>\$ 1,349,673</u>	<u>\$ 1,855,313</u>

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

Montcalm County
Notes to the Financial Statements

Related to OPEB Plan

For the year ended September 30, 2021, the County recognized OPEB expense of \$65,552. At September 30, 2021, 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	\$ -	\$ 466,804
Changes in Assumptions	298,122	128,758
Total Deferred Outflows/Inflows of Resources	\$ 298,122	\$ 595,562

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

Year Ended September 30,	Amount
2022	\$ (40,077)
2023	(40,077)
2024	(40,077)
2025	(40,077)
Thereafter	(137,132)

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.

Montcalm County

Notes to the Financial Statements

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 \$2,208 in reduced County tax revenues for 2021.

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 \$219,194 in reduced County tax revenues for 2021.

Note 15 - New Accounting Pronouncement Adopted

The County adopted the provisions of GASB Statement No. 84, Fiduciary Activities, in the current year. As a result of this change, the trust and agency, penal fine trust, sheriff inmate trust and district health were converted from agency funds into custodial funds. Some activities that were previously recorded in the trust and agency fund were move into other governmental funds.

Note 16 - Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022 fiscal year.

Note 17 - Special Item

During the year, the County Drain Commission transferred the operations of Big Whitefish Lake and Little Whitefish Lake funds to the Township of Pierson. The Township issued bonds to payoff the USDA bonds the County held. The remaining cash, special assessments, and capital assets (the sewer system) were given to the Township resulting in a transfer net position of \$1,912,234.

REQUIRED SUPPLEMENTARY INFORMATION

Montcalm County
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 8,526,500	\$ 8,755,474	\$ 8,928,370	\$ 172,896
Licenses and Permits	119,400	119,400	139,254	19,854
Intergovernmental	2,490,998	3,025,378	4,313,376	1,287,998
Charges for Services	2,772,443	2,782,443	3,339,900	557,457
Fines and Forfeitures	20,000	20,000	11,135	(8,865)
Interest and Rents	20,000	20,000	4,856	(15,144)
Other Revenue	159,100	159,100	373,210	214,110
Total Revenues	14,108,441	14,881,795	17,110,101	2,228,306
Other Financing Sources				
Transfers In	85,935	85,935	33,935	(52,000)
Total Revenues and Other Financing Sources	14,194,376	14,967,730	17,144,036	2,176,306
Expenditures				
General Government				
Board of Commissioners	104,712	305,592	304,436	1,156
Circuit Court	245,800	396,960	271,531	125,429
District Court	730,658	733,658	725,232	8,426
Probate/Juvenile Court	823,005	898,005	876,907	21,098
Witness Cost	13,000	4,700	899	3,801
Controller	366,540	366,540	359,851	6,689
Clerk	381,890	459,742	367,195	92,547
Audit	25,500	32,800	32,800	--
Information Systems	162,000	162,000	155,414	6,586
Central Services and Purchasing	16,500	16,500	16,285	215
Survey/Remonumentation	60,207	60,407	60,348	59
Treasurer	337,197	337,197	324,100	13,097
Equalization	249,141	254,141	251,700	2,441
Elections	80,250	80,250	51,568	28,682
Buildings and Grounds	864,877	884,877	846,379	38,498
Prosecuting Attorney	658,767	715,563	678,165	37,398
Building Rent	904,755	904,755	904,755	--
Other	272,000	231,000	196,223	34,777
Total General Government	\$ 6,296,799	\$ 6,844,687	\$ 6,423,788	\$ 420,899

Continued...

Montcalm County
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Expenditures				
Public Safety				
Sheriff	\$ 1,305,533	\$ 1,356,371	\$ 1,189,767	\$ 166,604
Contracted Police Service	764,278	733,278	697,533	35,745
Court Security	31,110	31,110	25,445	5,665
Justice Training	3,000	5,000	4,810	190
Marine Safety	42,349	42,349	39,236	3,113
Jail	2,738,145	2,769,145	2,748,205	20,940
Community Corrections	98,822	98,822	80,458	18,364
Animal Control	56,227	71,186	83,687	(12,501)
Traffic and Safety Program	85,986	85,986	85,748	238
Public Safety	5,125,450	5,193,247	4,954,889	238,358
Public Works				
Public Works - Drains at Large	100,000	75,000	73,364	1,636
Drain Commissioners	369,188	369,188	362,160	7,028
Total Public Works	469,188	444,188	435,524	8,664
Health and Welfare				
Substance Abuse Commission	105,489	109,489	108,650	839
Medical Examiner	162,532	162,532	146,838	15,694
Veterans Burials	6,000	6,000	3,150	2,850
District Health	430,647	430,647	430,647	--
Health Services	10,500	10,500	7,692	2,808
Mental Health	188,053	188,053	188,053	--
Child Care	731,375	731,375	544,717	186,658
Health and Welfare	1,634,596	1,638,596	1,429,747	208,849
Recreation and Culture				
Register of Deeds	230,410	230,410	222,925	7,485
West Michigan Regional Planning	4,500	4,500	4,117	383
Planning Commission	650	650	390	260
Economic Development	10,000	10,000	10,000	--
Total Recreation and Culture	245,560	245,560	237,432	8,128
Recreation and Culture - Parks	11,450	34,112	35,144	(1,032)
Total Expenditures	13,783,043	14,400,390	13,516,524	883,866
Other Financing Uses				
Transfers Out	475,301	721,822	563,107	158,715
Total Expenditures and Other Financing Uses	14,258,344	15,122,212	14,079,631	1,042,581
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(63,968)	(154,482)	3,064,405	3,218,887
Net Change in Fund Balance	(63,968)	(154,482)	3,064,405	3,218,887
Fund Balance at Beginning of Period	13,144,926	13,144,926	13,144,926	--
Fund Balance at End of Period	\$ 13,080,958	\$ 12,990,444	\$ 16,209,331	\$ 3,218,887

Concluded.

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

	2020	2019	2018	2017*	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 494,204	\$ 489,168	\$ 505,165	\$ 510,243	\$ 1,285,924	\$ 1,006,943	\$ 1,006,943
Interest	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	(459,479)	302,516	317,913	-	-	(530,426)	-
Changes of Assumptions ***	1,232,607	880,140	-	(12,590,050)	(3,675,223)	6,232,817	-
Benefit Payments, including Refunds of Employee Contributions	(1,978,613)	(1,814,525)	(1,543,633)	(1,357,304)	(1,590,719)	(1,508,500)	(1,365,511)
Net Change in Total Pension Liability	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	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	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	647,483	1,079,709	746,121	485,179	851,050	513,450	536,125
Employee Contributions	277,547	273,177	580,032	13,936	350,774	377,299	400,487
Net Investment Income (Loss)	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	(1,978,613)	(1,814,525)	(1,543,633)	(1,357,304)	(1,590,719)	(1,508,500)	(1,368,958)
Administrative Expenses	(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	1,874,588	2,408,583	(1,022,757)	1,747,259	1,141,941	(645,218)	638,347
Plan Fiduciary Net Position - Beginning	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	26,030,209	24,155,621	21,747,038	22,769,795	22,806,307	21,664,366	22,309,584
Net Pension Liability	\$ 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	79.39%	77.46%	75.00%	82.64%	55.01%	49.60%	60.99%
Covered Payroll	\$ 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	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%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 708,120	\$ 609,710	\$ 683,104	\$ 499,115	\$ 826,402	\$ 704,880	\$ 699,970
Contributions in Relation to the Actuarially Determined Contribution	708,120	609,710	683,104	499,115	536,125	-	520,257
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,277</u>	<u>\$ 704,880</u>	<u>\$ 179,713</u>
Covered Payroll	\$ 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	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	21 years
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.35%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Rates Used were Based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

**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 Four Fiscal Years

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

* Built prospectively upon implementation of GASB 75

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

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

Notes

Valuation Date: September 30, 2021

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit (level dollar)
Amortization Method	Average Future Service
Remaining Amortization Period	12 years
Asset Valuation Method	Equal to market value of assets
Inflation	Implicit in expected payroll increases
Salary Increases	1.25%
Investment Rate of Return	N/A; plan is not prefunded
Retirement Age	Varies depending on plan adoption
Mortality	RPH-2014 adjusted to 2006 Total Data Set with MP-2021 mortality 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, 2021

	<u>General</u>	<u>Parks</u>	<u>Child Care</u>	<u>Court and Sheriff</u>	<u>Total General Funds</u>
ASSETS					
Cash and Investments	\$ 18,863,959	\$ 18,244	\$ 256,229	\$ 282,879	\$ 19,421,311
Receivables, net	141,889	--	--	--	141,889
Taxes Receivable	2,060,584	--	--	--	2,060,584
Due from Other Governments	365,034	--	12,671	--	377,705
Prepays	91,897	--	--	--	91,897
<i>Total Assets</i>	<u>\$ 21,523,363</u>	<u>\$ 18,244</u>	<u>\$ 268,900</u>	<u>\$ 282,879</u>	<u>\$ 22,093,386</u>
LIABILITIES					
Accounts Payable	\$ 193,112	\$ 1,724	\$ 63,780	\$ --	\$ 258,616
Accrued Liabilities	304,963	232	--	--	305,195
Due to Others	--	--	--	242,494	242,494
Unearned Revenue	5,061,251	--	--	--	5,061,251
Due to Other Funds	16,499	--	--	--	16,499
<i>Total Liabilities</i>	<u>5,575,825</u>	<u>1,956</u>	<u>63,780</u>	<u>242,494</u>	<u>5,884,055</u>
FUND BALANCE					
Nonspendable	91,897	--	--	--	91,897
Restricted	--	--	--	40,385	40,385
Committed	--	16,328	205,120	--	221,408
Assigned	2,500,000	--	--	--	2,500,000
Unassigned	13,355,641	--	--	--	13,355,641
<i>Total Fund Balance</i>	<u>15,947,538</u>	<u>16,288</u>	<u>205,120</u>	<u>40,385</u>	<u>16,209,331</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 21,523,363</u>	<u>\$ 18,244</u>	<u>\$ 268,900</u>	<u>\$ 282,879</u>	<u>\$ 22,093,386</u>

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, 2021

	<u>General</u>	<u>Parks</u>	<u>Child Care</u>	<u>Court and Sheriff</u>	<u>Eliminating Fund</u>	<u>Total General Funds</u>
Revenues						
Property Taxes	\$ 8,928,370	\$ --	\$ --	\$ --	\$ --	\$ 8,928,370
Licenses and Permits	139,254	--	--	--	--	139,254
Unrestricted State Sources	4,222,014	--	91,362	--	--	4,313,376
Charges for Services	3,290,361	24,761	24,778	--	--	3,339,900
Fines and Forfeitures	11,135	--	--	--	--	11,135
Interest and Rents	3,774	1,072	10	--	--	4,856
Other Revenue	--	--	--	40,385	--	40,385
Other Revenue	332,825	--	--	--	--	332,825
Total Revenues	<u>16,927,733</u>	<u>25,833</u>	<u>116,150</u>	<u>40,385</u>	<u>--</u>	<u>17,110,101</u>
Expenditures						
General Government	6,423,788	--	--	--	--	6,423,788
Public Safety	4,954,889	--	--	--	--	4,954,889
Public Works	435,524	--	--	--	--	435,524
Health and Welfare	885,030	--	544,717	--	--	1,429,747
Community and Economic Development	237,432	--	--	--	--	237,432
Recreation and Culture	--	35,144	--	--	--	35,144
Total Expenditures	<u>12,936,663</u>	<u>35,144</u>	<u>544,717</u>	<u>--</u>	<u>--</u>	<u>13,516,524</u>
Excess of Revenues Over (Under) Expenditures	<u>3,991,070</u>	<u>(9,311)</u>	<u>(428,567)</u>	<u>40,385</u>	<u>--</u>	<u>3,593,577</u>
Other Financing Sources (Uses)						
Transfers In	33,935	10,000	435,000	--	(445,000)	33,935
Transfers Out	(1,008,107)	--	--	--	445,000	(563,107)
Net Other Financing Sources (Uses)	<u>(974,172)</u>	<u>10,000</u>	<u>435,000</u>	<u>--</u>	<u>--</u>	<u>(529,172)</u>
Net Change in Fund Balance	<u>3,016,898</u>	<u>689</u>	<u>6,433</u>	<u>40,385</u>	<u>--</u>	<u>3,064,405</u>
Fund Balance at Beginning of Period	12,930,640	15,599	198,687	--	--	13,144,926
Fund Balance at End of Period	<u>\$ 15,947,538</u>	<u>\$ 16,288</u>	<u>\$ 205,120</u>	<u>\$ 40,385</u>	<u>\$ --</u>	<u>\$ 16,209,331</u>

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue							
	Register of Deeds Automation	Concealed Pistol License	Local Correction Training	Drug Law Enforcement	Law Enforcement K-9	Law Library	County Libraries	Animal Shelter Donation
ASSETS								
Cash and Investments	\$ 184,503	\$ 120,484	\$ 23,694	\$ 8,021	\$ 474	\$ 26,894	\$ 173,228	\$ 57,162
Receivables, Net	--	--	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--	--	--
Prepays	--	--	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--	--	--
Total Assets	\$ 184,503	\$ 120,484	\$ 23,694	\$ 8,021	\$ 474	\$ 26,894	\$ 173,228	\$ 57,162
LIABILITIES								
Accounts Payable	\$ 1,323	\$ 629	\$ 2,054	\$ --	\$ --	\$ --	\$ 1,718	\$ 945
Accrued Liabilities	--	--	--	--	--	--	--	--
Due to Other Governments	--	--	--	--	--	--	48,579	--
Due to Other Funds	--	--	--	--	--	--	--	--
Total Liabilities	1,323	629	2,054	--	--	--	50,297	945
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	183,180	119,855	21,640	8,021	474	26,894	122,931	56,217
Committed	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	183,180	119,855	21,640	8,021	474	26,894	122,931	56,217
Total Liabilities and Fund Balance	\$ 184,503	\$ 120,484	\$ 23,694	\$ 8,021	\$ 474	\$ 26,894	\$ 173,228	\$ 57,162

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue							
	CDBG Housing	Commission on Aging	Soldiers and Sailors Relief	Veterans' Trust	Social Welfare - County	Montcalm Conservation District	MSU Cooperative Extension	Indigent Defense
ASSETS								
Cash and Investments	\$ 7,327	\$ 552,027	\$ 1,541	\$ 20,881	\$ 1,016	\$ 18	\$ 102,606	\$ 170,112
Receivables, Net	--	82,701	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--	--	48,858
Prepays	--	--	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--	--	--
Total Assets	\$ 7,327	\$ 634,728	\$ 1,541	\$ 20,881	\$ 1,016	\$ 18	\$ 102,606	\$ 218,970
LIABILITIES								
Accounts Payable	\$ 2,751	\$ 26,441	\$ --	\$ --	\$ --	\$ --	\$ 382	\$ 211,179
Accrued Liabilities	--	27,502	--	--	--	--	--	7,791
Due to Other Governments	--	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--	--
Total Liabilities	2,751	53,943	--	--	--	--	382	218,970
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	4,576	580,785	1,541	20,881	1,016	18	102,224	--
Committed	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	4,576	580,785	1,541	20,881	1,016	18	102,224	--
Total Liabilities and Fund Balance	\$ 7,327	\$ 634,728	\$ 1,541	\$ 20,881	\$ 1,016	\$ 18	\$ 102,606	\$ 218,970

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue							
	Drug Court	Law Enforcement	Veterans' Services	Leadership Montcalm	Victim Support	Law Enforcement Trust	Friend of the Court	Solid Waste Planning
ASSETS								
Cash and Investments	\$ 25,293	\$ 994,786	\$ 407,752	\$ 13,314	\$ 3,336	\$ 23,598	\$ 44,877	\$ 363,160
Receivables, Net	--	--	--	--	--	--	--	67,186
Due from Other Governments	--	--	--	--	--	--	141,393	--
Prepays	--	1,477	--	--	--	--	--	--
Due from Other Funds	--	23,769	--	--	--	--	--	--
Total Assets	\$ 25,293	\$ 1,020,032	\$ 407,752	\$ 13,314	\$ 3,336	\$ 23,598	\$ 186,270	\$ 430,346
LIABILITIES								
Accounts Payable	\$ 4,276	\$ 15,050	\$ 1,642	\$ --	\$ --	\$ --	\$ 664	\$ 11,078
Accrued Liabilities	--	34,056	7,401	--	--	--	28,646	--
Due to Other Governments	--	--	--	--	--	--	--	--
Due to Other Funds	--	--	23,769	--	--	--	--	--
Total Liabilities	4,276	49,106	32,812	--	--	--	29,310	11,078
FUND BALANCE								
Nonspendable	--	1,477	--	--	--	--	--	--
Restricted	21,017	969,449	374,940	13,314	3,336	23,598	156,960	--
Committed	--	--	--	--	--	--	--	419,268
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	21,017	970,926	374,940	13,314	3,336	23,598	156,960	419,268
Total Liabilities and Fund Balance	\$ 25,293	\$ 1,020,032	\$ 407,752	\$ 13,314	\$ 3,336	\$ 23,598	\$ 186,270	\$ 430,346

Continued...

Montcalm County
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue	Debt Service	Capital Projects						Permanent	Total Nonmajor Governmental Funds
	Homeland Security Grant	Building Authority	Equipment Purchase and Replacement	Jail Improvement	General Projects	Park Improvements	Building Authority Improvements	Public Improvement	Cemetery	
ASSETS										
Cash and Investments	\$ 53,976	\$ 7,288	\$ 10,603	\$ 9,790	\$ 133,086	\$ 98,497	\$ 3	\$ 66,892	\$ 60,447	\$ 3,766,686
Receivables, Net	--	--	--	--	--	--	--	--	--	149,887
Due from Other Governments	--	--	--	--	--	--	--	--	--	190,251
Prepays	--	--	--	--	--	--	--	--	--	1,477
Due from Other Funds	--	--	--	--	--	--	--	--	--	23,769
Total Assets	\$ 53,976	\$ 7,288	\$ 10,603	\$ 9,790	\$ 133,086	\$ 98,497	\$ 3	\$ 66,892	\$ 60,447	\$ 4,132,070
LIABILITIES										
Accounts Payable	\$ --	\$ --	\$ 1,138	\$ --	\$ 52,031	\$ 2,724	\$ --	\$ --	\$ --	\$ 336,025
Accrued Liabilities	--	--	--	--	--	--	--	--	--	105,396
Due to Other Governments	--	--	--	--	--	--	--	--	--	48,579
Due to Other Funds	--	--	--	--	--	--	--	--	--	23,769
Total Liabilities	--	--	1,138	--	52,031	2,724	--	--	--	513,769
FUND BALANCE										
Nonspendable	--	--	--	--	--	--	--	--	60,447	61,924
Restricted	53,976	7,288	--	--	81,055	--	3	--	--	2,955,189
Committed	--	--	9,465	9,790	--	95,773	--	66,892	--	601,188
Unassigned	--	--	--	--	--	--	--	--	--	--
Total Fund Balance	53,976	7,288	9,465	9,790	81,055	95,773	3	66,892	60,447	3,618,301
Total Liabilities and Fund Balance	\$ 53,976	\$ 7,288	\$ 10,603	\$ 9,790	\$ 133,086	\$ 98,497	\$ 3	\$ 66,892	\$ 60,447	\$ 4,132,070

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue							
	Register of Deeds Automation	Concealed Pistol License	Local Correction Training	Drug Law Enforcement	Law Enforcement K-9	Law Library	County Libraries	Animal Shelter Donation
Revenues								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,760,068	\$ --
Licenses and Permits	--	51,969	--	--	--	--	--	--
Unrestricted State Sources	--	--	--	--	--	--	--	--
Charges for Services	78,540	--	5,787	--	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	6,500	--	--
Interest and Rents	95	9	2	--	--	1	37	2
Local Contributions	--	--	--	--	--	--	--	54,304
Other Revenues	--	--	--	--	--	--	--	--
Total Revenues	78,635	51,978	5,789	--	--	6,501	1,760,105	54,306
Expenditures								
General Government	66,937	9,151	--	--	--	5,246	--	--
Public Safety	--	--	8,700	--	--	--	--	--
Public Works	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	15,654
Community and Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	1,766,000	--
Capital Outlay	--	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Total Expenditures	66,937	9,151	8,700	--	--	5,246	1,766,000	15,654
Excess of Revenues Over (Under) Expenditures	11,698	42,827	(2,911)	--	--	1,255	(5,895)	38,652
Other Financing Sources (Uses)								
Transfers In	--	--	--	--	--	--	759	--
Transfers Out	--	(12,500)	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	(12,500)	--	--	--	--	759	--
Net Change in Fund Balance	11,698	30,327	(2,911)	--	--	1,255	(5,136)	38,652
Fund Balance at Beginning of Period	171,482	89,528	24,551	8,021	474	25,639	128,067	17,565
Fund Balance at End of Period	\$ 183,180	\$ 119,855	\$ 21,640	\$ 8,021	\$ 474	\$ 26,894	\$ 122,931	\$ 56,217

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue							
	CDBG Housing	Commission on Aging	Soldiers and Sailors Relief	Veterans' Trust	Social Welfare - County	Montcalm Conservation District	MSU Cooperative Extension	Indigent Defense
Revenues								
Property Taxes	\$ --	\$ 881,621	\$ --	\$ --	\$ --	\$ 130,759	\$ 260,897	\$ --
Licenses and Permits	--	--	--	--	--	--	--	--
Unrestricted State Sources	--	390,671	--	--	--	--	--	665,435
Charges for Services	180	59,722	--	--	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	--	--	--
Interest and Rents	2	36	--	--	--	--	2	10
Local Contributions	--	31,023	--	--	--	--	231	12,949
Other Revenues	--	61	--	--	--	--	--	--
Total Revenues	182	1,363,134	--	--	--	130,759	261,130	678,394
Expenditures								
General Government	--	--	--	--	--	130,759	--	903,353
Public Safety	--	--	--	--	--	--	--	--
Public Works	--	--	--	--	--	--	--	--
Health and Welfare	--	1,103,516	--	--	--	--	--	--
Community and Economic Development	33,432	--	--	--	--	--	177,464	--
Recreation and Culture	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Total Expenditures	33,432	1,103,516	--	--	--	130,759	177,464	903,353
Excess of Revenues Over (Under) Expenditures	(33,250)	259,618	--	--	--	--	83,666	(224,959)
Other Financing Sources (Uses)								
Transfers In	--	--	--	--	--	--	--	224,959
Transfers Out	--	(50,525)	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	(50,525)	--	--	--	--	--	224,959
Net Change in Fund Balance	(33,250)	209,093	--	--	--	--	83,666	--
Fund Balance at Beginning of Period	37,826	371,692	1,541	20,881	1,016	18	18,558	--
Fund Balance at End of Period	\$ 4,576	\$ 580,785	\$ 1,541	\$ 20,881	\$ 1,016	\$ 18	\$ 102,224	\$ --

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue							
	Drug Court	Law Enforcement	Veterans' Services	Leadership Montcalm	Victim Support	Law Enforcement Trust	Friend of the Court	Solid Waste Planning
Revenues								
Property Taxes	\$ --	\$ 1,958,755	\$ 493,621	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--	7,215	--
Unrestricted State Sources	--	--	63,756	--	--	--	643,165	--
Charges for Services	3,946	--	--	15,591	--	--	145,746	253,347
Fines and Forfeitures	--	--	--	--	--	--	--	--
Interest and Rents	--	55	19	--	1	--	--	24
Local Contributions	--	--	--	--	--	114	--	--
Other Revenues	--	--	--	--	--	--	--	--
Total Revenues	3,946	1,958,810	557,396	15,591	1	114	796,126	253,371
Expenditures								
General Government	18,660	--	--	--	--	399	858,585	--
Public Safety	--	610,736	--	--	1,979	--	--	--
Public Works	--	--	--	--	--	--	--	203,795
Health and Welfare	--	--	207,251	--	--	--	--	--
Community and Economic Development	--	--	--	2,277	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--
Capital Outlay	--	377,148	15,000	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Total Expenditures	18,660	987,884	222,251	2,277	1,979	399	858,585	203,795
Excess of Revenues Over (Under) Expenditures	(14,714)	970,926	335,145	13,314	(1,978)	(285)	(62,459)	49,576
Other Financing Sources (Uses)								
Transfers In	16,889	--	39,795	--	--	--	63,759	--
Transfers Out	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	16,889	--	39,795	--	--	--	63,759	--
Net Change in Fund Balance	2,175	970,926	374,940	13,314	(1,978)	(285)	1,300	49,576
Fund Balance at Beginning of Period	18,842	--	--	--	5,314	23,883	155,660	369,692
Fund Balance at End of Period	\$ 21,017	\$ 970,926	\$ 374,940	\$ 13,314	\$ 3,336	\$ 23,598	\$ 156,960	\$ 419,268

Continued...

Montcalm County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue	Debt Service	Capital Projects						Permanent	Total Nonmajor Governmental Funds
	Homeland Security Grant	Building Authority	Equipment Purchase and Replacement	Jail Improvement	General Projects	Park Improvements	Building Authority Improvements	Public Improvement	Cemetery	
Revenues										
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,485,721
Licenses and Permits	--	--	--	--	--	--	--	--	--	59,184
Unrestricted State Sources	--	--	--	--	--	--	--	--	--	1,763,027
Charges for Services	--	--	--	--	--	--	--	--	--	562,859
Fines and Forfeitures	--	--	--	--	--	--	--	--	--	6,500
Interest and Rents	4	904,755	--	1	15	9	9	3,744	5	908,837
Local Contributions	--	--	--	--	--	36,500	--	--	--	135,121
Other Revenues	--	--	--	--	--	--	--	--	--	61
Total Revenues	4	904,755	--	1	15	36,509	9	3,744	5	8,921,310
Expenditures										
General Government	--	--	59,061	--	29,497	--	--	--	--	2,081,648
Public Safety	--	--	--	--	7,136	--	--	--	--	628,551
Public Works	--	--	--	--	--	--	--	--	2,441	206,236
Health and Welfare	--	--	--	--	--	--	--	--	--	1,326,421
Community and Economic Development	--	--	--	--	--	--	--	--	--	213,173
Recreation and Culture	--	--	--	--	--	43,867	--	--	--	1,809,867
Capital Outlay	--	--	84,868	--	230,320	33,490	--	--	--	740,826
Debt Service - Interest	--	99,755	--	--	--	--	--	--	--	99,755
Debt Service - Principal	--	805,000	--	--	--	--	--	--	--	805,000
Total Expenditures	--	904,755	143,929	--	266,953	77,357	--	--	2,441	7,911,477
Excess of Revenues Over (Under) Expenditures	4	--	(143,929)	1	(266,938)	(40,848)	9	3,744	(2,436)	1,009,833
Other Financing Sources (Uses)										
Transfers In	--	--	144,230	--	104,246	--	--	--	--	594,637
Transfers Out	--	--	--	--	--	--	(54,246)	--	--	(117,271)
Net Other Financing Sources (Uses)	--	--	144,230	--	104,246	--	(54,246)	--	--	477,366
Net Change in Fund Balance	4	--	301	1	(162,692)	(40,848)	(54,237)	3,744	(2,436)	1,487,199
<i>Fund Balance at Beginning of Period</i>	<i>53,972</i>	<i>7,288</i>	<i>9,164</i>	<i>9,789</i>	<i>243,747</i>	<i>136,621</i>	<i>54,240</i>	<i>63,148</i>	<i>62,883</i>	<i>2,131,102</i>
Fund Balance at End of Period	\$ 53,976	\$ 7,288	\$ 9,465	\$ 9,790	\$ 81,055	\$ 95,773	\$ 3	\$ 66,892	\$ 60,447	\$ 3,618,301

Montcalm County
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 255,464	\$ 883,189	\$ 34,709	\$ 1,173,362
<i>Total Current Assets</i>	255,464	883,189	34,709	1,173,362
<i>Noncurrent Assets</i>				
Capital Assets being Depreciated, net	--	55,347	--	55,347
<i>Total Assets</i>	255,464	938,536	34,709	1,228,709
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	1,870	947	--	2,817
Accrued Liabilities	--	19,810	--	19,810
Current Portion of Compensated Absences	--	3,868	--	3,868
<i>Total Current Liabilities</i>	1,870	24,625	--	26,495
<i>Noncurrent Liabilities</i>				
Compensated Absences	--	7,852	--	7,852
<i>Total Liabilities</i>	1,870	32,477	--	34,347
NET POSITION				
Investment in Capital Assets	--	55,347	--	55,347
<i>Unrestricted</i>	253,594	850,712	34,709	1,139,015
<i>Total Net Position</i>	\$ 253,594	\$ 906,059	\$ 34,709	\$ 1,194,362

Montcalm County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$ 64,561	\$ 710,266	\$ --	\$ 774,827
Penalties and Interest on Delinquent Taxes	--	--	17,301	17,301
Total Operating Revenues	64,561	710,266	17,301	792,128
Operating Expenses				
Personnel Services	--	424,106	--	424,106
Purchases of Goods and Services	31,680	71,019	14,528	117,227
Depreciation	--	9,464	--	9,464
Total Operating Expenses	31,680	504,589	14,528	550,797
Operating Income (Loss)	32,881	205,677	2,773	241,331
Non-Operating Revenues (Expenses)				
Interest Income	18	52	71	141
Other Revenue	55	--	--	55
Gain (Loss) on Disposal of Capital Assets	--	61	--	61
Net Non-Operating Revenues (Expenses)	73	113	71	257
Income Before Contributions and Transfers	32,954	205,790	2,844	241,588
Transfers Out	(21,435)	--	--	(21,435)
Change In Net Position	11,519	205,790	2,844	220,153
<i>Net Position at Beginning of Period</i>	<i>242,075</i>	<i>700,269</i>	<i>31,865</i>	<i>974,209</i>
Net Position at End of Period	\$ 253,594	\$ 906,059	\$ 34,709	\$ 1,194,362

Montcalm County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Enterprise			
	Inmate Commissary	Building Official	PRE Audit	Total Enterprise Funds
Cash Flows from Operating Activities				
Cash Received from Customers and Users	\$ 64,561	\$ 710,266	\$ --	\$ 774,827
Cash Payments for Goods and Services	(30,813)	(69,671)	(14,528)	(115,012)
Cash Received to Purchase Delinquent Taxes	--	--	17,301	17,301
Cash Payments to Employees	--	(428,031)	--	(428,031)
Net Cash Provided by Operating Activities	33,748	212,564	2,773	249,085
Cash Flows from Noncapital Financing Activities				
Transfers Out	(21,435)	--	--	(21,435)
Net Cash Used by Noncapital Financing Activities	(21,435)	--	--	(21,435)
Cash Flows from Capital and Related Financing Activities				
Sale of Capital Assets	--	61	--	61
Net Cash Provided by Capital and Related Financing Activities	--	61	--	61
Cash Flows from Investing Activities				
Interest Income	73	51	71	195
Net Cash Provided by Investing Activities	73	51	71	195
Net Increase in Cash and Investments	12,386	212,676	2,844	227,906
<i>Cash and Investments - Beginning of Year</i>	<i>243,078</i>	<i>670,513</i>	<i>31,865</i>	<i>945,456</i>
<i>Cash and Investments - End of Year</i>	<i>\$ 255,464</i>	<i>\$ 883,189</i>	<i>\$ 34,709</i>	<i>\$ 1,173,362</i>
Reconciliation of Operating Income to				
Net Cash Provided by Operating Activities				
Operating Income	\$ 32,881	\$ 205,677	\$ 2,773	\$ 241,331
Adjustments to Reconcile Operating Income to				
Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	--	9,464	--	9,464
Changes in Liabilities				
Accounts Payable	867	(15)	--	852
Accrued Liabilities	--	1,363	--	1,363
Compensated Absences	--	(3,925)	--	(3,925)
Net Cash Provided by Operating Activities	\$ 33,748	\$ 212,564	\$ 2,773	\$ 249,085

Montcalm County
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	Internal Service					
	<u>Office Equipment</u>	<u>OPEB</u>	<u>Pension Employee Benefits</u>	<u>Fuel Station</u>	<u>Payroll</u>	<u>Total Internal Service Funds</u>
ASSETS						
<i>Current Assets</i>						
Cash and Investments	\$ 15,359	\$ 190,940	\$ 183,597	\$ 19,076	\$ --	\$ 408,972
Inventory	--	--	--	54,317	--	54,317
Due from Other Funds	--	--	--	--	16,499	16,499
Total Current Assets	<u>15,359</u>	<u>190,940</u>	<u>183,597</u>	<u>73,393</u>	<u>16,499</u>	<u>479,788</u>
<i>Noncurrent Assets</i>						
Capital Assets being Depreciated	--	--	--	215,726	--	215,726
Total Assets	<u>15,359</u>	<u>190,940</u>	<u>183,597</u>	<u>289,119</u>	<u>16,499</u>	<u>695,514</u>
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	3,116	--	109,848	59,356	--	172,320
Accrued Liabilities	--	--	--	--	16,499	16,499
Total Current Liabilities	<u>3,116</u>	<u>--</u>	<u>109,848</u>	<u>59,356</u>	<u>16,499</u>	<u>188,819</u>
NET POSITION						
Investment in Capital Assets	--	--	--	215,726	--	215,726
<i>Unrestricted</i>	12,243	190,940	73,749	14,037	--	290,969
Total Net Position	<u>\$ 12,243</u>	<u>\$ 190,940</u>	<u>\$ 73,749</u>	<u>\$ 229,763</u>	<u>\$ --</u>	<u>\$ 506,695</u>

Montcalm County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2021

	Internal Service					
	Office Equipment	OPEB	Pension Employee Benefits	Fuel Station	Payroll	Total Internal Service Funds
Operating Revenues						
Charges for Services	\$ --	\$ 21,512	\$ 789,833	\$ 403,604	\$ --	\$ 1,214,949
Total Operating Revenues	--	21,512	789,833	403,604	--	1,214,949
Operating Expenses						
Personnel Services	--	33,515	--	--	--	33,515
Purchases of Goods and Services	56,831	--	--	416,886	--	473,717
Depreciation	--	--	--	11,891	--	11,891
Participant Benefits	--	--	816,279	--	--	816,279
Administrative Expense	--	--	--	1,110	--	1,110
Total Operating Expenses	56,831	33,515	816,279	429,887	--	1,336,512
Operating Income (Loss)	(56,831)	(12,003)	(26,446)	(26,283)	--	(121,563)
Non-Operating Revenues (Expenses)						
Interest Income	--	12	7	--	--	19
Net Non-Operating Revenues (Expenses)	--	12	7	--	--	19
Transfers	(56,831)	(11,991)	(26,439)	(26,283)	--	(121,544)
Transfers In	60,000	14,000	--	--	--	74,000
Change In Net Position	3,169	2,009	(26,439)	(26,283)	--	(47,544)
Net Position at Beginning of Period	9,074	188,931	100,188	256,046	--	554,239
Net Position at End of Period	\$ 12,243	\$ 190,940	\$ 73,749	\$ 229,763	\$ --	\$ 506,695

Montcalm County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021

	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	\$ --	\$ 21,512	\$ 789,833	\$ --	\$ --	\$ 811,345
Cash Received from Customers	--	--	--	403,604	--	403,604
Cash Payments for Goods and Services	(56,831)	--	--	(398,002)	--	(454,833)
Cash Payments to Employees	--	(33,959)	(760,834)	--	--	(794,793)
Net Cash Provided (Used) by Operating Activities	(56,831)	(12,447)	28,999	5,602	--	(34,677)
Cash Flows from Noncapital Financing Activities						
Transfers In	60,000	14,000	--	--	--	74,000
Net Cash Provided by Noncapital Financing Activities	60,000	14,000	--	--	--	74,000
Cash Flows from Investing Activities						
Interest Income	--	12	7	--	--	19
Net Cash Provided by Investing Activities	--	12	7	--	--	19
Net Increase in Cash and Investments	3,169	1,565	29,006	5,602	--	39,342
<i>Cash and Investments - Beginning of Year</i>	<i>12,190</i>	<i>189,375</i>	<i>154,591</i>	<i>13,474</i>	<i>--</i>	<i>369,630</i>
<i>Cash and Investments - End 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>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ (56,831)	\$ (12,003)	\$ (26,446)	\$ (26,283)	\$ --	\$ (121,563)
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	--	--	--	(39,362)	--	(39,362)
Accounts Payable	--	(444)	55,445	59,356	--	114,357
Net Cash Provided (Used) by Operating Activities	(56,831)	(12,447)	28,999	5,602	--	(34,677)

Montcalm County
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	Custodial				
	<u>District Health Department</u>	<u>Trust and Agency</u>	<u>Penal Fines</u>	<u>Inmate Trust</u>	<u>Total Custodial Funds</u>
ASSETS					
Cash and Investments	\$ 4,148,557	\$ 5,453,944	\$ 100,848	\$ 17,707	\$ 9,721,056
<i>Total Assets</i>	<u>4,148,557</u>	<u>5,453,944</u>	<u>100,848</u>	<u>17,707</u>	<u>9,721,056</u>
LIABILITIES					
Undistributed Receipts	--	141,708	100,848	--	242,556
Due to Other Governments	4,148,557	5,312,236	--	17,707	9,478,500
<i>Total Liabilities</i>	<u>4,148,557</u>	<u>5,453,944</u>	<u>100,848</u>	<u>17,707</u>	<u>9,721,056</u>
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Montcalm County
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2021

	Custodial				
	District Health Department	Trust & Agency	Penal Fines	Inmate Trust	Total Custodial Funds
Additions					
Inmate Trust Collections	\$ --	\$ --	\$ --	\$ 7,206	\$ 7,206
Taxes Collected for Other Governments	--	12,735,681	--	--	12,735,681
Library Penal Fine Collections	--	--	509,492	--	509,492
Court Collections	--	248,682	--	--	248,682
County Clerk/Register of Deeds Collections	--	162,860	--	--	162,860
Treasurer Collections	7,965,239	2,495,642	--	--	10,460,881
Total Additions	7,965,239	15,642,865	509,492	7,206	24,124,802
Deductions					
Payments of Property Taxes to Other Governments	--	12,735,681	--	--	12,735,681
Library Penal Fines Distributions	--	--	509,492	--	509,492
Inmate Trust Distributions	--	--	--	7,206	7,206
Court Distributions	--	248,682	--	--	248,682
County Clerk and Register of Deeds Distributions	--	162,860	--	--	162,860
Treasurer Distributions	7,965,239	2,495,642	--	--	10,460,881
Total Deductions	7,965,239	15,642,865	509,492	7,206	24,124,802
Change in Net Position	--	--	--	--	--
<i>Net Position at Beginning of Period</i>	--	--	--	--	--
Net Position at End of Period	\$ --	\$ --	\$ --	\$ --	\$ --

Montcalm County Drains
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 2,179,182	\$ 280,205	\$ 2,459,387
Accounts Receivable	593	16,103	16,696
Special Assessments Receivable	438,141	2,067,647	2,505,788
Total Current Assets	2,617,916	2,363,955	4,981,871
<i>Noncurrent Assets</i>			
Restricted Cash	--	93,500	93,500
Capital Assets being Depreciated, net	2,934,396	4,542,799	7,477,195
Total Assets	5,552,312	7,000,254	12,552,566
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	19,546	3,443	22,989
Accrued Liabilities	3,980	--	3,980
Accrued Interest	3,079	25,942	29,021
Current Portion of Long-term Debt	84,356	67,000	151,356
Total Current Liabilities	110,961	96,385	207,346
<i>Noncurrent Liabilities</i>			
Long-term Debt	350,785	2,132,000	2,482,785
Total Liabilities	461,746	2,228,385	2,690,131
NET POSITION			
Net Investment in Capital Assets	2,499,255	2,343,799	4,843,054
<i>Restricted for:</i>			
Drain Projects	2,591,155	--	2,591,155
Debt Service	156	2,428,070	2,428,226
Total Net Position	\$ 5,090,566	\$ 4,771,869	\$ 9,862,435

**Montcalm County Drains
Statement of Activities
For the Year Ended September 30, 2021**

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	\$ 1,027,100	\$ 1,020,793	\$ 29,513	\$ --	\$ 23,206	\$ --	\$ 23,206
Interest on Long-term Debt	20,320	--	--	--	(20,320)	--	(20,320)
Total Governmental Activities	1,047,420	1,020,793	29,513	--	2,886	--	2,886
Business-type Activities:							
Big Whitefish Lake	22,994	47,550	--	--	--	24,556	24,556
Little Whitefish Lake	42,011	79,419	--	--	--	37,408	37,408
Sidney Sewer Project	342,036	177,620	--	80,031	--	(84,385)	(84,385)
Total Business-type Activities	407,041	304,589	--	80,031	--	(22,421)	(22,421)
Total	\$ 1,454,461	\$ 1,325,382	\$ 29,513	\$ 80,031	2,886	(22,421)	(19,535)
General Purpose Revenues:							
Interest Income					100	23	123
Contributions from Primary Government					--	150,519	150,519
Special Item (Note 17)					--	(1,912,234)	(1,912,234)
Total General Revenues					100	(1,761,692)	(1,761,592)
Change in Net Position					2,986	(1,784,113)	(1,781,127)
Net Position at Beginning of Period					5,087,580	6,555,982	11,643,562
Net Position at End of Period					\$ 5,090,566	\$ 4,771,869	\$ 9,862,435

**Montcalm County Drains
Balance Sheet
Governmental Funds
September 30, 2021**

	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
ASSETS								
Cash and Cash Equivalents	\$ 156	\$ --	\$ 357,977	\$ 367,032	\$ 111,425	\$ 689,344	\$ 653,248	\$ 2,179,182
Accounts Receivable	--	--	--	--	593	--	--	593
Special Assessments Receivable	435,141	3,000	--	--	--	--	--	438,141
Due from Other Funds	--	--	1,454	--	--	--	--	1,454
<i>Total Assets</i>	\$ 435,297	\$ 3,000	\$ 359,431	\$ 367,032	\$ 112,018	\$ 689,344	\$ 653,248	\$ 2,619,370
LIABILITIES								
Accounts Payable	\$ --	\$ --	\$ --	\$ 5,358	\$ --	\$ --	\$ 14,188	\$ 19,546
Accrued Liabilities	--	--	--	3,980	--	--	--	3,980
Due to Other Funds	--	1,454	--	--	--	--	--	1,454
<i>Total Liabilities</i>	--	1,454	--	9,338	--	--	14,188	24,980
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	435,141	--	--	--	--	--	--	435,141
<i>Total Liabilities and Deferred Inflows of Resources</i>	435,141	1,454	--	9,338	--	--	14,188	460,121
FUND BALANCE								
Restricted	156	1,546	359,431	357,694	112,018	689,344	639,060	2,159,249
<i>Total Fund Balance</i>	156	1,546	359,431	357,694	112,018	689,344	639,060	2,159,249
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	\$ 435,297	\$ 3,000	\$ 359,431	\$ 367,032	\$ 112,018	\$ 689,344	\$ 653,248	\$ 2,619,370

Montcalm County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2021

Total Fund Balance - Governmental Funds	\$ 2,159,249
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.	(3,079)
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.	2,934,396
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(435,141)
Certain assets, such as special assessments receivable, are not available to pay current period expenditures and, therefore, are reported as deferred in the funds.	435,141
Total Net Position - Governmental Activities	\$ <u>5,090,566</u>

Montcalm County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2021

	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	\$ --	\$ 1,500	\$ 100,000	\$ --	\$ --	\$ 572,392	\$ 397,126	\$ 1,071,018
Other Revenue	29,513	--	--	21,309	--	12,806	--	63,628
Interest Income	--	--	75	15	10	16	--	116
Total Revenues	29,513	1,500	100,075	21,324	10	585,214	397,126	1,134,762
Expenditures								
Public Works	--	--	84,070	214,493	163,419	176,224	370,835	1,009,041
Debt Service - Principal	15,000	--	--	--	--	69,355	--	84,355
Debt Service - Interest	14,513	--	--	--	--	6,657	--	21,170
Total Expenditures	29,513	--	84,070	214,493	163,419	252,236	370,835	1,114,566
Excess of Revenues Over (Under) Expenditures	--	1,500	16,005	(193,169)	(163,409)	332,978	26,291	20,196
Other Financing Sources (Uses)								
Transfers In	--	--	--	229,786	36,171	160,598	--	426,555
Transfers Out	--	--	(426,555)	--	--	--	--	(426,555)
Net Other Financing Sources (Uses)	--	--	(426,555)	229,786	36,171	160,598	--	--
Net Change in Fund Balance	--	1,500	(410,550)	36,617	(127,238)	493,576	26,291	20,196
<i>Fund Balance at Beginning of Period</i>	156	46	769,981	321,077	239,256	195,768	612,769	2,139,053
Fund Balance at End of Period	\$ 156	\$ 1,546	\$ 359,431	\$ 357,694	\$ 112,018	\$ 689,344	\$ 639,060	\$ 2,159,249

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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$ 20,196
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.	(18,059)
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.	850
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.	(84,356)
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.	84,355
Changes in Net Position - Governmental Activities	\$ <u>2,986</u>

**Montcalm County Drains
Statement of Net Position
Proprietary Funds
September 30, 2021**

	Business-type Activities - Enterprise Funds			
	Big Whitefish Lake	Little Whitefish Lake	Sidney Sewer Project	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ --	\$ --	\$ 280,205	\$ 280,205
Accounts Receivable	--	--	16,103	16,103
Special Assessments Receivable	--	--	2,067,647	2,067,647
Total Current Assets	--	--	2,363,955	2,363,955
<i>Noncurrent Assets</i>				
Restricted Cash	--	--	93,500	93,500
Capital Assets being Depreciated, net	--	--	4,542,799	4,542,799
Total Assets	--	--	7,000,254	7,000,254
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	--	--	3,443	3,443
Accrued Interest	--	--	25,942	25,942
Current Portion of Long-term Debt	--	--	67,000	67,000
Total Current Liabilities	--	--	96,385	96,385
<i>Noncurrent Liabilities</i>				
Long-term Debt	--	--	2,132,000	2,132,000
Total Liabilities	--	--	2,228,385	2,228,385
NET POSITION				
Net Investment in Capital Assets	--	--	2,343,799	2,343,799
<i>Restricted for:</i>				
Restricted	--	--	2,428,070	2,428,070
Total Net Position	\$ --	\$ --	\$ 4,771,869	\$ 4,771,869

Montcalm County Drains
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Big Whitefish Lake	Little Whitefish Lake	Sidney Sewer Project	Total Enterprise Funds
Operating Revenues				
Special Assessments	\$ --	\$ 10,582	\$ 80,031	\$ 90,613
Charges for Services	47,550	68,837	177,620	294,007
<i>Total Operating Revenues</i>	47,550	79,419	257,651	384,620
Operating Expenses				
Public Works	22,994	19,673	97,637	140,304
Depreciation	--	--	166,961	166,961
<i>Total Operating Expenses</i>	22,994	19,673	264,598	307,265
<i>Operating Income (Loss)</i>	24,556	59,746	(6,947)	77,355
Non-Operating Revenues (Expenses)				
Interest Income	1	1	21	23
Contributions from Primary Government	8,418	2,206	139,895	150,519
Interest Expense	--	(22,338)	(77,438)	(99,776)
<i>Net Non-Operating Revenues (Expenses)</i>	8,419	(20,131)	62,478	50,766
<i>Income Before Contributions and Transfers</i>	32,975	39,615	55,531	128,121
Transfer of Operations	(975,897)	(936,337)	--	(1,912,234)
<i>Change In Net Position</i>	(942,922)	(896,722)	55,531	(1,784,113)
<i>Net Position at Beginning of Period</i>	942,922	896,722	4,716,338	6,555,982
<i>Net Position at End of Period</i>	\$ --	\$ --	\$ 4,771,869	\$ 4,771,869

**Montcalm County Drains
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021**

Business-type Activities - Enterprise Funds

	Big Whitefish Lake	Little Whitefish Lake	Sidney Sewer Project	Total Enterprise Funds
Cash Flows from Operating Activities				
Cash Received from Customers and Users	\$ 47,550	\$ 158,305	\$ 374,436	\$ 580,291
Cash Payments to Suppliers for Goods and Services	(39,264)	(29,015)	(102,854)	(171,133)
Net Cash Provided by Operating Activities	8,286	129,290	271,582	409,158
Cash Flows from Capital and Related Financing Activities				
Disposal/Removal of Capital Assets	449,230	1,494,220	--	1,943,450
Principal Paid on Long-term Debt	--	(867,800)	(405,500)	(1,273,300)
Interest Paid on Long-term Debt	--	(40,788)	(78,251)	(119,039)
Net Cash Provided (Used) by Capital and Related Financing Activities	449,230	585,632	(483,751)	551,111
Cash Flows from Noncapital Financing Activities				
Advances from Primary Government	8,418	2,206	139,895	150,519
Transfer of Operations	(975,897)	(936,337)	--	(1,912,234)
Net Cash Provided (Used) by Noncapital Financing Activities	(967,479)	(934,131)	139,895	(1,761,715)
Cash Flows from Investing Activities				
Interest Income Received	1	1	21	23
Net Cash Provided by Investing Activities	1	1	21	23
Decrease in Cash and Investments	(509,962)	(219,208)	(72,253)	(801,423)
<i>Cash and Investments, Beginning of Year</i>	<i>509,962</i>	<i>219,208</i>	<i>445,958</i>	<i>1,175,128</i>
<i>Cash and Investments, End of Year</i>	<i>\$ --</i>	<i>\$ --</i>	<i>\$ 373,705</i>	<i>\$ 373,705</i>
Reconciliation of Operating Income to				
Net Cash Provided by Operating Activities				
Operating Income	\$ 24,556	\$ 59,746	\$ (6,947)	\$ 77,355
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities				
Depreciation Expense	--	--	166,961	166,961
Change in Operating Assets and Liabilities				
Accounts Receivable	--	15,603	1,871	17,474
Special Assessments Receivable	--	63,283	114,914	178,197
Accounts Payable	(16,270)	(9,342)	(5,217)	(30,829)
Net Cash Provided by Operating Activities	\$ 8,286	\$ 129,290	\$ 271,582	\$ 409,158



**MONTCALM COUNTY
STANTON, MICHIGAN
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the Board of Commissioners
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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 31, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is 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 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC
Grand Rapids, MI
March 31, 2022

Montcalm County
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	CFDA 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-	\$ -	\$ 2,490
Total Forest Service Schools and Roads Cluster				-	2,490
U.S. Department of Justice					
Residential Substance Abuse Treatment	16.593	Direct	-n/a-	150,000	150,000
Coronavirus Emergency Supplemental Funding Grant					
Montcalm County Sheriff's Office	16.034	MSP	CESF-128-2020	-	48,696
Montcalm County Courts	16.034	MSP	CESF-8-59-0219	-	63,520
Montcalm County Prosecutor's Office	16.034	MSP	CESF-8-59-0132	-	4,743
				-	116,959
Total U.S. Department of Justice				150,000	266,959
U.S. Department of Health and Human Services					
<i>Aging Cluster:</i>					
Title IIIB - Homemaker	93.044	AAAWM	61.76	-	52,553
Title IIIB - Transportation	93.044	AAAWM	61.76	-	5,404
Title IIIC-1 - Congregate Meals	93.045	AAAWM	61.76	-	9,341
Title IIIC-2 - Home Delivered Meals	93.053	AAAWM	61.76	-	217,936
Nutrition Services Incentive Program:					
Congregate Meals	93.053	AAAWM	61.76	-	7,263
Home Delivered Meals	93.053	AAAWM	61.76	-	38,999
Total Aging Cluster				-	331,496
Title IIIE - Respite	93.052	AAAWM	61.76	-	37,286
Child Support Enforcement:					
Title IV-D - Incentive Payments	93.563	MDHHS	-n/a-	-	162,300
Title IV-D - Friend of the Court	93.563	MDHHS	CSFOC-17-59001	-	399,678
Title IV-D - Prosecuting Attorney	93.563	MDHHS	CSPA-17-59002	-	61,118
Total Child Support Enforcement				-	623,096
Total U.S. Department of Health and Human Services				-	991,878
U.S. Department of Homeland Security					
Boating Safety Financial Assistance	97.012	MDNR	MSR-MS18-086-279	-	25,300
Emergency Management Performance Grants	97.042	MSP	EMC-2018-EP-00002	-	16,950
Homeland Security Grant Program (non-cash)	97.067	WMSRDC	EMW-2016-SS-00010-S01	-	1,322
Total U.S. Department of Homeland Security				-	43,572
U.S. Department of Treasury					
COVID-19 American Rescue Plan Act	21.027	USDT	n/a	-	1,143,497
COVID-19 Public Safety and Public Health Payroll Reimburse	21.019	MDT	59-0000-PSPHPR	-	55,125
Total U.S. Department of Treasury				-	1,198,622
U.S. Department of Housing and Urban Development					
Community Development Block Grant	14.228	MEDC	B-20-DW-26-0001	-	200,400
Total Expenditures of Federal Awards				\$ 150,000	\$ 2,703,921

See Notes to the Schedule of Expenditures of Federal Awards

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, 2021. 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, 2021, 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	\$ 6,076,403
Subtract State and Local Sources:	(3,372,482)
Total Expenditures of Federal Awards	<u>\$ 2,703,921</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
MDT	Michigan Department of Treasury
MEDC	Michigan Economic Development Corporation
USDT	United States 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*

Honorable Members of the Board of Commissioners
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 the County of Montcalm, Michigan (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2022. 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.

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 may exist that have not been identified.

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 particularly stylized.

Gabridge & Company, PLC
Grand Rapids, MI
March 31, 2022

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

Honorable Members of the Board of Commissioners
Montcalm County
Stanton, Michigan

Report on Compliance for Each Major Federal Program

We have audited Montcalm County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Montcalm, Michigan's (the "County") major federal programs for the year ended September 30, 2021. 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 include the operations of the Montcalm County Road Commission, the Montcalm County Housing Commission, and Montcalm County Central Dispatch Authority, discretely presented component units, which received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2021. Our audit, as described below, did not include the operations of the Montcalm County Road Commission, the Montcalm County Housing Commission, and Montcalm County Central Dispatch Authority because they arranged for a separate financial statement audit report and they did not meet the criteria for a single audit.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on its Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Gabridge & Company, PLC
Grand Rapids, MI
March 31, 2022

Montcalm County
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

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	CFDA 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, 2022

To the Honorable Members of the Board of Commissioners
Montcalm County
Stanton, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Montcalm County, Michigan (the “County”) as of and for the year ended September 30, 2021. 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 December 20, 2021. 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. GASB Statement No. 84 was adopted and the application of existing policies were not changed during the fiscal year ended September 30, 2021. 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, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis, 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 dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC
Grand Rapids, MI