



**MONTCALM COUNTY  
STANTON, MICHIGAN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montcalm County (the “County”) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, or the Montcalm County Housing Commission, which represents 82, 3, and 1 percent of the assets and deferred outflows, 85, 1, and 1 percent of the net position, and 77, 7, and 5 percent of the program revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, and the Montcalm County Housing Commission, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Gabridge & Company*

Gabridge & Company, PLC

Grand Rapids, Michigan

March 31, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Montcalm County**  
**Management's Discussion and Analysis**  
**September 30, 2024**

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, 2024. 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 \$53,118,699 (*net position*), an increase of \$3,623,236.
- 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 \$29,406,305, an increase of \$1,899,612 in comparison with the prior year. Of the fund balance amount, \$17,420,001, or 59.2%, is available for spending at the County's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$22,678,976, an increase of \$652,602. At the end of the year, the unassigned portion of the fund balance in the general fund was \$17,420,001, or approximately 107.7% of total general fund expenditures and transfers out during the year.
- The County's investment in capital assets, net of accumulated depreciation, was \$11,029,865 at the end of the current year, which compares to \$11,161,716 at the end of the prior year.
- The County's total installment debt equaled \$890,000 at the close of the year, a decrease of \$870,000 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, indigent defense fund, and opioid settlement fund, which are the County's only major funds. 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 \$3,623,236 for the year ended September 30, 2024 to an ending net position of \$53,118,699. Net position of governmental activities increased \$2,184,159 and business-type activities increased by \$1,439,077. 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                |                      |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                       | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| <b>Assets</b>                         |                         |                      |                          |                      |                      |                      |
| Current and Other Assets              | \$ 34,998,142           | \$ 33,579,688        | \$ 19,778,730            | \$ 17,980,552        | \$ 54,776,872        | \$ 51,560,240        |
| Capital Assets, net                   | 9,165,384               | 9,157,526            | 1,864,481                | 2,004,190            | 11,029,865           | 11,161,716           |
| <i>Total Assets</i>                   | <i>44,163,526</i>       | <i>42,737,214</i>    | <i>21,643,211</i>        | <i>19,984,742</i>    | <i>65,806,737</i>    | <i>62,721,956</i>    |
| <b>Deferred Outflows of Resources</b> |                         |                      |                          |                      |                      |                      |
|                                       | 2,191,045               | 3,306,745            | 185,736                  | 379,953              | 2,376,781            | 3,686,698            |
| <b>Liabilities</b>                    |                         |                      |                          |                      |                      |                      |
| Long-term Liabilities                 | 9,266,611               | 10,969,583           | 855,189                  | 1,087,197            | 10,121,800           | 12,056,780           |
| Other Liabilities                     | 3,398,508               | 3,430,977            | 581,545                  | 289,041              | 3,980,053            | 3,720,018            |
| <i>Total Liabilities</i>              | <i>12,665,119</i>       | <i>14,400,560</i>    | <i>1,436,734</i>         | <i>1,376,238</i>     | <i>14,101,853</i>    | <i>15,776,798</i>    |
| <b>Deferred Inflows of Resources</b>  |                         |                      |                          |                      |                      |                      |
|                                       | 960,546                 | 1,098,652            | 2,420                    | 37,741               | 962,966              | 1,136,393            |
| <b>Net Position</b>                   |                         |                      |                          |                      |                      |                      |
| Net Investment in Capital Assets      | 8,307,606               | 7,461,971            | 1,864,481                | 2,004,190            | 10,172,087           | 9,466,161            |
| Restricted                            | 8,666,348               | 7,923,149            | -                        | -                    | 8,666,348            | 7,923,149            |
| Unrestricted                          | 15,754,952              | 15,159,627           | 18,525,312               | 16,946,526           | 34,280,264           | 32,106,153           |
| <i>Total Net Position</i>             | <i>\$ 32,728,906</i>    | <i>\$ 30,544,747</i> | <i>\$ 20,389,793</i>     | <i>\$ 18,950,716</i> | <i>\$ 53,118,699</i> | <i>\$ 49,495,463</i> |

A component of the County's net position reflects its net investment in capital assets, \$10,172,087, or 19.2%, (e.g. land and improvements, construction in process, buildings and additions, machinery and equipment, infrastructure, and others). Restricted net position of \$8,666,348, or 16.3%, which represents amounts subject to external restrictions, such as State legislation. The remaining portion represents an unrestricted amount, \$34,280,264 or 64.5%, that can be used at the County's discretion.

**Governmental Activities.** The net increase in current and other assets mostly follows the net increase in governmental funds fund balance of \$1,899,612. Current year capital outlays of \$1,417,241 exceeded depreciation expense and loss on disposal of capital assets of \$1,364,165 and \$33,328, respectively. Long-term liabilities decreased largely due to positive changes in net pension liability and the regularly scheduled long-term debt payments. Pension investment performance and actuarial results were responsible for the decreases in deferred inflows and outflows of resources.

**Business-type Activities.** The net increase in current and other assets largely followed the increase in business-type funds total increase in net position of \$1,439,077. Current year capital asset activity yielded a net decrease of \$139,709 as depreciation expense was in excess of current year additions. Decreases to net pension liabilities resulting from market performance and actuarial results was largely the cause of the decrease in long-term liabilities and related deferred amounts.

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:

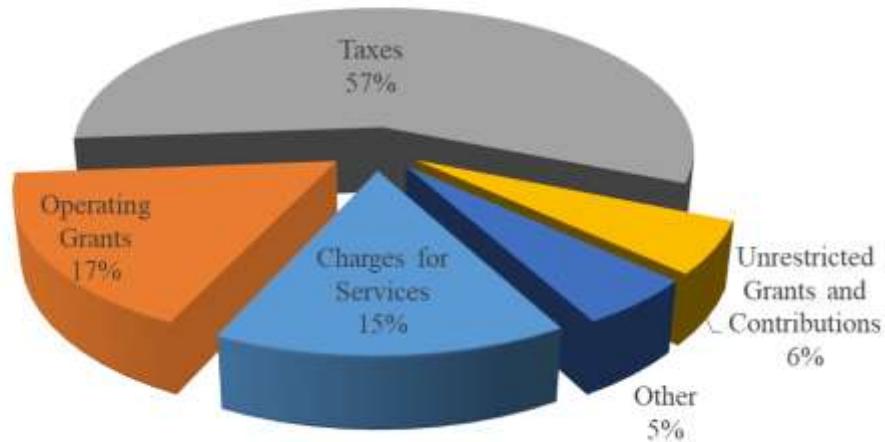
**Montcalm County's Changes in Net Position**

|   | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total</b>         |                      |
|---|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|   | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>          | <b>2024</b>          | <b>2023</b>          |
| <b>Revenues</b>                         |                                |                      |                                 |                      |                      |                      |
| Program Revenues:                       |                                |                      |                                 |                      |                      |                      |
| Charges for Services                    | \$ 3,986,439                   | \$ 4,021,210         | \$ 7,160,371                    | \$ 7,023,441         | \$ 11,146,810        | \$ 11,044,651        |
| Operating Grants                        | 4,485,460                      | 7,487,073            | 64,448                          | 125,442              | 4,549,908            | 7,612,515            |
| Capital Grants                          | 543,827                        | 3,083,268            | -                               | -                    | 543,827              | 3,083,268            |
| General Revenues:                       |                                |                      |                                 |                      |                      |                      |
| Taxes                                   | 15,270,385                     | 16,335,162           | 1,352,449                       | 1,426,338            | 16,622,834           | 17,761,500           |
| Unrestricted Grants and Contributions   | 1,488,736                      | 1,404,395            | -                               | -                    | 1,488,736            | 1,404,395            |
| Unrestricted Investment Earnings        | 1,369,768                      | 998,815              | 353,060                         | 267,843              | 1,722,828            | 1,266,658            |
| <b>Total Revenues</b>                   | <b>27,144,615</b>              | <b>33,329,923</b>    | <b>8,930,328</b>                | <b>8,843,064</b>     | <b>36,074,943</b>    | <b>42,172,987</b>    |
| <b>Expenses</b>                         |                                |                      |                                 |                      |                      |                      |
| General Government                      | 3,467,706                      | 2,805,629            | -                               | -                    | 3,467,706            | 2,805,629            |
| Judicial                                | 5,216,388                      | 4,972,890            | -                               | -                    | 5,216,388            | 4,972,890            |
| Public Safety                           | 7,970,531                      | 7,871,600            | -                               | -                    | 7,970,531            | 7,871,600            |
| Public Works                            | 1,067,078                      | 649,685              | -                               | -                    | 1,067,078            | 649,685              |
| Health and Welfare                      | 4,319,042                      | 3,456,997            | -                               | -                    | 4,319,042            | 3,456,997            |
| Recreation and Culture                  | 2,157,947                      | 1,866,434            | -                               | -                    | 2,157,947            | 1,866,434            |
| Community and Economic Development      | 714,441                        | 676,746              | -                               | -                    | 714,441              | 676,746              |
| Interest on Long-term Debt              | 68,995                         | 89,710               | -                               | -                    | 68,995               | 89,710               |
| Delinquent Tax                          | -                              | -                    | 290,364                         | 355,389              | 290,364              | 355,389              |
| Ambulance                               | -                              | -                    | 6,291,693                       | 6,688,403            | 6,291,693            | 6,688,403            |
| Building Official                       | -                              | -                    | 612,952                         | 591,679              | 612,952              | 591,679              |
| PRE Audit                               | -                              | -                    | 66,073                          | 24,702               | 66,073               | 24,702               |
| Inmate Commissary                       | -                              | -                    | 208,497                         | 43,866               | 208,497              | 43,866               |
| <b>Total Expenses</b>                   | <b>24,982,128</b>              | <b>22,389,691</b>    | <b>7,469,579</b>                | <b>7,704,039</b>     | <b>32,451,707</b>    | <b>30,093,730</b>    |
| Change in Net Position before Transfers | 2,162,487                      | 10,940,232           | 1,460,749                       | 1,139,025            | 3,623,236            | 12,079,257           |
| Transfers                               | 21,672                         | 21,477               | (21,672)                        | (21,477)             | -                    | -                    |
| <b>Change in Net Position</b>           | <b>2,184,159</b>               | <b>10,961,709</b>    | <b>1,439,077</b>                | <b>1,117,548</b>     | <b>3,623,236</b>     | <b>12,079,257</b>    |
| Net Position                            |                                |                      |                                 |                      |                      |                      |
| Beginning of year                       | 30,544,747                     | 19,583,038           | 18,950,716                      | 17,833,168           | 49,495,463           | 37,416,206           |
| <b>End of Year</b>                      | <b>\$ 32,728,906</b>           | <b>\$ 30,544,747</b> | <b>\$ 20,389,793</b>            | <b>\$ 18,950,716</b> | <b>\$ 53,118,699</b> | <b>\$ 49,495,463</b> |

**Governmental Activities.** Significant decreases in operating grants and capital grants are almost exclusively the result of large one-time grants for ARPA funds earned in the previous year and the same level of funding was not available in the current year. Taxes experienced a moderate decrease due to the County's decision to reduce the levied millage rates. Market results and investment allocation yielded significant increases to unrestricted investment earnings. General government expenses increased by \$662,077 due largely to pension costs and general inflationary costs amongst general government departmental functions. Judicial costs were \$243,498 more than in the previous year largely due to full year depreciation being taken over previously acquired assets. Public works increased by \$417,393 as a result of pension costs and depreciation increases. Health and welfare costs increased by \$862,045 due, in most part, to increased costs in the child care fund for detention and private institutions costs increases. Increased remittance to libraries was the majority cause of the increase in \$291,513 to recreation and culture expenses.

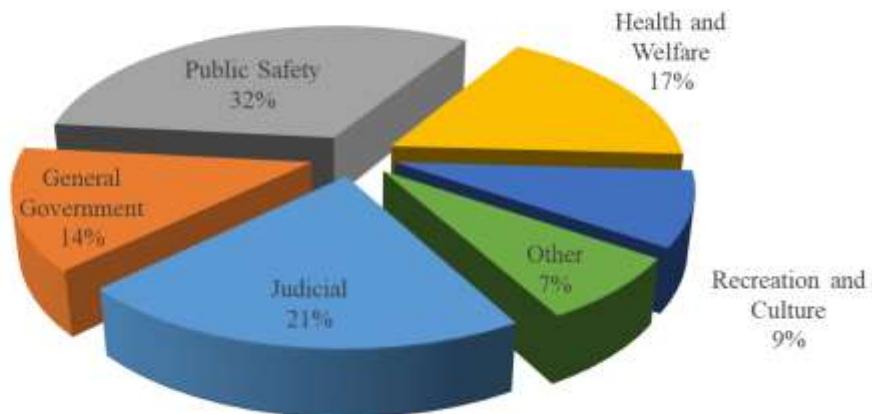
The following chart presents revenues of governmental activities for the fiscal year:

## Governmental Activities Revenues



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

## Governmental Activities Expenses



**Business-type Activities.** The most notable changes in business-type activities include decreases in ambulance costs of \$3,96,710 which largely follow the reduction in ambulance charges for services; \$4,594,460 in 2024 from \$5,094,150 in 2023.

## Financial Analysis of the County's Funds

As the County completed the fiscal year, its governmental funds reported combined ending fund balances of \$29,406,305. Of this, \$178,631, or .6%, is legally restricted and/or unavailable to spend (i.e. amounts tied up in prepaid items and long-term advances), \$725,209 or 2.5%, is committed by the Board of Commissioners for designated projects, \$5,000,000, or 17.0%, is assigned for capital improvements, and \$6,082,464 or 20.7%, is restricted for various projects and programs, leaving \$17,420,001, or 59.2%, as unassigned fund balance.

### General Fund Budgetary Highlights

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

**Final budget compared to actual results.** The County had the following expenditures in excess of amounts appropriated during fiscal year 2024:

|                               | <u>Final Amount Appropriated</u> | <u>Actual Amount</u> | <u>Budget Variance</u> |
|-------------------------------|----------------------------------|----------------------|------------------------|
| <b>General Government</b>     |                                  |                      |                        |
| Elections                     | \$ 88,000                        | \$ 119,019           | \$ (31,019)            |
| <b>Judicial</b>               |                                  |                      |                        |
| Circuit Court                 | 310,420                          | 323,488              | (13,068)               |
| <b>Other Financing Uses</b>   |                                  |                      |                        |
| Transfers Out                 | 1,825,897                        | 1,892,383            | (66,486)               |
| <b>Opioid Settlement Fund</b> |                                  |                      |                        |
| Substance Abuse               | -                                | 202,569              | (202,569)              |

The variance in the opioid settlement fund will trigger a budgetary compliance corrective action plan from the Michigan Department of Treasury. The County plans to put procedures in place to avoid an overage in this fund in the future.

### Capital Assets and Debt Administration

**Capital Assets.** At September 30, 2024, the County had invested \$11,029,865 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 \$890,000 outstanding.

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

### **Economic Condition and Outlook**

The County continues to adopt a balanced budget each fiscal year, with 2025 being no exception. All major funds have maintained surplus balances for the past three fiscal years. The County continues to remain diligent in improving the status of the General Fund's fund balance, utilizing the policies and procedures put in place by the Board of Commissioners.

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

All signs continue to point to a positive economic outlook for Montcalm County. There continues to be measurable growth in the area of new business and new housing developments throughout the County, as well as the promising prospects of renewable energy resources sweeping across the County for years to come. Montcalm County is currently in a solid, stable financial position and desires only to continue down the road of improvement going forward.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**Montcalm County**  
**Statement of Net Position**  
**September 30, 2024**

|   | <b>Primary Government</b>      |                      |                                 |                      | <b>Component Units</b> |  |
|---|--------------------------------|----------------------|---------------------------------|----------------------|------------------------|--|
|   | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      |                        |  |
|   | <b>Activities</b>              | <b>Activities</b>    | <b>Activities</b>               | <b>Activities</b>    |                        |  |
| <b>ASSETS</b>                               |                                |                      |                                 |                      |                        |  |
| <i>Current Assets</i>                       |                                |                      |                                 |                      |                        |  |
| Cash and Investments                        | \$ 29,361,218                  | \$ 15,363,585        | \$ 44,724,803                   | \$ 7,663,112         |                        |  |
| Receivables, net                            | 2,688,009                      | 1,004,702            | 3,692,711                       | 3,872,547            |                        |  |
| Special Assessments Receivable              | --                             | --                   | --                              | 2,913,515            |                        |  |
| Taxes Receivable                            | 1,780,114                      | 3,410,443            | 5,190,557                       | --                   |                        |  |
| Due from Other Governments                  | 433,358                        | --                   | 433,358                         | 65,636               |                        |  |
| Inventory                                   | 35,672                         | --                   | 35,672                          | 1,065,872            |                        |  |
| Prepays                                     | 699,771                        | --                   | 699,771                         | 278,907              |                        |  |
| <b>Total Current Assets</b>                 | <b>34,998,142</b>              | <b>19,778,730</b>    | <b>54,776,872</b>               | <b>15,859,589</b>    |                        |  |
| <i>Noncurrent Assets</i>                    |                                |                      |                                 |                      |                        |  |
| Restricted Cash                             | --                             | --                   | --                              | 119,000              |                        |  |
| Capital Assets not being Depreciated        | 76,656                         | --                   | 76,656                          | 5,531,482            |                        |  |
| Capital Assets being Depreciated, net       | 9,088,728                      | 1,864,481            | 10,953,209                      | 67,974,088           |                        |  |
| <b>Total Assets</b>                         | <b>44,163,526</b>              | <b>21,643,211</b>    | <b>65,806,737</b>               | <b>89,484,159</b>    |                        |  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                |                      |                                 |                      |                        |  |
| Deferred Charges on Refunding               | 32,222                         | --                   | 32,222                          | --                   |                        |  |
| Pension                                     | 1,898,846                      | 185,736              | 2,084,582                       | 2,896,331            |                        |  |
| OPEB  | 259,977                        | --                   | 259,977                         | 400,935              |                        |  |
| <b>Total Deferred Outflows of Resources</b> | <b>2,191,045</b>               | <b>185,736</b>       | <b>2,376,781</b>                | <b>3,297,266</b>     |                        |  |
| <b>LIABILITIES</b>                          |                                |                      |                                 |                      |                        |  |
| <i>Current Liabilities</i>                  |                                |                      |                                 |                      |                        |  |
| Accounts Payable                            | 1,213,716                      | 449,729              | 1,663,445                       | 1,487,272            |                        |  |
| Undistributed Receipts                      | --                             | 13,165               | 13,165                          | --                   |                        |  |
| Accrued Liabilities                         | 445,851                        | 95,071               | 540,922                         | 258,592              |                        |  |
| Due to Other Governments                    | 90,066                         | --                   | 90,066                          | --                   |                        |  |
| Accrued Interest                            | 9,827                          | --                   | 9,827                           | 36,796               |                        |  |
| Unearned Revenue                            | 580,435                        | --                   | 580,435                         | --                   |                        |  |
| Current Portion of Compensated Absences     | 168,613                        | 23,580               | 192,193                         | 228,956              |                        |  |
| Current Portion of Long-term Debt           | 890,000                        | --                   | 890,000                         | 817,114              |                        |  |
| <b>Total Current Liabilities</b>            | <b>3,398,508</b>               | <b>581,545</b>       | <b>3,980,053</b>                | <b>2,828,730</b>     |                        |  |
| <i>Noncurrent Liabilities</i>               |                                |                      |                                 |                      |                        |  |
| Advances from Other Governmental Units      | --                             | --                   | --                              | 387,569              |                        |  |
| Compensated Absences                        | 342,336                        | 42,980               | 385,316                         | 32,762               |                        |  |
| Long-term Debt                              | --                             | --                   | --                              | 5,911,339            |                        |  |
| Net OPEB Liability                          | 620,783                        | --                   | 620,783                         | 945,804              |                        |  |
| Net Pension Liability                       | 8,303,492                      | 812,209              | 9,115,701                       | 9,195,358            |                        |  |
| <b>Total Liabilities</b>                    | <b>12,665,119</b>              | <b>1,436,734</b>     | <b>14,101,853</b>               | <b>19,301,562</b>    |                        |  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                |                      |                                 |                      |                        |  |
| Pension                                     | 24,736                         | 2,420                | 27,156                          | 53,765               |                        |  |
| OPEB  | 935,810                        | --                   | 935,810                         | 654,361              |                        |  |
| <b>Total Deferred Inflows of Resources</b>  | <b>960,546</b>                 | <b>2,420</b>         | <b>962,966</b>                  | <b>708,126</b>       |                        |  |
| <b>NET POSITION</b>                         |                                |                      |                                 |                      |                        |  |
| Net Investment in Capital Assets            | 8,307,606                      | 1,864,481            | 10,172,087                      | 66,777,117           |                        |  |
| <i>Restricted for:</i>                      |                                |                      |                                 |                      |                        |  |
| Restricted                                  | 8,666,348                      | --                   | 8,666,348                       | 6,493,050            |                        |  |
| Unrestricted                                | 15,754,952                     | 18,525,312           | 34,280,264                      | (498,430)            |                        |  |
| <b>Total Net Position</b>                   | <b>\$ 32,728,906</b>           | <b>\$ 20,389,793</b> | <b>\$ 53,118,699</b>            | <b>\$ 72,771,737</b> |                        |  |

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, 2024**

| Functions/Programs                    | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue   |                          |                        | Component Units  |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|------------------------|------------------|
|                                       |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total                  |                  |
|                                       |                      |                      |                                    |                                  |                         |                          |                        |                  |
| <b>Primary Government</b>             |                      |                      |                                    |                                  |                         |                          |                        |                  |
| <b>Governmental Activities:</b>       |                      |                      |                                    |                                  |                         |                          |                        |                  |
| Public Safety                         | \$ 7,970,531         | \$ 938,740           | \$ 798,688                         | \$ --                            | \$ (6,233,103)          | \$ --                    | \$ (6,233,103)         | \$ --            |
| Public Works                          | 1,067,078            | 186,471              | 118,486                            | --                               | (762,121)               | --                       | (762,121)              | --               |
| Health and Welfare                    | 4,319,042            | 175,207              | 829,887                            | --                               | (3,313,948)             | --                       | (3,313,948)            | --               |
| Community and Economic Development    | 714,441              | 841,950              | 27,323                             | --                               | 154,832                 | --                       | 154,832                | --               |
| General Government                    | 4,383,541            | 1,566,720            | 1,486,799                          | 521,365                          | (808,657)               | --                       | (808,657)              | --               |
| Recreation and Culture                | 2,157,947            | 38,919               | --                                 | 22,462                           | (2,096,566)             | --                       | (2,096,566)            | --               |
| Interest on Long-term Debt            | 68,995               | --                   | --                                 | --                               | (68,995)                | --                       | (68,995)               | --               |
| Judicial                              | 5,216,388            | 1,154,267            | 1,224,277                          | --                               | (2,837,844)             | --                       | (2,837,844)            | --               |
| <b>Total Governmental Activities</b>  | <b>25,897,963</b>    | <b>4,902,274</b>     | <b>4,485,460</b>                   | <b>543,827</b>                   | <b>(15,966,402)</b>     | <b>--</b>                | <b>(15,966,402)</b>    | <b>--</b>        |
| <b>Business-type Activities:</b>      |                      |                      |                                    |                                  |                         |                          |                        |                  |
| Ambulance                             | 6,291,693            | 4,601,364            | 64,448                             | --                               | --                      | (1,625,881)              | (1,625,881)            | --               |
| Delinquent Tax Revolving              | 290,364              | 1,628,955            | --                                 | --                               | --                      | 1,338,591                | 1,338,591              | --               |
| Inmate Commissary                     | 208,497              | 89,662               | --                                 | --                               | --                      | (118,835)                | (118,835)              | --               |
| Building Official                     | 612,952              | 754,711              | --                                 | --                               | --                      | 141,759                  | 141,759                | --               |
| PRE Audit                             | 66,073               | 85,679               | --                                 | --                               | --                      | 19,606                   | 19,606                 | --               |
| <b>Total Business-type Activities</b> | <b>7,469,579</b>     | <b>7,160,371</b>     | <b>64,448</b>                      | <b>--</b>                        | <b>--</b>               | <b>(244,760)</b>         | <b>(244,760)</b>       | <b>--</b>        |
| <b>Total Primary Government</b>       | <b>\$ 33,367,542</b> | <b>\$ 12,062,645</b> | <b>\$ 4,549,908</b>                | <b>\$ 543,827</b>                | <b>\$ (15,966,402)</b>  | <b>\$ (244,760)</b>      | <b>\$ (16,211,162)</b> | <b>--</b>        |
| <b>Component Units</b>                |                      |                      |                                    |                                  |                         |                          |                        |                  |
| Central Dispatch Authority            | \$ 1,779,825         | \$ 19,291            | \$ 1,954,207                       | \$ --                            | --                      | --                       | --                     | 193,673          |
| Road Commission                       | 15,020,666           | 2,440,261            | 11,795,568                         | 7,157,198                        | --                      | --                       | --                     | 6,372,361        |
| Drain Commission                      | 2,879,403            | 2,833,981            | 48,433                             | 30,483                           | --                      | --                       | --                     | 33,494           |
| Housing Commission (12/31/23)         | 1,575,289            | 164,530              | 1,304,501                          | --                               | --                      | --                       | --                     | (106,258)        |
| Brownfield Redevelopment Authority    | 6,425                | 6,425                | --                                 | --                               | --                      | --                       | --                     | --               |
| <b>Total Component Units</b>          | <b>\$ 21,261,608</b> | <b>\$ 5,464,488</b>  | <b>\$ 15,102,709</b>               | <b>\$ 7,187,681</b>              | <b>--</b>               | <b>--</b>                | <b>--</b>              | <b>6,493,270</b> |

**General Purpose Revenues and Transfers:**

**Revenues**

|                                    |            |           |            |         |
|------------------------------------|------------|-----------|------------|---------|
| Unrestricted State Revenue Sharing | 1,488,736  | --        | 1,488,736  | --      |
| Property Taxes                     | 15,270,385 | 1,352,449 | 16,622,834 | --      |
| Interest Income                    | 1,369,768  | 353,060   | 1,722,828  | 239,218 |

**Transfers**

|   |                   |                  |                   |                  |
|---|-------------------|------------------|-------------------|------------------|
| <b>Total General Revenues and Transfers</b> | <b>18,150,561</b> | <b>1,683,837</b> | <b>19,834,398</b> | <b>239,218</b>   |
| <b>Change in Net Position</b>               | <b>2,184,159</b>  | <b>1,439,077</b> | <b>3,623,236</b>  | <b>6,732,488</b> |

**Net Position at Beginning of Period**

|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| 30,544,747           | 18,950,716           | 49,495,463           | 66,039,249           |
| <b>\$ 32,728,906</b> | <b>\$ 20,389,793</b> | <b>\$ 53,118,699</b> | <b>\$ 72,771,737</b> |

**Net Position at End of Period**

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

**Montcalm County  
Balance Sheet  
Governmental Funds  
September 30, 2024**

|  | <b>Special Revenue</b>      |                          |                            | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-----------------------------|--------------------------|----------------------------|---|---|
|  | <b>General</b>              | <b>Indigent Defense</b>  | <b>Opioid Settlement</b>   |   |   |
| <b>ASSETS</b>  |                             |                          |                            |   |   |
| Cash and Investments   | \$ 21,218,769               | \$ 560,716               | \$ 1,042,537               | \$ 6,006,829                            | \$ 28,828,851                           |
| Receivables, net   | 65,665                      | --                       | 2,532,704                  | 89,640                                  | 2,688,009                               |
| Taxes Receivable   | 1,780,114                   | --                       | --                         | --                                      | 1,780,114                               |
| Due from Other Governments   | 281,979                     | 2,900                    | --                         | 148,479                                 | 433,358                                 |
| Prepays  | 127,451                     | --                       | --                         | 51,180                                  | 178,631                                 |
| Due from Other Funds   | 11,349                      | --                       | --                         | --                                      | 11,349                                  |
| <i>Total Assets</i>  | <b><u>\$ 23,485,327</u></b> | <b><u>\$ 563,616</u></b> | <b><u>\$ 3,575,241</u></b> | <b><u>\$ 6,296,128</u></b>              | <b><u>\$ 33,920,312</u></b>             |
| <b>LIABILITIES</b>   |                             |                          |                            |   |   |
| Accounts Payable   | \$ 417,992                  | \$ 212,976               | \$ 901                     | \$ 442,569                              | \$ 1,074,438                            |
| Accrued Liabilities  | 154,663                     | 3,901                    | --                         | 66,451                                  | 225,015                                 |
| Due to Other Governments   | --                          | --                       | --                         | 90,066                                  | 90,066                                  |
| Unearned Revenue   | 233,696                     | 346,739                  | --                         | --                                      | 580,435                                 |
| Due to Other Funds   | --                          | --                       | --                         | 11,349                                  | 11,349                                  |
| <i>Total Liabilities</i>   | <b><u>806,351</u></b>       | <b><u>563,616</u></b>    | <b><u>901</u></b>          | <b><u>610,435</u></b>                   | <b><u>1,981,303</u></b>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                             |                          |                            |   |   |
| Unavailable Revenue  | --                          | --                       | 2,532,704                  | --                                      | 2,532,704                               |
| <i>Total Liabilities and Deferred Inflows of Resources</i>               | <b><u>806,351</u></b>       | <b><u>563,616</u></b>    | <b><u>2,533,605</u></b>    | <b><u>610,435</u></b>                   | <b><u>4,514,007</u></b>                 |
| <b>FUND BALANCE</b>  |                             |                          |                            |   |   |
| Nonspendable   | 127,451                     | --                       | --                         | 51,180                                  | 178,631                                 |
| Restricted   | --                          | --                       | 1,041,636                  | 5,040,828                               | 6,082,464                               |
| Committed  | 131,524                     | --                       | --                         | 593,685                                 | 725,209                                 |
| Assigned   | 5,000,000                   | --                       | --                         | --                                      | 5,000,000                               |
| Unassigned   | 17,420,001                  | --                       | --                         | --                                      | 17,420,001                              |
| <i>Total Fund Balance</i>  | <b><u>22,678,976</u></b>    | <b><u>--</u></b>         | <b><u>1,041,636</u></b>    | <b><u>5,685,693</u></b>                 | <b><u>29,406,305</u></b>                |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i> | <b><u>\$ 23,485,327</u></b> | <b><u>\$ 563,616</u></b> | <b><u>\$ 3,575,241</u></b> | <b><u>\$ 6,296,128</u></b>              | <b><u>\$ 33,920,312</u></b>             |

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, 2024**

|   |                      |
|---|----------------------|
| Total Fund Balance - Governmental Funds   | \$ 29,406,305        |
| 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.  | 509,329              |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.   | (510,949)            |
| Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.   | (497,196)            |
| 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. | (799,420)            |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.   | (9,827)              |
| General government capital assets of \$32,470,205, net of accumulated depreciation of \$23,484,875, are not financial resources, and accordingly are not reported in the funds.   | 8,985,330            |
| 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 \$890,000 less unamortized costs of \$32,222.   | (857,778)            |
| 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.  | 399,790              |
| 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.  | (6,429,382)          |
| Unavailable revenues are not available to pay current expenditures and, therefore, are deferred inflows of resources in the funds.  | 2,532,704            |
| <b>Total Net Position - Governmental Activities</b>   | <b>\$ 32,728,906</b> |

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, 2024**

|  | <b>Special Revenue</b> |                         |                          | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|------------------------|-------------------------|--------------------------|---|---|
|  | <b>General</b>         | <b>Indigent Defense</b> | <b>Opioid Settlement</b> |   |   |
| <b>Revenues</b>  |                        |                         |                          |   |   |
| Property Taxes   | \$ 8,869,771           | \$ --                   | \$ --                    | \$ 6,400,614                            | \$ 15,270,385                           |
| Licenses and Permits   | 96,010                 | --                      | --                       | 48,541                                  | 144,551                                 |
| Intergovernmental  | 3,351,944              | 966,269                 | --                       | 2,118,617                               | 6,436,830                               |
| Charges for Services   | 3,272,160              | --                      | --                       | 389,461                                 | 3,661,621                               |
| Fines and Forfeitures  | 63,358                 | --                      | --                       | 6,500                                   | 69,858                                  |
| Interest and Rents   | 1,092,137              | 13,575                  | 22,105                   | 1,168,486                               | 2,296,303                               |
| Other Revenue  | 88,164                 | 28,941                  | 743,558                  | 365,249                                 | 1,225,912                               |
| <b>Total Revenues</b>  | <b>16,833,544</b>      | <b>1,008,785</b>        | <b>765,663</b>           | <b>10,497,468</b>                       | <b>29,105,460</b>                       |
| <b>Expenditures</b>  |                        |                         |                          |   |   |
| General Government   | 4,347,845              | --                      | --                       | 22,234                                  | 4,370,079                               |
| Judicial   | 2,829,468              | 1,235,727               | --                       | 1,035,624                               | 5,100,819                               |
| Public Safety  | 4,996,818              | --                      | --                       | 2,481,304                               | 7,478,122                               |
| Public Works   | 486,687                | --                      | --                       | 496,280                                 | 982,967                                 |
| Health and Welfare   | 1,954,359              | --                      | 202,569                  | 2,093,035                               | 4,249,963                               |
| Community and Economic Development                                 | 276,703                | --                      | --                       | 437,738                                 | 714,441                                 |
| Recreation and Culture   | 31,717                 | --                      | --                       | 2,112,539                               | 2,144,256                               |
| Capital Outlay   | --                     | --                      | --                       | 1,245,020                               | 1,245,020                               |
| Debt Service - Interest  | --                     | --                      | --                       | 45,835                                  | 45,835                                  |
| Debt Service - Principal   | --                     | --                      | --                       | 870,000                                 | 870,000                                 |
| <b>Total Expenditures</b>  | <b>14,923,597</b>      | <b>1,235,727</b>        | <b>202,569</b>           | <b>10,839,609</b>                       | <b>27,201,502</b>                       |
| <b>Excess of Revenues Over (Under) Expenditures</b>                |                        |                         |                          |   |   |
|  | <b>1,909,947</b>       | <b>(226,942)</b>        | <b>563,094</b>           | <b>(342,141)</b>                        | <b>1,903,958</b>                        |
| <b>Other Financing Sources (Uses)</b>                              |                        |                         |                          |   |   |
| Sale of Capital Assets   | 5,366                  | --                      | --                       | 3,616                                   | 8,982                                   |
| Transfers In   | 629,672                | 226,942                 | --                       | 1,039,104                               | 1,895,718                               |
| Transfers Out  | (1,892,383)            | --                      | --                       | (16,663)                                | (1,909,046)                             |
| <b>Net Other Financing Sources (Uses)</b>                          | <b>(1,257,345)</b>     | <b>226,942</b>          | <b>--</b>                | <b>1,026,057</b>                        | <b>(4,346)</b>                          |
| <b>Net Change in Fund Balance</b>                                  | <b>652,602</b>         | <b>--</b>               | <b>563,094</b>           | <b>683,916</b>                          | <b>1,899,612</b>                        |
| <i>Fund Balance at Beginning of Period, as Previously Reported</i> | 22,026,374             | --                      | 478,542                  | 5,001,777                               | 27,506,693                              |
| <i>Change within the Financial Reporting Entity (Note 16)</i>      | --                     | --                      | --                       | --                                      | --                                      |
| <i>Fund Balance at Beginning of Period, as Restated</i>            | 22,026,374             | --                      | 478,542                  | 5,001,777                               | 27,506,693                              |
| <b>Fund Balance at End of Period</b>                               | <b>\$ 22,678,976</b>   | <b>\$ --</b>            | <b>\$ 1,041,636</b>      | <b>\$ 5,685,693</b>                     | <b>\$ 29,406,305</b>                    |

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, 2024**

|  |                            |
|--|----------------------------|
| Total Net Change in Fund Balances - Governmental Funds   | \$ 1,899,612               |
| 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  | 45,038                     |
| 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.  | (11,582)                   |
| Changes to the net pension liability, and the pension related deferrals, are not shown in the fund financial statements.   | (254,839)                  |
| 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.  | 130,394                    |
| 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 capital outlay expenditures of \$1,417,241 exceed depreciation expense of \$1,364,165 and loss on disposals of \$33,328.                              | 19,748                     |
| Changes to accrued interest are not shown in the fund financial statements.  | 9,063                      |
| Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the amount by which principal payments on long-term debt of \$870,000 less deferred charge on bond refunding of \$32,223. | 837,777                    |
| 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.   | 11,502                     |
| Some receivables are long-term in nature and are collectible over several years; however, the current receipts are reflected as revenue on the fund statements.  | (502,264)                  |
| <b>Changes in Net Position - Governmental Activities</b>   | <b>\$ <u>2,184,449</u></b> |

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

**Montcalm County**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2024**

|  | <b>Business-type Activities - Enterprise Funds</b> |                                 |                               |                               |                   | <b>Governmental Activities Internal Service Funds</b> |
|--|--|---------------------------------|-------------------------------|-------------------------------|-------------------|---|
|  | <b>Ambulance</b>                                   | <b>Delinquent Tax Revolving</b> | <b>Other Enterprise Funds</b> | <b>Total Enterprise Funds</b> |                   |   |
|  |  |                                 |                               |                               |                   |   |
| <b>ASSETS</b>                                      |  |                                 |                               |                               |                   |   |
| <i>Current Assets</i>                              |  |                                 |                               |                               |                   |   |
| Cash and Investments                               | \$ 5,919,152                                       | \$ 7,641,521                    | \$ 1,802,912                  | \$ 15,363,585                 | \$ 532,367        |   |
| Receivables, net                                   | 695,186  | 309,516                         | --                            | 1,004,702                     | --                |   |
| Taxes Receivable                                   | --   | 3,410,443                       | --                            | 3,410,443                     | --                |   |
| Inventory  | --   | --                              | --                            | --                            | 35,672            |   |
| <b><i>Total Current Assets</i></b>                 | <b>6,614,338</b>                                   | <b>11,361,480</b>               | <b>1,802,912</b>              | <b>19,778,730</b>             | <b>568,039</b>    |   |
| <i>Noncurrent Assets</i>                           |  |                                 |                               |                               |                   |   |
| Capital Assets being Depreciated, net              | 1,832,368  | --                              | 32,113                        | 1,864,481                     | 180,054           |   |
| <b><i>Total Assets</i></b>                         | <b>8,446,706</b>                                   | <b>11,361,480</b>               | <b>1,835,025</b>              | <b>21,643,211</b>             | <b>748,093</b>    |   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |  |                                 |                               |                               |                   |   |
| Pension  | 185,736  | --                              | --                            | 185,736                       | --                |   |
| <b><i>Total Deferred Outflows of Resources</i></b> | <b>185,736</b>                                     | <b>--</b>                       | <b>--</b>                     | <b>185,736</b>                | <b>--</b>         |   |
| <b>LIABILITIES</b>                                 |  |                                 |                               |                               |                   |   |
| <i>Current Liabilities</i>                         |  |                                 |                               |                               |                   |   |
| Accounts Payable                                   | 281,930  | 30,687                          | 137,112                       | 449,729                       | 139,278           |   |
| Undistributed Receipts                             | --   | 13,165                          | --                            | 13,165                        | --                |   |
| Accrued Liabilities                                | 85,327   | --                              | 9,744                         | 95,071                        | 99,486            |   |
| Current Portion of Compensated Absences            | 23,580   | --                              | --                            | 23,580                        | --                |   |
| <b><i>Total Current Liabilities</i></b>            | <b>390,837</b>                                     | <b>43,852</b>                   | <b>146,856</b>                | <b>581,545</b>                | <b>238,764</b>    |   |
| <i>Noncurrent Liabilities</i>                      |  |                                 |                               |                               |                   |   |
| Compensated Absences                               | 34,814   | --                              | 8,166                         | 42,980                        | --                |   |
| Net Pension Liability                              | 812,209  | --                              | --                            | 812,209                       | --                |   |
| <b><i>Total Liabilities</i></b>                    | <b>1,237,860</b>                                   | <b>43,852</b>                   | <b>155,022</b>                | <b>1,436,734</b>              | <b>238,764</b>    |   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |  |                                 |                               |                               |                   |   |
| Pension  | 2,420  | --                              | --                            | 2,420                         | --                |   |
| <b><i>Total Deferred Inflows of Resources</i></b>  | <b>2,420</b>                                       | <b>--</b>                       | <b>--</b>                     | <b>2,420</b>                  | <b>--</b>         |   |
| <b>NET POSITION</b>                                |  |                                 |                               |                               |                   |   |
| Net Investment in Capital Assets                   | 1,832,368  | --                              | 32,113                        | 1,864,481                     | 180,054           |   |
| Unrestricted                                       | 5,559,794  | 11,317,628                      | 1,647,890                     | 18,525,312                    | 329,275           |   |
| <b><i>Total Net Position</i></b>                   | <b>\$ 7,392,162</b>                                | <b>\$ 11,317,628</b>            | <b>\$ 1,680,003</b>           | <b>\$ 20,389,793</b>          | <b>\$ 509,329</b> |   |

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, 2024**

|  | <b>Business-type Activities - Enterprise Funds</b> |                                 |                               |                               | <b>Governmental Activities Internal Service Funds</b> |
|--|--|---------------------------------|-------------------------------|-------------------------------|---|
|  | <b>Ambulance</b>                                   | <b>Delinquent Tax Revolving</b> | <b>Other Enterprise Funds</b> | <b>Total Enterprise Funds</b> |   |
| <b>Operating Revenues</b>                        |  |                                 |                               |                               |   |
| Charges for Services                             | \$ 4,594,460                                       | \$ 737,382                      | \$ 844,373                    | \$ 6,176,215                  | \$ 663,276  |
| Penalties and Interest on Delinquent Taxes       | --   | 479,179                         | 85,679                        | 564,858                       | --  |
| Employer Contributions                           | --   | --                              | --                            | --                            | 1,071,605   |
| <b>Total Operating Revenues</b>                  | <b>4,594,460</b>                                   | <b>1,216,561</b>                | <b>930,052</b>                | <b>6,741,073</b>              | <b>1,734,881</b>                                      |
| <b>Operating Expenses</b>                        |  |                                 |                               |                               |   |
| Personnel Services                               | 4,492,249  | --                              | 481,586                       | 4,973,835                     | 7,558   |
| Purchases of Goods and Services                  | 947,977  | 290,364                         | 398,191                       | 1,636,532                     | 799,137   |
| Depreciation                                     | 851,467  | --                              | 7,745                         | 859,212                       | 11,891  |
| Participant Benefits                             | --   | --                              | --                            | --                            | 896,042   |
| Administrative Expense                           | --   | --                              | --                            | --                            | 13,720  |
| <b>Total Operating Expenses</b>                  | <b>6,291,693</b>                                   | <b>290,364</b>                  | <b>887,522</b>                | <b>7,469,579</b>              | <b>1,728,348</b>                                      |
| <b>Operating Income (Loss)</b>                   | <b>(1,697,233)</b>                                 | <b>926,197</b>                  | <b>42,530</b>                 | <b>(728,506)</b>              | <b>6,533</b>  |
| <b>Non-Operating Revenues (Expenses)</b>         |  |                                 |                               |                               |   |
| Property Taxes                                   | 1,354,618  | --                              | --                            | 1,354,618                     | --  |
| Interest Income                                  | 276,663  | 293,915                         | 76,400                        | 646,978                       | 3,505   |
| Other Revenue                                    | 69,178   | 118,481                         | --                            | 187,659                       | --  |
| <b>Net Non-Operating Revenues (Expenses)</b>     | <b>1,700,459</b>                                   | <b>412,396</b>                  | <b>76,400</b>                 | <b>2,189,255</b>              | <b>3,505</b>  |
| <b>Income Before Contributions and Transfers</b> | <b>3,226</b>                                       | <b>1,338,593</b>                | <b>118,930</b>                | <b>1,460,749</b>              | <b>10,038</b>   |
| Transfers In                                     | --   | --                              | --                            | --                            | 35,000  |
| Transfers Out                                    | --   | --                              | (21,672)                      | (21,672)                      | --  |
| <b>Change In Net Position</b>                    | <b>3,226</b>                                       | <b>1,338,593</b>                | <b>97,258</b>                 | <b>1,439,077</b>              | <b>45,038</b>   |
| <b>Net Position at Beginning of Period</b>       | <b>7,388,936</b>                                   | <b>9,979,035</b>                | <b>1,582,745</b>              | <b>18,950,716</b>             | <b>464,291</b>  |
| <b>Net Position at End of Period</b>             | <b>\$ 7,392,162</b>                                | <b>\$ 11,317,628</b>            | <b>\$ 1,680,003</b>           | <b>\$ 20,389,793</b>          | <b>\$ 509,329</b>                                     |

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, 2024**

|  | Business-type Activities - Enterprise Funds |                          |                           |                        | Governmental Activities Internal Service Funds |  |
|--|---|--------------------------|---------------------------|------------------------|--|--|
|  | Ambulance                                   | Delinquent Tax Revolving | Nonmajor Enterprise Funds | Total Enterprise Funds |  |  |
| <b>Cash Flows from Operating Activities</b>                        |   |                          |                           |                        |  |  |
| Cash Received from Customers and Users                             | \$ 4,612,221                                | \$ 470,893               | \$ 844,373                | \$ 5,927,487           | \$ 1,084,467                                   |  |
| Cash Received from Interfund Services                              | --  | --                       | --                        | --                     | 658,491  |  |
| Cash Payments for Goods and Services                               | (649,612)                                   | (296,737)                | (269,691)                 | (1,216,040)            | (700,253)                                      |  |
| Cash Received to Purchase Delinquent Taxes                         | --  | (126,010)                | 85,679                    | (40,331)               | --   |  |
| Cash Payments to Employees   | (4,566,991)                                 | --                       | (476,255)                 | (5,043,246)            | (935,448)                                      |  |
| <i>Net Cash Provided (Used) by Operating Activities</i>            | <u>(604,382)</u>                            | <u>48,146</u>            | <u>184,106</u>            | <u>(372,130)</u>       | <u>107,257</u>                                 |  |
| <b>Cash Flows from Noncapital Financing Activities</b>             |   |                          |                           |                        |  |  |
| Property Taxes   | 1,354,618                                   | --                       | --                        | 1,354,618              | --   |  |
| Other Revenue  | 69,178                                      | 118,481                  | --                        | 187,659                | --   |  |
| Net Transfers  | --  | --                       | (21,672)                  | (21,672)               | 35,000   |  |
| <i>Net Cash Provided (Used) by Noncapital Financing Activities</i> | <u>1,423,796</u>                            | <u>118,481</u>           | <u>(21,672)</u>           | <u>1,520,605</u>       | <u>35,000</u>                                  |  |
| <b>Cash Flows from Capital and Related Financing Activities</b>    |   |                          |                           |                        |  |  |
| Purchase of Capital Assets   | (719,503)                                   | --                       | --                        | (719,503)              | --   |  |
| <i>Net Cash Used by Capital and Related Financing Activities</i>   | <u>(719,503)</u>                            | <u>--</u>                | <u>--</u>                 | <u>(719,503)</u>       | <u>--</u>                                      |  |
| <b>Cash Flows from Investing Activities</b>                        |   |                          |                           |                        |  |  |
| Interest Income  | 276,663                                     | 293,915                  | 76,400                    | 646,978                | 3,505  |  |
| <i>Net Cash Provided by Investing Activities</i>                   | <u>276,663</u>                              | <u>293,915</u>           | <u>76,400</u>             | <u>646,978</u>         | <u>3,505</u>                                   |  |
| <i>Net Increase (Decrease) in Cash and Investments</i>             | 376,574                                     | 460,542                  | 238,834                   | 1,075,950              | 145,762  |  |
| <i>Cash and Investments - Beginning of Year</i>                    | 5,542,578                                   | 7,180,979                | 1,564,078                 | 14,287,635             | 386,605  |  |
| <i>Cash and Investments - End of Year</i>                          | <u>\$ 5,919,152</u>                         | <u>\$ 7,641,521</u>      | <u>\$ 1,802,912</u>       | <u>\$ 15,363,585</u>   | <u>\$ 532,367</u>                              |  |

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, 2024**

**Reconciliation of Operating Income (Loss) to  
Net Cash Provided by (Used in) Operating Activities**

|                         |                |            |           |              |          |
|-------------------------|----------------|------------|-----------|--------------|----------|
| Operating Income (Loss) | \$ (1,697,233) | \$ 926,197 | \$ 42,530 | \$ (728,506) | \$ 6,533 |
|-------------------------|----------------|------------|-----------|--------------|----------|

**Adjustments to Reconcile Operating Income (Loss) to  
Net Cash Provided by (Used in) Operating Activities**

|                      |         |    |       |         |        |
|----------------------|---------|----|-------|---------|--------|
| Depreciation Expense | 851,467 | -- | 7,745 | 859,212 | 11,891 |
|----------------------|---------|----|-------|---------|--------|

**Changes in Assets, Liabilities, and Deferrals**

|   |                     |                  |                   |                     |                   |
|---|---------------------|------------------|-------------------|---------------------|-------------------|
| Receivables, Net  | 12,352              | (266,489)        | --                | (254,137)           | --                |
| Taxes Receivable  | --                  | (605,189)        | --                | (605,189)           | --                |
| Prepays   | 131,689             | --               | --                | 131,689             | --                |
| Due from Other Governments                              | 5,409               | --               | --                | 5,409               | --                |
| Inventory   | --                  | --               | --                | --                  | 96,126            |
| Accounts Payable  | 144,384             | (19,538)         | 128,500           | 253,346             | (15,370)          |
| Undistributed Receipts                                  | --                  | 13,165           | --                | 13,165              | --                |
| Accrued Liabilities                                     | 22,292              | --               | 2,072             | 24,364              | 8,077             |
| Net Pension Liability and Related Deferrals             | (78,259)            | --               | --                | (78,259)            | --                |
| Compensated Absences                                    | 3,517               | --               | 3,259             | 6,776               | --                |
| <b>Net Cash Provided (Used) by Operating Activities</b> | <b>\$ (604,382)</b> | <b>\$ 48,146</b> | <b>\$ 184,106</b> | <b>\$ (372,130)</b> | <b>\$ 107,257</b> |

| <b>Business-type Activities - Enterprise Funds</b> |                                 |                                  |                               |                   | <b>Governmental Activities Internal Service Funds</b> |
|--|---------------------------------|----------------------------------|-------------------------------|-------------------|---|
| <b>Ambulance</b>                                   | <b>Delinquent Tax Revolving</b> | <b>Nonmajor Enterprise Funds</b> | <b>Total Enterprise Funds</b> |                   |   |
| \$ (1,697,233)                                     | \$ 926,197                      | \$ 42,530                        | \$ (728,506)                  | \$ 6,533          |   |
| 851,467  | --                              | 7,745                            | 859,212                       |                   | 11,891  |
| 12,352   | (266,489)                       | --                               | (254,137)                     | --                |   |
| --   | (605,189)                       | --                               | (605,189)                     | --                |   |
| 131,689  | --                              | --                               | 131,689                       | --                |   |
| 5,409  | --                              | --                               | 5,409                         | --                |   |
| --   | --                              | --                               | --                            | 96,126            |   |
| 144,384  | (19,538)                        | 128,500                          | 253,346                       | (15,370)          |   |
| --   | 13,165                          | --                               | 13,165                        | --                |   |
| 22,292   | --                              | 2,072                            | 24,364                        | 8,077             |   |
| (78,259)   | --                              | --                               | (78,259)                      | --                |   |
| 3,517  | --                              | 3,259                            | 6,776                         | --                |   |
| <b>\$ (604,382)</b>                                | <b>\$ 48,146</b>                | <b>\$ 184,106</b>                | <b>\$ (372,130)</b>           | <b>\$ 107,257</b> |   |

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, 2024**

|  | <b>Pension and<br/>Benefit Trust -<br/>OPEB Trust</b> | <b>Custodial Funds</b> |
|--|---|------------------------|
| <b>ASSETS</b>                                      |   |                        |
| Cash and Investments                               | \$ --   | \$ 12,031,256          |
| MERS Total Market Portfolio                        | 557,702   | --                     |
| <b>Total Assets</b>                                | <b>557,702</b>  | <b>12,031,256</b>      |
| <b>LIABILITIES</b>                                 |   |                        |
| Undistributed Receipts                             | --  | 33,114                 |
| Due to Other Governments                           | --  | 8,654,525              |
| <b>Total Liabilities</b>                           | <b>--</b>   | <b>8,687,639</b>       |
| <b>NET POSITION</b>                                |   |                        |
| Restricted for Other Governments and OPEB Benefits | <b>\$ 557,702</b>                                     | <b>\$ 2,990,978</b>    |

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, 2024**

|  | <b>Pension and<br/>Benefit Trust -<br/>OPEB Trust</b> | <b>Custodial Funds</b> |
|--|---|------------------------|
| <b>ADDITIONS</b>                                 |   |                        |
| <i>Contributions</i>                             |   |                        |
| Employer   | \$ 153,273  | \$ -                   |
| <b>Total Contributions</b>                       | <b>153,273</b>  | <b>-</b>               |
| <i>Investment Earnings</i>                       |   |                        |
| Interest and Dividends                           | 67,965  | -                      |
| Less Investment Expense                          | (3,639)   | -                      |
| <b>Net Investment Income</b>                     | <b>217,599</b>  | <b>-</b>               |
| <i>Other</i>                                     |   |                        |
| Inmate Trust Collections                         | -   | 22,685                 |
| Taxes Collected for Other Governments            | -   | 14,548,293             |
| Library Penal Fine Collections                   | 349,171   |                        |
| County Clerk/Register of Deeds Collections       | 652,091   |                        |
| Treasurer Collections                            | 12,360,124  |                        |
| <b>Total Additions</b>                           | <b>370,872</b>  | <b>27,932,364</b>      |
| <b>DEDUCTIONS</b>                                |   |                        |
| Payments of Property Taxes to Other Governments  | -   | 14,548,293             |
| Library Penal Fines Distributions                | 343,497   |                        |
| Inmate Trust Distributions                       | 22,685  |                        |
| County Clerk and Register of Deeds Distributions | 652,091   |                        |
| Treasurer Distributions                          | 12,201,044  |                        |
| <b>Total Deductions</b>                          | <b>-</b>  | <b>27,767,610</b>      |
| <b>Net Increase (Decrease) in Net Position</b>   | <b>217,599</b>  | <b>164,754</b>         |
| <i>Net Position at Beginning of Period</i>       | 340,103   | 2,826,224              |
| <b>Net Position at End of Period</b>             | <b>\$ 557,702</b>                                     | <b>\$ 2,990,978</b>    |

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, 2024**

|   | <b>Central Dispatch Authority</b> | <b>Road Commission</b> | <b>Drain Commission</b> | <b>Housing Commission (12/31/23)</b> | <b>Brownfield Redevelopment Authority</b> | <b>Total Component Units</b> |
|---|-----------------------------------|------------------------|-------------------------|--------------------------------------|---|------------------------------|
| <b>ASSETS</b>                               |                                   |                        |                         |                                      |   |                              |
| <i>Current Assets</i>                       |                                   |                        |                         |                                      |   |                              |
| Cash and Investments                        | \$ 1,115,184                      | \$ 2,948,145           | \$ 3,558,069            | \$ 41,714                            | \$ --                                     | \$ 7,663,112                 |
| Receivables, net                            | 443,917                           | 3,401,611              | 18,986                  | 8,033                                | --  | 3,872,547                    |
| Special Assessments Receivable              | --                                | --                     | 2,913,515               | --                                   | --  | 2,913,515                    |
| Due from Other Governments                  | 65,636                            | --                     | --                      | --                                   | --  | 65,636                       |
| Inventory                                   | --                                | 1,065,872              | --                      | --                                   | --  | 1,065,872                    |
| Prepays                                     | 101,231                           | 168,538                | --                      | 9,138                                | --  | 278,907                      |
| <b>Total Current Assets</b>                 | <b>1,725,968</b>                  | <b>7,584,166</b>       | <b>6,490,570</b>        | <b>58,885</b>                        | <b>--</b>                                 | <b>15,859,589</b>            |
| <i>Noncurrent Assets</i>                    |                                   |                        |                         |                                      |   |                              |
| Restricted Cash                             | --                                | --                     | 119,000                 | --                                   | --  | 119,000                      |
| Capital Assets not being Depreciated        | --                                | 5,531,482              | --                      | --                                   | --  | 5,531,482                    |
| Capital Assets being Depreciated, net       | 306,614                           | 60,252,010             | 6,857,335               | 558,129                              | --  | 67,974,088                   |
| <b>Total Assets</b>                         | <b>2,032,582</b>                  | <b>73,367,658</b>      | <b>13,466,905</b>       | <b>617,014</b>                       | <b>--</b>                                 | <b>89,484,159</b>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                   |                        |                         |                                      |   |                              |
| Pension                                     | 350,973                           | 2,545,358              | --                      | --                                   | --  | 2,896,331                    |
| OPEB  | 242,979                           | 157,956                | --                      | --                                   | --  | 400,935                      |
| <b>Total Deferred Outflows of Resources</b> | <b>593,952</b>                    | <b>2,703,314</b>       | <b>--</b>               | <b>--</b>                            | <b>--</b>                                 | <b>3,297,266</b>             |
| <b>LIABILITIES</b>                          |                                   |                        |                         |                                      |   |                              |
| <i>Current Liabilities</i>                  |                                   |                        |                         |                                      |   |                              |
| Accounts Payable                            | 61,443                            | 1,286,420              | 130,560                 | 8,849                                | --  | 1,487,272                    |
| Accrued Liabilities                         | 22,370                            | 206,800                | --                      | 29,422                               | --  | 258,592                      |
| Accrued Interest                            | --                                | --                     | 36,796                  | --                                   | --  | 36,796                       |
| Current Portion of Compensated Absences     | 31,280                            | 191,927                | --                      | 5,749                                | --  | 228,956                      |
| Current Portion of Long-term Debt           | --                                | 576,111                | 240,455                 | 548                                  | --  | 817,114                      |
| <b>Total Current Liabilities</b>            | <b>115,093</b>                    | <b>2,261,258</b>       | <b>407,811</b>          | <b>44,568</b>                        | <b>--</b>                                 | <b>2,828,730</b>             |
| <i>Noncurrent Liabilities</i>               |                                   |                        |                         |                                      |   |                              |
| Advances from Other Governmental Units      | --                                | 387,569                | --                      | --                                   | --  | 387,569                      |
| Compensated Absences                        | 31,279                            | --                     | --                      | 1,483                                | --  | 32,762                       |
| Long-term Debt                              | --                                | 2,476,111              | 3,434,088               | 1,140                                | --  | 5,911,339                    |
| Net OPEB Liability                          | 386,166                           | 559,638                | --                      | --                                   | --  | 945,804                      |
| Net Pension Liability                       | 929,654                           | 8,265,704              | --                      | --                                   | --  | 9,195,358                    |
| <b>Total Liabilities</b>                    | <b>1,462,192</b>                  | <b>13,950,280</b>      | <b>3,841,899</b>        | <b>47,191</b>                        | <b>--</b>                                 | <b>19,301,562</b>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                   |                        |                         |                                      |   |                              |
| Pension                                     | 53,765                            | --                     | --                      | --                                   | --  | 53,765                       |
| OPEB  | 377,056                           | 277,305                | --                      | --                                   | --  | 654,361                      |
| <b>Total Deferred Inflows of Resources</b>  | <b>430,821</b>                    | <b>277,305</b>         | <b>--</b>               | <b>--</b>                            | <b>--</b>                                 | <b>708,126</b>               |
| <b>NET POSITION</b>                         |                                   |                        |                         |                                      |   |                              |
| Net Investment in Capital Assets            | 306,614                           | 62,731,270             | 3,182,792               | 556,441                              | --  | 66,777,117                   |
| <i>Restricted for:</i>                      |                                   |                        |                         |                                      |   |                              |
| Restricted                                  | 39,823                            | --                     | 6,442,214               | 11,013                               | --  | 6,493,050                    |
| <i>Unrestricted</i>                         |                                   |                        |                         |                                      |   |                              |
| Unrestricted                                | 387,084                           | (887,883)              | --                      | 2,369                                | --  | (498,430)                    |
| <b>Total Net Position</b>                   | <b>\$ 733,521</b>                 | <b>\$ 61,843,387</b>   | <b>\$ 9,625,006</b>     | <b>\$ 569,823</b>                    | <b>\$ --</b>                              | <b>\$ 72,771,737</b>         |

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, 2024**

|  | <b>Central Dispatch Authority</b> | <b>Road Commission</b> | <b>Drain Commission</b> | <b>Housing Commission (12/31/23)</b> | <b>Brownfield Redevelopment Authority</b> | <b>Total Component Units</b> |
|--|-----------------------------------|------------------------|-------------------------|--------------------------------------|---|------------------------------|
| <b>Expenses</b>                            |                                   |                        |                         |                                      |   |                              |
| Brownfield Redevelopment Authority         | \$ --                             | \$ --                  | \$ --                   | \$ --                                | \$ 6,425                                  | \$ 6,425                     |
| Central Dispatch Authority                 | 1,687,683                         | --                     | --                      | --                                   | --  | 1,687,683                    |
| Road Commission                            | --                                | 15,020,666             | --                      | --                                   | --  | 15,020,666                   |
| Drain Commission                           | --                                | --                     | 2,879,403               | --                                   | --  | 2,879,403                    |
| Housing Commission                         | --                                | --                     | --                      | 1,575,289                            | --  | 1,575,289                    |
| Depreciation                               | 92,142                            | --                     | --                      | --                                   | --  | 92,142                       |
| <b>Total Expenses</b>                      | <b>1,779,825</b>                  | <b>15,020,666</b>      | <b>2,879,403</b>        | <b>1,575,289</b>                     | <b>6,425</b>                              | <b>21,261,608</b>            |
| <b>Program Revenues</b>                    |                                   |                        |                         |                                      |   |                              |
| Charges for services                       | 19,291                            | 2,440,261              | 2,833,981               | 164,530                              | 6,425                                     | 5,464,488                    |
| Operating grants and contributions         | 1,954,207                         | 11,795,568             | 48,433                  | 1,304,501                            | --  | 15,102,709                   |
| Capital grants and contributions           | --                                | 7,157,198              | 30,483                  | --                                   | --  | 7,187,681                    |
| <b>Total Program Revenues</b>              | <b>1,973,498</b>                  | <b>21,393,027</b>      | <b>2,912,897</b>        | <b>1,469,031</b>                     | <b>6,425</b>                              | <b>27,754,878</b>            |
| <b>Net Program Revenues (Expenses)</b>     | <b>193,673</b>                    | <b>6,372,361</b>       | <b>33,494</b>           | <b>(106,258)</b>                     | <b>--</b>                                 | <b>6,493,270</b>             |
| <b>General Revenue</b>                     |                                   |                        |                         |                                      |   |                              |
| Interest Income                            | 60,409                            | 109,985                | 68,824                  | --                                   | --  | 239,218                      |
| <b>Total General Revenues</b>              | <b>60,409</b>                     | <b>109,985</b>         | <b>68,824</b>           | <b>--</b>                            | <b>--</b>                                 | <b>239,218</b>               |
| <b>Change in Net Position</b>              | <b>254,082</b>                    | <b>6,482,346</b>       | <b>102,318</b>          | <b>(106,258)</b>                     | <b>--</b>                                 | <b>6,732,488</b>             |
| <i>Net Position at Beginning of Period</i> | 479,439                           | 55,361,041             | 9,522,688               | 676,081                              | --  | 66,039,249                   |
| <b>Net Position at End of Period</b>       | <b>\$ 733,521</b>                 | <b>\$ 61,843,387</b>   | <b>\$ 9,625,006</b>     | <b>\$ 569,823</b>                    | <b>\$ --</b>                              | <b>\$ 72,771,737</b>         |

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

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#### **Note 1 - Summary of Significant Accounting Policies**

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

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

#### ***Reporting Entity***

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

#### ***Blended Component Unit***

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

#### ***Discretely Presented Component Units***

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

## **Montcalm County**

### Notes to the Financial Statements

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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 legally

## Montcalm County

### Notes to the Financial Statements

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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, 2024, the County contributed \$430,957 to cover its share of operational costs. The County Treasurer holds certain investment accounts of the Department in a fiduciary capacity. Such amounts are reported in the accompanying financial statements as a custodial fund. Separate audited financial statements for the Department are available at its administrative offices.

#### ***Government-wide and Fund Financial Statements***

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

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

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a

## Montcalm County

### Notes to the Financial Statements

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liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Custodial funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, custodial funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental fund:

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

The *opioid settlement fund* accounts for the resources collected and expended related to the \$21 billion nationwide settlement reached in July 2021 against the three largest pharmaceutical distributors.

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,

## Montcalm County

### Notes to the Financial Statements

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including the County's general fund, the respective amount of taxes that are not collected as of March 1 of each year.

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.

*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, fuel station, payroll, and costs for retiree healthcare and pension benefits.

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

*Custodial funds* are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments).

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.

## Montcalm County

### Notes to the Financial Statements

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Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

## Montcalm County

### Notes to the Financial Statements

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- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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. As of September 30, 2024, management recorded an allowance for doubtful accounts of \$297,920 against its accounts receivable.

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.

## Montcalm County

### Notes to the Financial Statements

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#### ***Inventories and Prepays***

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.

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:

|                                    | <b>Years</b> |
|------------------------------------|--------------|
| 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

## Montcalm County

### Notes to the Financial Statements

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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.

#### ***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 is 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 and other postemployment benefits plans. 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

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#### ***Property Taxes***

The County property tax is levied on each December 1 on the taxable value of property located in Montcalm County as of the preceding December 31. Although Montcalm County's ad valorem tax is levied and collectible on December 1, property tax revenues are considered available when they become due or past due and receivable within the current period.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50 percent of the current estimated market value.

The taxable value of real and personal property for 2024, for which revenue was recognized in the general fund, was \$2,582,855,777. The taxable value of real and personal property for 2023, for which revenue was recognized in the other funds (as listed below), was \$2,387,648,957. The millages for the fiscal year ended September 30, 2024 were as follows:

|                     | <b>Tax Roll</b> |             |
|---------------------|-----------------|-------------|
|                     | <b>2024</b>     | <b>2023</b> |
| County Operating    | 3.2954          |             |
| Ambulance           |                 | 0.5650      |
| Library             |                 | 0.8818      |
| Commission on Aging |                 | 0.3600      |
| MSU 4-H             |                 | 0.2000      |
| Law Enforcement     |                 | 0.9799      |
| Veterans            |                 | 0.2459      |

#### ***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

## Montcalm County

### Notes to the Financial Statements

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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 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.

## Montcalm County

### Notes to the Financial Statements

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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.

#### ***Retiree Health Care Costs***

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Montcalm County Retiree Medical Plan and additions to/deductions from the County’s fiduciary net position have been determined on the same basis as they are reported by the Montcalm County. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***Use of Estimates***

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

#### ***Subsequent Events***

Subsequent events were evaluated through March 31, 2024. The County is not aware of any subsequent events that would have a material effect on the financial statements.

#### ***Note 2 - Budgetary Information***

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

## Montcalm County

### Notes to the Financial Statements

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, 2024, the County had the following expenditures over final budget:

|                               | <u>Final Amount Appropriated</u> | <u>Actual Amount</u> | <u>Budget Variance</u> |
|-------------------------------|----------------------------------|----------------------|------------------------|
| <b>General Government</b>     |                                  |                      |                        |
| Elections                     | \$ 88,000                        | \$ 119,019           | \$ (31,019)            |
| <b>Judicial</b>               |                                  |                      |                        |
| Circuit Court                 | 310,420                          | 323,488              | (13,068)               |
| <b>Other Financing Uses</b>   |                                  |                      |                        |
| Transfers Out                 | 1,825,897                        | 1,892,383            | (66,486)               |
| <b>Opioid Settlement Fund</b> |                                  |                      |                        |
| Substance Abuse               | -                                | 202,569              | (202,569)              |

### **Note 3 - Deposits and Investments**

Following is a reconciliation of deposit and investment balances:

|   | <u>Primary Government</u> | <u>Component Units</u> | <u>Totals</u>        |
|---|---------------------------|------------------------|----------------------|
| <b>Statement of Net Position</b>                                |                           |                        |                      |
| Cash and Investments  | \$ 44,724,803             | \$ 7,663,112           | \$ 52,387,915        |
| Restricted Cash (RRI)   | -                         | 119,000                | 119,000              |
| <b>Statement of Fiduciary Assets and Liabilities</b>            |                           |                        |                      |
| Cash and Investments  | 12,588,958                | -                      | 12,588,958           |
| <b>Total Deposits and Investments</b>                           | <u>57,313,761</u>         | <u>7,782,112</u>       | <u>65,095,873</u>    |
| <b>Less Component Units Separately Audited</b>                  |                           |                        |                      |
| Central Dispatch Authority                                      | -                         | (1,115,184)            | (1,115,184)          |
| Road Commission   | -                         | (2,948,145)            | (2,948,145)          |
| Housing Commission (12/31/23)                                   | -                         | (41,714)               | (41,714)             |
| <b>Deposits and Investments Managed by the County Treasurer</b> | <u>\$ 57,313,761</u>      | <u>\$ 3,677,069</u>    | <u>\$ 60,990,830</u> |

## Montcalm County

### Notes to the Financial Statements

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The following summarizes the components of deposits and investments as of year-end:

#### **Deposits and Investments**

|                                       |                      |
|---------------------------------------|----------------------|
| Checking and Savings Accounts         | \$ 32,250,073        |
| Michigan Class                        | 19,315,733           |
| Government Money Market               | 8,864,897            |
| MERS Total Market Portfolio           | 557,702              |
| Cash on Hand                          | 2,425                |
| <b>Total Deposits and Investments</b> | <b>\$ 60,990,830</b> |

*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, \$34,581,441 of the County's bank balance of \$34,929,960 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

*Custodial Credit Risk – Investments.* 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 30, 2024, 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.

## Montcalm County

### Notes to the Financial Statements

Credit risk ratings (Standard and Poor's), where applicable, are summarized as follows:

|                         |                             |
|-------------------------|-----------------------------|
| Standards & Poor's AAAm | \$ 19,315,733               |
| Unavailable/Not Rated   | <u>9,422,599</u>            |
| <b>Total</b>            | <b><u>\$ 28,738,332</u></b> |

*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 | <u>\$ 28,738,332</u> |
|-------------|----------------------|

*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 OPEB 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.

The County has the following recurring fair value measurements as of September 30, 2024:

|                             | Carried at<br>Net Asset    |                          |                             |                             |
|-----------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
|                             | Level 1                    | Level 2                  | Value                       | Total                       |
| Money Market Funds          | \$ 8,864,897               | \$ -                     | \$ -                        | \$ 8,864,897                |
| MERS Total Market Portfolio | -                          | 557,702                  | -                           | 557,702                     |
| Michigan CLASS              | -                          | -                        | 19,315,733                  | 19,315,733                  |
| <b>Totals</b>               | <b><u>\$ 8,864,897</u></b> | <b><u>\$ 557,702</u></b> | <b><u>\$ 19,315,733</u></b> | <b><u>\$ 28,738,332</u></b> |

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

## Montcalm County

### Notes to the Financial Statements

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At year-end, the net asset value of the County's investment in the Michigan CLASS government investment pool was \$19,315,733. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

#### *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, 2024, the total amount within the Repair, Replacement, and Improvement Fund was \$119,000.

## Montcalm County

### Notes to the Financial Statements

#### **Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2024 for governmental activities was as follows:

| <b>Governmental Activities</b>                     | <b>Beginning Balance</b>   | <b>Additions</b>        | <b>Disposals</b>         | <b>Transfers</b>          | <b>Ending Balance</b>      |
|--|----------------------------|-------------------------|--------------------------|---------------------------|----------------------------|
| Capital Assets not being Depreciated               |                            |                         |                          |                           |                            |
| Land   | \$ 76,656                  | \$ -                    | \$ -                     | \$ -                      | \$ 76,656                  |
| Subtotal   | <u>76,656</u>              | <u>-</u>                | <u>-</u>                 | <u>-</u>                  | <u>76,656</u>              |
| Capital Assets being Depreciated                   |                            |                         |                          |                           |                            |
| Land Improvements                                  | 169,179                    | -                       | -                        | -                         | 169,179                    |
| Buildings and Additions                            | 27,608,823                 | 322,602                 | -                        | -                         | 27,931,425                 |
| Equipment and Furniture                            | 2,199,270                  | 805,616                 | (151,961)                | -                         | 2,852,925                  |
| Vehicles   | 1,546,363                  | 289,023                 | (126,551)                | (31,000)                  | 1,677,835                  |
| Subtotal   | <u>31,523,635</u>          | <u>1,417,241</u>        | <u>(278,512)</u>         | <u>(31,000)</u>           | <u>32,631,364</u>          |
| Less Accumulated Depreciation For:                 |                            |                         |                          |                           |                            |
| Land Improvements                                  | 40,239                     | 22,016                  | -                        | -                         | 62,255                     |
| Buildings and Additions                            | 20,584,564                 | 891,109                 | -                        | -                         | 21,475,673                 |
| Equipment and Furniture                            | 973,028                    | 202,836                 | (151,961)                | -                         | 1,023,903                  |
| Vehicles   | 844,934                    | 260,094                 | (123,706)                | (517)                     | 980,805                    |
| Subtotal   | <u>22,442,765</u>          | <u>1,376,055</u>        | <u>(275,667)</u>         | <u>(517)</u>              | <u>23,542,636</u>          |
| <i>Total Capital Assets being Depreciated, net</i> | <i>9,080,870</i>           | <i>41,186</i>           | <i>(2,845)</i>           | <i>(30,483)</i>           | <i>9,088,728</i>           |
| <i>Capital Assets, Net</i>                         | <i><u>\$ 9,157,526</u></i> | <i><u>\$ 41,186</u></i> | <i><u>\$ (2,845)</u></i> | <i><u>\$ (30,483)</u></i> | <i><u>\$ 9,165,384</u></i> |

Capital asset activity for the year ended September 30, 2024 for business-type activities was as follows:

| <b>Business-type Activities</b>                    | <b>Beginning Balance</b>   | <b>Additions</b>           | <b>Disposals</b>   | <b>Transfers</b>   | <b>Ending Balance</b>      |
|--|----------------------------|----------------------------|--------------------|--------------------|----------------------------|
| Capital Assets being Depreciated                   |                            |                            |                    |                    |                            |
| Buildings and Additions                            | \$ 443,908                 | \$ -                       | \$ -               | \$ -               | \$ 443,908                 |
| Equipment and Furniture                            | 1,347,876                  | 386,541                    | -                  | -                  | 1,734,417                  |
| Vehicles   | 3,646,347                  | 332,962                    | (288,309)          | -                  | 3,691,000                  |
| Subtotal   | <u>5,438,131</u>           | <u>719,503</u>             | <u>(288,309)</u>   | <u>-</u>           | <u>5,869,325</u>           |
| Less Accumulated Depreciation For:                 |                            |                            |                    |                    |                            |
| Buildings and Additions                            | 408,364                    | 22,231                     | -                  | -                  | 430,595                    |
| Equipment and Furniture                            | 1,022,847                  | 201,677                    | -                  | -                  | 1,224,524                  |
| Vehicles   | 2,002,730                  | 635,304                    | (288,309)          | -                  | 2,349,725                  |
| Subtotal   | <u>3,433,941</u>           | <u>859,212</u>             | <u>(288,309)</u>   | <u>-</u>           | <u>4,004,844</u>           |
| <i>Total Capital Assets being Depreciated, net</i> | <i>2,004,190</i>           | <i>(139,709)</i>           | <i>-</i>           | <i>-</i>           | <i>1,864,481</i>           |
| <i>Capital Assets, Net</i>                         | <i><u>\$ 2,004,190</u></i> | <i><u>\$ (139,709)</u></i> | <i><u>\$ -</u></i> | <i><u>\$ -</u></i> | <i><u>\$ 1,864,481</u></i> |

## Montcalm County

### Notes to the Financial Statements

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

#### **Governmental Activities**

|                                    |                            |
|------------------------------------|----------------------------|
| General Government                 | \$ 499,388                 |
| Judicial                           | 131,631                    |
| Public Safety                      | 680,419                    |
| Public Works                       | 6,549                      |
| Health and Welfare                 | 32,486                     |
| Recreation and Culture             | 13,691                     |
| Fuel Station Internal Service Fund | <u>11,891</u>              |
| <b>Total Depreciation Expense</b>  | <b><u>\$ 1,376,055</u></b> |

#### **Business-type Activities**

|                                   |                          |
|-----------------------------------|--------------------------|
| Ambulance                         | \$ 851,467               |
| Building Official                 | <u>7,745</u>             |
| <b>Total Depreciation Expense</b> | <b><u>\$ 859,212</u></b> |

Capital asset activity for the drain commission (a discretely presented component unit) for the year ended September 30, 2024 was as follows:

| <b>Drain Commission</b>                            | <b>Beginning Balance</b> | <b>Additions</b>    | <b>Disposals</b> | <b>Transfers</b> | <b>Ending Balance</b> |
|--|--------------------------|---------------------|------------------|------------------|-----------------------|
| Capital Assets being Depreciated                   |                          |                     |                  |                  |                       |
| Drain Infrastructure                               | \$ 10,062,748            | \$ -                | \$ -             | \$ -             | \$ 10,062,748         |
| Equipment  | 86,348                   | 140,818             | -                | 31,000           | 258,166               |
| Vehicles   | 41,381                   | -                   | -                | -                | 41,381                |
| <i>Subtotal</i>                                    | <u>10,190,477</u>        | <u>140,818</u>      | <u>-</u>         | <u>31,000</u>    | <u>10,362,295</u>     |
| Less Accumulated Depreciation For:                 |                          |                     |                  |                  |                       |
| Drain Infrastructure                               | 3,182,567                | 247,307             | -                | -                | 3,429,874             |
| Equipment  | 32,225                   | 14,923              | -                | 517              | 47,665                |
| Vehicles   | 20,883                   | 6,538               | -                | -                | 27,421                |
| <i>Subtotal</i>                                    | <u>3,235,675</u>         | <u>268,768</u>      | <u>-</u>         | <u>517</u>       | <u>3,504,960</u>      |
| <i>Total Capital Assets being Depreciated, net</i> | <u>6,954,802</u>         | <u>(127,950)</u>    | <u>-</u>         | <u>30,483</u>    | <u>6,857,335</u>      |
| <i>Capital Assets, Net</i>                         | <u>\$ 6,954,802</u>      | <u>\$ (127,950)</u> | <u>\$ -</u>      | <u>\$ 30,483</u> | <u>\$ 6,857,335</u>   |

#### **Note 5 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances was as follows as of September 30, 2024:

|                | <b>Receivable</b>       | <b>Payable</b>          |
|----------------|-------------------------|-------------------------|
| General        | \$ 11,349               | \$ -                    |
| CMET Operating | -                       | 11,349                  |
| <b>Totals</b>  | <b><u>\$ 11,349</u></b> | <b><u>\$ 11,349</u></b> |

## Montcalm County

### Notes to the Financial Statements

Interfund balances represent: 1) short-term borrowings between funds for cash flow purposes, 2) to act as an intermediate term loan to finance capital purchases, and 3) to transfer expenses to funds where they should have been recorded.

For the year ended September 30, 2024, interfund transfers consisted of the following:

|                              | <b>Transfer In</b>         | <b>Transfer Out</b>        |
|------------------------------|----------------------------|----------------------------|
| General                      | \$ 629,672                 | \$ 1,892,383               |
| Indigent Defense             | 226,942                    | -                          |
| Nonmajor Governmental Funds  | 1,039,104                  | 16,663                     |
| Nonmajor Business-type Funds | -                          | 21,672                     |
| Internal Service Funds       | 35,000                     | -                          |
| <b>Totals</b>                | <b><u>\$ 1,930,718</u></b> | <b><u>\$ 1,930,718</u></b> |

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.

### **Note 6 - Long-term Debt**

Long-term debt activity for the year ended September 30, 2024 for governmental activities, business-type activities, and the drain commission (discretely presented component unit) was as follows:

| <b>Governmental Activities</b> | <b>Beginning Balance</b> | <b>Additions</b> | <b>Reductions</b>   | <b>Ending Balance</b> | <b>Due within One Year</b> |
|--------------------------------|--------------------------|------------------|---------------------|-----------------------|----------------------------|
|                                | \$ 1,760,000             | \$ -             | \$ (870,000)        | \$ 890,000            | \$ 890,000                 |
| General Obligation Bonds       | \$ 1,760,000             | \$ -             | \$ (870,000)        | \$ 890,000            | \$ 890,000                 |
| Compensated Absences           | 499,077                  | 11,872           | -                   | 510,949               | 168,613                    |
| <b>Totals</b>                  | <b>\$ 2,259,077</b>      | <b>\$ 11,872</b> | <b>\$ (870,000)</b> | <b>\$ 1,400,949</b>   | <b>\$ 1,058,613</b>        |

| <b>Business-type Activities</b> | <b>Beginning Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending Balance</b> | <b>Due within One Year</b> |
|---------------------------------|--------------------------|------------------|-------------------|-----------------------|----------------------------|
|                                 | \$ 59,784                | \$ 6,776         | \$ -              | \$ 66,560             | \$ 23,580                  |
| Compensated Absences            | \$ 59,784                | \$ 6,776         | \$ -              | \$ 66,560             | \$ 23,580                  |

| <b>Drain Commission Component Unit</b> | <b>Beginning Balance</b> | <b>Additions</b>  | <b>Reductions</b>   | <b>Ending Balance</b> | <b>Due within One Year</b> |
|--|--------------------------|-------------------|---------------------|-----------------------|----------------------------|
|  | \$ 2,762,559             | \$ 709,000        | \$ (109,234)        | \$ 3,362,325          | \$ 144,400                 |
| General Obligation Bonds               | \$ 2,762,559             | \$ 709,000        | \$ (109,234)        | \$ 3,362,325          | \$ 144,400                 |
| Installment Purchase                   | 290,400                  | 103,600           | (81,782)            | 312,218               | 96,055                     |
|  | <b>\$ 3,052,959</b>      | <b>\$ 812,600</b> | <b>\$ (191,016)</b> | <b>\$ 3,674,543</b>   | <b>\$ 240,455</b>          |

For the governmental activities, compensated absences are generally liquidated by the general fund. All debt issuances are direct placements.

## Montcalm County

### Notes to the Financial Statements

The following describes the long-term debt issuances, including outstanding balances, of the County as of year-end:

#### **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 \$ 890,000

#### **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 \$ 264,000

\$539,000 2022 Drain Bonds, due in annual installements of \$27,000 plus interest ranging from 1.30% to 2.80% payable semi-annually through June 1, 2042 485,000

\$363,000 2022 Drain Note, due in annual installments of \$72,600 plus interest of 2.15% payable semi-annually through June 1, 2027 217,800

\$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, 2049 1,904,325

\$103,600 2024 Installment Purchase - Komatsu, Payable Monthly in Installment of \$2,517, Through April 25, 2028 94418

\$709,000 2023 Shinabarger Drain Bond, due in annual installments of \$72,000 plus interest of 5.25% payable semi-annually through December 1, 2022. 709,000

**Total** \$ 3,674,543

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

| <b>Year Ending<br/>September 30,</b> | <b>Governmental Activities</b> |                  |                   | <b>Drain Commission Component Unit</b> |                     |                     |
|--------------------------------------|--------------------------------|------------------|-------------------|--|---------------------|---------------------|
|                                      | <b>Principal</b>               | <b>Interest</b>  | <b>Total</b>      | <b>Principal</b>                       | <b>Interest</b>     | <b>Total</b>        |
| 2025                                 | \$ 890,000                     | \$ 23,585        | \$ 913,585        | \$ 242,455                             | \$ 140,786          | \$ 383,241          |
| 2026                                 | -                              | -                | -                 | 252,599                                | 131,268             | 383,867             |
| 2027                                 | -                              | -                | -                 | 256,924                                | 121,274             | 378,198             |
| 2028                                 | -                              | -                | -                 | 173,841                                | 111,184             | 285,025             |
| 2029                                 | -                              | -                | -                 | 159,400                                | 104,309             | 263,709             |
| 2030-2034                            | -                              | -                | -                 | 837,000                                | 421,383             | 1,258,383           |
| 2035-2039                            | -                              | -                | -                 | 682,000                                | 273,926             | 955,926             |
| 2040-2044                            | -                              | -                | -                 | 627,000                                | 148,360             | 775,360             |
| 2045-2049                            | -                              | -                | -                 | 370,000                                | 54,724              | 424,724             |
| 2050                                 | -                              | -                | -                 | 73,324                                 | 2,736               | 76,060              |
| <b>Totals</b>                        | <b>\$ 890,000</b>              | <b>\$ 23,585</b> | <b>\$ 913,585</b> | <b>\$ 3,674,543</b>                    | <b>\$ 1,509,950</b> | <b>\$ 5,184,493</b> |

## Montcalm County

### Notes to the Financial Statements

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#### **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 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:

|  | <u>General Fund</u>  | <u>Indigent Defense</u> | <u>Opioid Settlement Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Totals</u>        |
|--|----------------------|-------------------------|-------------------------------|------------------------------------|----------------------|
| <b>Nonspendable</b>                            |                      |                         |                               |                                    |                      |
| Prepaid Expenditures                           | \$ 127,451           | \$ -                    | \$ -                          | \$ 51,180                          | \$ 178,631           |
| <i>Subtotal</i>                                | <u>127,451</u>       | <u>-</u>                | <u>-</u>                      | <u>51,180</u>                      | <u>178,631</u>       |
| <b>Restricted</b>                              |                      |                         |                               |                                    |                      |
| Register of Deeds Automation                   | -                    | -                       | -                             | 144,531                            | 144,531              |
| Law Enforcement                                | -                    | -                       | -                             | 2,483,092                          | 2,483,092            |
| Libraries                                      | -                    | -                       | -                             | 167,566                            | 167,566              |
| Housing Rehabilitation Programs                | -                    | -                       | -                             | 180                                | 180                  |
| Soldiers, Sailors, and Veterans Assistance     | -                    | -                       | -                             | 827,234                            | 827,234              |
| Animal Shelter                                 | -                    | -                       | -                             | 110,229                            | 110,229              |
| Capital Improvements                           | -                    | -                       | -                             | 341,677                            | 341,677              |
| Other Purposes                                 | -                    | -                       | 1,041,636                     | 966,319                            | 2,007,955            |
| <i>Subtotal</i>                                | <u>-</u>             | <u>-</u>                | <u>1,041,636</u>              | <u>966,319</u>                     | <u>2,007,955</u>     |
| <b>Committed</b>                               |                      |                         |                               |                                    |                      |
| Parks  | 23,702               | -                       | -                             | 39,898                             | 63,600               |
| Child Care                                     | 107,822              | -                       | -                             | -                                  | 107,822              |
| Solid Waste Planning                           | -                    | -                       | -                             | 433,568                            | 433,568              |
| Capital Improvements                           | -                    | -                       | -                             | 120,219                            | 120,219              |
| <i>Subtotal</i>                                | <u>131,524</u>       | <u>-</u>                | <u>-</u>                      | <u>593,685</u>                     | <u>725,209</u>       |
| <b>Assigned</b>                                |                      |                         |                               |                                    |                      |
| Capital Improvements                           | 5,000,000            | -                       | -                             | -                                  | 5,000,000            |
| <b>Unassigned</b>                              |                      |                         |                               |                                    |                      |
| <i>Total Fund Balance - Governmental Funds</i> | <u>\$ 22,678,976</u> | <u>\$ -</u>             | <u>\$ 1,041,636</u>           | <u>\$ 5,685,693</u>                | <u>\$ 29,406,305</u> |

## Montcalm County

### Notes to the Financial Statements

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#### **Note 9 - Net Position**

##### ***Restricted Net Position***

The composition of the County's restricted net position as of September 30, 2024 was as follows:

|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Component<br/>Units</b> |
|--|------------------------------------|-------------------------------------|----------------------------|
| <b>Restricted</b>                          |                                    |                                     |                            |
| Register of Deeds Automation               | \$ 144,531                         | \$ -                                | \$ -                       |
| Law Enforcement                            | 2,483,092                          | -                                   | -                          |
| Libraries                                  | 167,566                            | -                                   | -                          |
| Housing Rehabilitation Programs            | 180                                | -                                   | -                          |
| Soldiers, Sailors, and Veterans Assistance | 827,234                            | -                                   | -                          |
| Repair, Replacement, and Improvement       | -                                  | -                                   | 110,500                    |
| Drain Maintenance and Construction         | -                                  | -                                   | 6,442,214                  |
| Animal Shelter                             | 110,229                            | -                                   | -                          |
| Capital Improvements                       | 341,677                            | -                                   | -                          |
| Other Purposes                             | <u>4,591,839</u>                   | <u>-</u>                            | <u>-</u>                   |
| <b>Total Restricted Net Position</b>       | <u>\$ 8,666,348</u>                | <u>\$ -</u>                         | <u>\$ 6,552,714</u>        |
| <b>Net Investment in Capital Assets</b>    |                                    |                                     |                            |

The composition of the County's net investment in capital assets as of September 30, 2024 was as follows:

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Component<br/>Units</b> |
|---|------------------------------------|-------------------------------------|----------------------------|
| <b>Capital Assets:</b>                  |                                    |                                     |                            |
| Capital Assets not being Depreciated    | \$ 76,656                          | \$ -                                | \$ 5,531,482               |
| Capital Assets being Depreciated, Net   | <u>9,088,728</u>                   | <u>1,864,481</u>                    | <u>67,974,088</u>          |
| <b>Total Capital Assets</b>             | <u>9,165,384</u>                   | <u>1,864,481</u>                    | <u>73,505,570</u>          |
| <b>Related Debt:</b>                    |                                    |                                     |                            |
| Bonds and Notes Payable                 | (890,000)                          | -                                   | (6,728,453)                |
| Deferred Charge on Bond Refunding       | <u>32,222</u>                      | <u>-</u>                            | <u>-</u>                   |
| <b>Total Related Debt</b>               | <u>(857,778)</u>                   | <u>-</u>                            | <u>(6,728,453)</u>         |
| <b>Net Investment in Capital Assets</b> | <u>\$ 8,307,606</u>                | <u>\$ 1,864,481</u>                 | <u>\$ 66,777,117</u>       |

## Montcalm County

### Notes to the Financial Statements

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#### **Note 10 - Defined Benefit Pension Plan**

##### *General Information about the Plan*

*Plan Description.* The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System ("MERS") of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://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, 2023 valuation date, plan membership consisted of the following:

|  |            |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 102        |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 32         |
| Active Employees   | 56         |
| <b>Total Membership</b>  | <b>190</b> |

*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, 2024 ranged from 10.47% to 16.14% of billable wages for the FOP, POAM, and COAM divisions and a flat monthly amount of \$25,694 for the closed divisions. Employees are required to contribute to the Plan at rates ranging from 3.50% to 11.20% depending on bargaining unit and hire date.

*Net Pension Liability.* The net pension liability reported at September 30, 2024 was determined using a measure of the total pension liability and the pension net position as of December 31, 2023.

## Montcalm County

### Notes to the Financial Statements

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The December 31, 2023 total pension liability was determined by an actuarial valuation performed as of December 31, 20223

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 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 | 6.93% |

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-2010 and fully generational MP-2019.

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore,

## Montcalm County

### Notes to the Financial Statements

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:

| <b>Changes in Net Pension Liability</b>            | <b>Total Pension Liability</b> | <b>Plan Fiduciary Net Position</b> | <b>Net Pension Liability</b> |
|--|--------------------------------|------------------------------------|------------------------------|
| <b>Balances at December 31, 2022</b>               | <b>\$ 34,494,698</b>           | <b>\$ 24,557,541</b>               | <b>\$ 9,937,157</b>          |
| Service Cost                                       | 550,055                        | -                                  | 550,055                      |
| Interest   | 2,440,786                      | -                                  | 2,440,786                    |
| Differences Between Expected and Actual Experience | (40,734)                       | -                                  | (40,734)                     |
| Changes in Actuarial Assumptions                   | 259,348                        | -                                  | 259,348                      |
| Employer Contributions                             | -                              | 943,428                            | (943,428)                    |
| Employee Contributions                             | -                              | 444,304                            | (444,304)                    |
| Net Investment Loss                                | -                              | 2,700,536                          | (2,700,536)                  |
| Benefit Payments, Including Refunds                | (2,207,495)                    | (2,207,495)                        | -                            |
| Administrative Expense                             | -                              | (57,357)                           | 57,357                       |
| <i>Net Changes</i>                                 | <u>1,001,960</u>               | <u>1,823,416</u>                   | <u>(821,456)</u>             |
| <b>Balances at December 31, 2023</b>               | <b>\$ 35,496,658</b>           | <b>\$ 26,380,957</b>               | <b>\$ 9,115,701</b>          |
| <b>Allocated to:</b>                               |                                |                                    |                              |
|  |                                | Governmental Activities            | \$ 8,303,492                 |
|  |                                | Business-type Activities           | 812,209                      |
|  |                                | <b>Total</b>                       | <b>\$ 9,115,701</b>          |

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the County, calculated using the discount rate of 7.18%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

|                                | <b>Current</b>       |                      |                     |
|--------------------------------|----------------------|----------------------|---------------------|
|                                | <b>1% Decrease</b>   | <b>Discount Rate</b> | <b>1% Increase</b>  |
|                                | <b>(6.18%)</b>       | <b>(7.18%)</b>       | <b>(8.18%)</b>      |
| County's Net Pension Liability | <u>\$ 13,232,084</u> | <u>\$ 9,115,701</u>  | <u>\$ 5,715,646</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 year ended September 30, 2024, the County recognized a reduction of pension expense of \$990,476.

## Montcalm County

### Notes to the Financial Statements

At September 30, 2024 the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

| <b>Source</b>  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences Between Expected and Actual Experience                               | \$ 8,845                                      | \$ 27,156                                    |
| Changes in Assumptions   | 172,899                                       | -  |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,317,122                                     | -  |
| Contributions Subsequent to Measurement Date*                                    | 585,716                                       | -  |
| <b>Total Deferred Outflows/Inflows of Resources</b>                              | <b>\$ 2,084,582</b>                           | <b>\$ 27,156</b>                             |
| <b>Allocated to:</b>   |   |  |
| Governmental Activities  | \$ 1,898,846                                  | \$ 24,736                                    |
| Business-type Activities   | 185,736                                       | 2,420  |
| <b>Totals</b>  | <b>\$ 2,084,582</b>                           | <b>\$ 27,156</b>                             |

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

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

| <b>Year Ended</b>    |            |               |
|----------------------|------------|---------------|
| <b>September 30,</b> |            | <b>Amount</b> |
| 2025                 | \$ 314,644 |               |
| 2026                 | 542,215    |               |
| 2027                 | 805,233    |               |
| 2028                 | (190,382)  |               |

### **Note 11 - Defined Contribution Retirement Plan**

The County administers a defined contribution plan for all non-union and AFSCME employees hired after December 31, 2003 (and those employees that elected to transfer to the plan in 2004). The County contributes 5.0% of covered payroll to the Plan and employees contribute 3.5%-4.0%. County contributions for the fiscal year ended September 30, 2024 were \$517,686 while member contributions were \$321,600.

### **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

## Montcalm County

### Notes to the Financial Statements

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personnel policies to employees who have retired. The Plan can be amended at the discretion of the Board of Commissioners.

#### ***Benefits Provided and Contributions***

The Montcalm County Retiree Medical Plan was established and is being funded under the authority of the County and under agreements with unions representing various classes of employees. The plan's funding policy is to contribute \$150,000 to the OPEB trust in 2024 and 2025 while continuing to pay retiree benefits from general operating funds. Currently, benefit payments are made from general operating funds. There are no long-term contracts for contributions to the plan.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (September 30, 2024):

|  |           |
|--|-----------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 1         |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 7         |
| Active Employees   | 43        |
| <b>Total Membership</b>  | <b>51</b> |

#### ***Methods and Assumptions***

The total OPEB liability was determined by an actuarial valuation as of September 30, 2024 and a measurement date of September 30, 2024 and the following actuarial assumptions, applied to all periods included in the measurement:

|                                |   |
|--------------------------------|---|
| Inflation                      | 2.50%   |
| Salary Increases               | 3.00%   |
| Investment Rate of Return      | 6.93% (including inflation)   |
| 20-year Aa Municipal bond rate | 4.06%   |
| Mortality                      | Public General 2010 employee and healthy retiree, headcount weighted, 2024 IRS Adjusted Scale MP-2021 |

## Montcalm County

### Notes to the Financial Statements

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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:

| <b>Asset Class</b>  | <b>Target Allocation</b> | <b>Target Allocation</b>    | <b>Long-term Expected</b>   |                             | <b>Long-term Expected</b>  |
|---------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|                     |                          | <b>Gross Rate of Return</b> | <b>Gross Rate of Return</b> | <b>Inflation Assumption</b> | <b>Real Rate of Return</b> |
| Global Equity       | 60.00%                   | 7.00%                       | 4.20%                       | 2.50%                       | 2.70%                      |
| Global Fixed Income | 20.00%                   | 4.50%                       | 0.93%                       | 2.50%                       | 0.43%                      |
| Private Investments | 20.00%                   | 9.50%                       | 1.80%                       | 2.50%                       | 1.30%                      |
| <b>Totals</b>       | <b>100.00%</b>           |                             | <b>6.93%</b>                |                             | <b>4.43%</b>               |

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability was 4.38%. The projection of cash flows used to determine the discount rate assumed that the County will make annual trust deposits of \$150,000 and pay retiree benefits from general operating funds for 2025. The County will then use assets to pay benefits. Based on these assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members through 2036 – the cross-over point. 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. As of September 30, 2023 the discount rate used to value OPEB liabilities was 5.06%.

## Montcalm County

### Notes to the Financial Statements

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

| <b>Changes in Net OPEB Liability</b>               | <b>Total OPEB Liability</b> | <b>Plan Net Position</b> | <b>Net OPEB Liability</b> |
|--|-----------------------------|--------------------------|---------------------------|
| <b>Balance at September 30, 2023</b>               | \$ 1,136,468                | \$ 279,060               | \$ 857,408                |
| Service Cost                                       | 63,549                      | -                        | 63,549                    |
| Interest   | 60,650                      | -                        | 60,650                    |
| Differences Between Expected and Actual Experience | (265,157)                   | -                        | (265,157)                 |
| Changes in Actuarial Assumptions                   | 71,429                      | -                        | 71,429                    |
| Employer Contributions                             | -                           | 110,025                  | (110,025)                 |
| Contributions from General Operating               | -                           | 2,773                    | (2,773)                   |
| Net Investment Income                              | -                           | 54,998                   | (54,998)                  |
| Benefit Payments, Including Refunds                | (2,773)                     | (2,773)                  | -                         |
| Administrative Expense                             | -                           | (700)                    | 700                       |
| <i>Net Changes</i>                                 | (72,302)                    | 164,323                  | (236,625)                 |
| <b>Balance at September 30, 2024</b>               | <b>\$ 1,064,166</b>         | <b>\$ 443,383</b>        | <b>\$ 620,783</b>         |

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

The following presents the net OPEB liability (NOL) of the County, calculated using trend and discount rates 1% higher and lower than base assumptions:

|                             | <b>Current</b>      |                      |                    |
|-----------------------------|---------------------|----------------------|--------------------|
|                             | <b>1% Decrease</b>  | <b>Discount Rate</b> | <b>1% Increase</b> |
|                             | <b>(4.06%)</b>      | <b>(5.06%)</b>       | <b>(6.06%)</b>     |
| County's Net OPEB Liability | <u>\$ 1,174,198</u> | <u>\$ 1,064,166</u>  | <u>\$ 966,412</u>  |

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

The following presents the net OPEB liability (NOL) of the County, calculated using trend and discount rates 1% higher and lower than base assumptions:

|                             | <b>1% Decrease</b> | <b>Current Trend</b> | <b>1% Increase</b>  |
|-----------------------------|--------------------|----------------------|---------------------|
|                             | <b>\$ 949,932</b>  | <b>\$ 1,064,166</b>  | <b>\$ 1,200,284</b> |
| County's Net OPEB Liability |                    |                      |                     |

## Montcalm County

### Notes to the Financial Statements

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

For the year ended September 30, 2024, the County recognized OPEB expense of \$9,107. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <b>Source</b>                                       | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences Between Expected and Actual Experience  | \$ 1,384                                      | \$ 595,761                                   |
| Changes in Assumptions                              | 258,593                                       | 340,049                                      |
| <b>Total Deferred Outflows/Inflows of Resources</b> | <b>\$ 259,977</b>                             | <b>\$ 935,810</b>                            |

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

| <b>Year Ended<br/>September 30,</b> | <b>Amount</b> |
|-------------------------------------|---------------|
| 2025                                | \$ (87,497)   |
| 2026                                | (87,497)      |
| 2027                                | (87,497)      |
| 2028                                | (71,572)      |
| Thereafter                          | (341,770)     |

#### **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

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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 \$16,425 in reduced County tax revenues for 2024.

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 \$235,343 in reduced County tax revenues for 2024.

### **Note 15 - Opioid Settlement**

#### *Janssen and Distributors Settlements*

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

#### *Pharmacy and Manufacturer Settlements*

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

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

The term of the settlements varies by entity; however, the County expects to receive 18 installments from the Distributors with the first installments commencing in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive annual installments from Janssen and the pharmacy and manufacturer settlements with the first installments being paid in 2023 and the remaining installments expected

## Montcalm County

### Notes to the Financial Statements

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to be made annually through 2037. The County is currently allocated approximately 0.29% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$4,171,212.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2024 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2024 was \$2,532,704.

#### **Note 16 – Change within the Financial Reporting Entity**

The financial statements classify individual governmental and enterprise funds as major funds when they meet the following criteria, in accordance with GASB 34:

1. Total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total for all governmental or enterprise funds, as applicable; and
2. The same element is at least 5% of the total for all governmental and enterprise funds combined.

Additionally, the County may designate funds as major if management believes the fund is of significant importance to financial statement users.

For the fiscal year ended September 30, 2024, the Indigent Defense fund met these criteria and is presented as a major. The reclassification had no impact on the total net position of the County's governmental or business-type activities or the overall financial statements. The following schedule summarizes the change:

| <b>Governmental Funds</b>   |                         |                              |
|---|-------------------------|------------------------------|
| <b>Description</b>  | <b>Indigent Defense</b> | <b>Nonmajor Governmental</b> |
| September 30, 2023 fund balance / net position, as previously reported    | \$ -                    | \$ -                         |
| Change from nonmajor to major fund  | -                       | -                            |
| <b><i>September 30, 2023 fund balance / net position, as adjusted</i></b> | <b><u>\$ -</u></b>      | <b><u>\$ -</u></b>           |

**REQUIRED SUPPLEMENTARY INFORMATION**

**Montcalm County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2024**

|   | <b>Budgeted Amounts</b> |                     |                     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |   |
| <b>Revenues</b>                                   |                         |                     |                     |   |
| Property Taxes                                    | \$ 9,723,500            | \$ 10,137,105       | \$ 8,869,771        | \$ (1,267,334)                              |
| Licenses and Permits                              | 103,512                 | 103,512             | 96,010              | (7,502)                                     |
| Intergovernmental                                 | 3,205,744               | 3,278,744           | 3,351,944           | 73,200                                      |
| Charges for Services                              | 2,733,914               | 2,738,914           | 3,272,160           | 533,246                                     |
| Fines and Forfeitures                             | 40,500                  | 40,500              | 63,358              | 22,858                                      |
| Interest and Rents                                | 50,500                  | 476,378             | 1,092,137           | 615,759                                     |
| Other Revenue                                     | 45,500                  | 45,500              | 88,164              | 42,664                                      |
| <b>Total Revenues</b>                             | <b>15,903,170</b>       | <b>16,820,653</b>   | <b>16,833,544</b>   | <b>12,891</b>                               |
| <b>Other Financing Sources</b>                    |                         |                     |                     |   |
| Sale of Capital Assets                            | 3,000                   | 3,000               | 5,366               | 2,366                                       |
| Transfers In                                      | 631,536                 | 631,536             | 629,672             | (1,864)                                     |
| <b>Total Revenues and Other Financing Sources</b> | <b>16,537,706</b>       | <b>17,455,189</b>   | <b>17,468,582</b>   | <b>13,393</b>                               |
| <b>Expenditures</b>                               |                         |                     |                     |   |
| <b>General Government</b>                         |                         |                     |                     |   |
| Board of Commissioners                            | 185,076                 | 197,076             | 190,682             | 6,394                                       |
| Witness Cost                                      | 7,500                   | 7,500               | 95                  | 7,405                                       |
| County Controller                                 | 449,726                 | 459,726             | 458,160             | 1,566                                       |
| County Clerk                                      | 484,678                 | 484,678             | 424,260             | 60,418                                      |
| Audit   | 42,000                  | 42,000              | 38,500              | 3,500                                       |
| Information Technology                            | 187,000                 | 300,000             | 287,873             | 12,127                                      |
| Central Services and Purchasing                   | 20,000                  | 20,000              | 17,521              | 2,479                                       |
| Survey / Remonumentation                          | 62,800                  | 143,600             | 71,370              | 72,230                                      |
| Insurance and Bonds                               | 297,000                 | 217,000             | 181,670             | 35,330                                      |
| County Treasurer                                  | 371,650                 | 305,450             | 286,090             | 19,360                                      |
| Equalization                                      | 275,053                 | 285,553             | 279,082             | 6,471                                       |
| Elections   | 61,000                  | 88,000              | 119,019             | (31,019)                                    |
| Building and Grounds                              | 959,043                 | 1,005,043           | 975,456             | 29,587                                      |
| Professional Consultants                          | 60,500                  | 60,500              | 46,970              | 13,530                                      |
| Facility Rental                                   | 915,835                 | 915,835             | 915,835             | --  |
| OPEB Appropriation                                | 55,262                  | 55,262              | 55,262              | --  |
| <b>Total General Government</b>                   | <b>4,434,123</b>        | <b>4,587,223</b>    | <b>4,347,845</b>    | <b>239,378</b>                              |
| <b>Judicial</b>                                   |                         |                     |                     |   |
| Circuit Court                                     | 285,420                 | 310,420             | 323,488             | (13,068)                                    |
| Circuit Court Probation                           | 4,000                   | 4,000               | 3,728               | 272   |
| District Court                                    | 907,423                 | 823,423             | 772,857             | 50,566                                      |
| Probate / Juvenile Court                          | 1,027,870               | 1,012,870           | 885,601             | 127,269                                     |
| Prosecuting Attorney                              | 928,920                 | 880,920             | 840,378             | 40,542                                      |
| Jury Board  | 8,500                   | 8,500               | 3,416               | 5,084                                       |
| <b>Total Judicial</b>                             | <b>\$ 3,162,133</b>     | <b>\$ 3,040,133</b> | <b>\$ 2,829,468</b> | <b>\$ 210,665</b>                           |

**Expenditures (Continued)**

**Public Safety**

|                              |                  |                  |                  |                |
|------------------------------|------------------|------------------|------------------|----------------|
| Sheriff Department           | \$ 254,481       | \$ 587,886       | \$ 576,676       | \$ 11,210      |
| Contracted Police Service    | 689,916          | 689,916          | 671,810          | 18,106         |
| PA 416 Secondary Road Patrol | 124,176          | 127,676          | 126,480          | 1,196          |
| Justice Training             | 4,052            | 4,552            | 4,061            | 491            |
| Court Security               | 124,169          | 127,169          | 124,303          | 2,866          |
| Marine Law Enforcement       | 51,750           | 51,750           | 38,688           | 13,062         |
| County Jail                  | 3,423,917        | 3,281,317        | 3,136,663        | 144,654        |
| Animal Control               | 274,808          | 318,308          | 318,137          | 171            |
| <b>Total Public Safety</b>   | <b>4,947,269</b> | <b>5,188,574</b> | <b>4,996,818</b> | <b>191,756</b> |

**Public Works**

|                           |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|
| Drain Commissioners       | 374,469        | 374,469        | 243,577        | 130,892        |
| Drains at Large           | 101,000        | 243,000        | 241,307        | 1,693          |
| <b>Total Public Works</b> | <b>475,469</b> | <b>617,469</b> | <b>484,884</b> | <b>132,585</b> |

**Health and Welfare**

|                                 |                  |                  |                  |               |
|---------------------------------|------------------|------------------|------------------|---------------|
| Contagious Disease              | 1,000            | 5,000            | 4,061            | 939           |
| Substance Abuse                 | 138,890          | 138,890          | 97,569           | 41,321        |
| Medical Examiner                | 187,005          | 187,005          | 175,787          | 11,218        |
| Veterans Burials                | 6,000            | 6,000            | 4,350            | 1,650         |
| Health Department Appropriation | 430,957          | 430,957          | 430,957          | --            |
| Behavioral Health Appropriation | 188,053          | 188,053          | 188,053          | --            |
| DHHS Appropriation              | 10,500           | 10,500           | 9,769            | 731           |
| Marijuana Tax Appropriation     | --               | 200,000          | 200,000          | --            |
| Child Care                      | 765,713          | 865,713          | 845,616          | 20,097        |
| <b>Total Health and Welfare</b> | <b>1,728,118</b> | <b>2,032,118</b> | <b>1,956,162</b> | <b>75,956</b> |

**Community and Economic Development**

|   |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| Register of Deeds                               | 246,920        | 245,920        | 242,373        | 3,547        |
| West Michigan Regional Planning Commission      | 4,500          | 4,500          | 4,330          | 170          |
| Economic Development                            | 30,000         | 30,000         | 30,000         | --           |
| <b>Total Community and Economic Development</b> | <b>281,420</b> | <b>280,420</b> | <b>276,703</b> | <b>3,717</b> |

**Recreation and Culture - Parks**

|                           |                   |                   |                   |                |
|---------------------------|-------------------|-------------------|-------------------|----------------|
| <b>Total Expenditures</b> | <b>29,716</b>     | <b>34,716</b>     | <b>31,717</b>     | <b>2,999</b>   |
|                           | <b>15,058,248</b> | <b>15,780,653</b> | <b>14,923,597</b> | <b>857,056</b> |

**Other Financing Uses**

|  |                   |                   |                   |                |
|--|-------------------|-------------------|-------------------|----------------|
| Transfers Out                                      | 1,459,019         | 1,825,897         | 1,892,383         | (66,486)       |
| <b>Total Expenditures and Other Financing Uses</b> | <b>16,517,267</b> | <b>17,606,550</b> | <b>16,815,980</b> | <b>790,570</b> |

**Excess (Deficiency) of Revenues and**

**Other Sources Over Expenditures**

**and Other Uses**

**Net Change in Fund Balance**

Fund Balance at Beginning of Period

Fund Balance at End of Period

|                      |                      |                      |                   |
|----------------------|----------------------|----------------------|-------------------|
| 20,439               | (151,361)            | 652,602              | 803,963           |
| <b>20,439</b>        | <b>(151,361)</b>     | <b>652,602</b>       | <b>803,963</b>    |
| 22,026,374           | 22,026,374           | 22,026,374           | --                |
| <b>\$ 22,046,813</b> | <b>\$ 21,875,013</b> | <b>\$ 22,678,976</b> | <b>\$ 803,963</b> |

**Montcalm County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Opioid Settlement**  
**For the Year Ended September 30, 2024**

|  | <b>Budgeted Amounts</b> |                   |                     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-------------------|---------------------|---|
|  | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>       |   |
| <b>Revenues</b>                            |                         |                   |                     |   |
| Interest and Rents                         | \$ --                   | \$ --             | \$ 22,104           | \$ 22,104                                   |
| Other Revenue                              | --                      | --                | 743,558             | 743,558                                     |
| Interest Income                            | --                      | --                | 1                   | 1   |
| <b>Total Revenues</b>                      | <b>--</b>               | <b>--</b>         | <b>765,663</b>      | <b>765,663</b>                              |
| <b>Expenditures</b>                        |                         |                   |                     |   |
| Substance Abuse                            | --                      | --                | 202,569             | (202,569)                                   |
| <b>Total Expenditures</b>                  | <b>--</b>               | <b>--</b>         | <b>202,569</b>      | <b>(202,569)</b>                            |
| <b>Excess (Deficiency) of Revenues</b>     |                         |                   |                     |   |
| <b>Over Expenditures</b>                   | <b>--</b>               | <b>--</b>         | <b>563,094</b>      | <b>563,094</b>                              |
| <b>Net Change in Fund Balance</b>          | <b>--</b>               | <b>--</b>         | <b>563,094</b>      | <b>563,094</b>                              |
| <i>Fund Balance at Beginning of Period</i> | 478,542                 | 478,542           | 478,542             | --  |
| <b>Fund Balance at End of Period</b>       | <b>\$ 478,542</b>       | <b>\$ 478,542</b> | <b>\$ 1,041,636</b> | <b>\$ 563,094</b>                           |

**Montcalm County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Indigent Defense**  
**For the Year Ended September 30, 2024**

|  | <b>Budgeted Amounts</b> |                     |                  | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|---------------------|------------------|---|
|  | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>    |   |
| <b>Revenues</b>  |                         |                     |                  |   |
| Intergovernmental  | \$ 1,268,350            | \$ 1,268,350        | \$ 966,269       | \$ (302,081)                                |
| Interest and Rents   | --                      | --                  | 13,575           | 13,575                                      |
| Local Contributions  | --                      | --                  | 28,941           | 28,941                                      |
| <b>Total Revenues</b>  | <b>1,268,350</b>        | <b>1,268,350</b>    | <b>1,008,785</b> | <b>(259,565)</b>                            |
| <b>Other Financing Sources</b>   |                         |                     |                  |   |
| Transfers In   | 226,942                 | 26,942              | 226,942          | 200,000                                     |
| <b>Total Revenues and Other Financing Sources</b>                          | <b>1,495,292</b>        | <b>1,295,292</b>    | <b>1,235,727</b> | <b>(59,565)</b>                             |
| <b>Expenditures</b>  |                         |                     |                  |   |
| Judicial   | 1,495,292               | 1,495,292           | 1,235,727        | 259,565                                     |
| <b>Total Expenditures</b>  | <b>1,495,292</b>        | <b>1,495,292</b>    | <b>1,235,727</b> | <b>259,565</b>                              |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b> | <b>--</b>               | <b>(200,000)</b>    | <b>--</b>        | <b>200,000</b>                              |
| <b>Net Change in Fund Balance</b>  | <b>--</b>               | <b>(200,000)</b>    | <b>--</b>        | <b>200,000</b>                              |
| <b>Fund Balance at Beginning of Period</b>                                 | <b>--</b>               | <b>--</b>           | <b>--</b>        | <b>--</b>                                   |
| <b>Fund Balance at End of Period</b>                                       | <b>\$ --</b>            | <b>\$ (200,000)</b> | <b>\$ --</b>     | <b>\$ 200,000</b>                           |

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

|  | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017*</b>        | <b>2016</b>          | <b>2015</b>          | <b>2014</b>          |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>   |                     |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| Service Cost   | \$ 550,055          | \$ 527,143          | \$ 471,524          | \$ 494,204          | \$ 489,168          | \$ 505,165          | \$ 510,243          | \$ 1,285,924         | \$ 1,006,943         | \$ 1,006,943         |
| Interest   | 2,440,786           | 2,386,324           | 2,429,142           | 2,313,738           | 2,266,704           | 2,162,802           | 3,005,024           | 1,753,666            | 1,900,616            | 1,779,050            |
| Changes in Benefits  | -                   | -                   | -                   | -                   | 65,640              | -                   | -                   | -                    | -                    | -                    |
| Differences Between Expected and Actual Experience                     | (40,734)            | 26,535              | (1,010,920)         | (459,479)           | 302,516             | 317,913             | -                   | -                    | (530,426)            | -                    |
| Changes of Assumptions ***   | 259,348             | -                   | 1,193,348           | 1,232,607           | 880,140             | -                   | (12,590,050)        | (3,675,223)          | 6,232,817            | -                    |
| Benefit Payments, including Refunds of Employee Contributions          | (2,207,495)         | (2,193,084)         | (2,123,902)         | (1,978,613)         | (1,814,525)         | (1,543,633)         | (1,357,304)         | (1,590,719)          | (1,508,500)          | (1,365,511)          |
| Other Changes  | -                   | -                   | 2                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| <b>Net Change in Total Pension Liability</b>                           | <b>1,001,960</b>    | <b>746,918</b>      | <b>959,194</b>      | <b>1,602,457</b>    | <b>2,189,643</b>    | <b>1,442,247</b>    | <b>(10,432,087)</b> | <b>(2,226,352)</b>   | <b>7,101,450</b>     | <b>1,420,482</b>     |
| Total Pension Liability, Beginning of Year                             | 34,494,698          | 33,747,780          | 32,788,586          | 31,186,129          | 28,996,486          | 27,554,239          | 37,986,326          | 43,682,403           | 36,580,953           | 35,160,471           |
| <b>Total Pension Liability, End of Year</b>                            | <b>35,496,658</b>   | <b>34,494,698</b>   | <b>33,747,780</b>   | <b>32,788,586</b>   | <b>31,186,129</b>   | <b>28,996,486</b>   | <b>27,554,239</b>   | <b>41,456,051</b>    | <b>43,682,403</b>    | <b>36,580,953</b>    |
| <b>Plan Fiduciary Net Position</b>                                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| Employer Contributions   | 943,428             | 915,232             | 747,541             | 647,483             | 1,079,709           | 746,121             | 485,179             | 851,050              | 513,450              | 536,125              |
| Employee Contributions   | 444,304             | 313,464             | 293,698             | 277,547             | 273,177             | 580,032             | 13,936              | 350,774              | 377,299              | 400,487              |
| Net Investment Income (Loss)   | 2,700,536           | (2,947,139)         | 3,615,023           | 2,976,055           | 2,920,508           | (893,309)           | 2,646,653           | 1,640,751            | (5,877)              | 1,078,217            |
| Benefit Payments, including Refunds of Employee Contributions          | (2,207,495)         | (2,193,084)         | (2,123,902)         | (1,978,613)         | (1,814,525)         | (1,543,633)         | (1,357,304)         | (1,590,719)          | (1,508,500)          | (1,368,958)          |
| Administrative Expenses  | (57,357)            | (52,021)            | (41,480)            | (47,884)            | (50,286)            | (44,206)            | (41,205)            | (109,915)            | (21,590)             | (7,524)              |
| Other Changes/Net Transfers  | -                   | -                   | -                   | -                   | 132,238             | -                   | -                   | -                    | -                    | -                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                       | <b>1,823,416</b>    | <b>(3,963,548)</b>  | <b>2,490,880</b>    | <b>1,874,588</b>    | <b>2,408,583</b>    | <b>(1,022,757)</b>  | <b>1,747,259</b>    | <b>1,141,941</b>     | <b>(645,218)</b>     | <b>638,347</b>       |
| Plan Fiduciary Net Position - Beginning                                | 24,557,541          | 28,521,089          | 26,030,209          | 24,155,621          | 21,747,038          | 22,769,795          | 21,022,536          | 21,664,366           | 22,309,584           | 21,671,237           |
| <b>Plan Fiduciary Net Position - Ending</b>                            | <b>26,380,957</b>   | <b>24,557,541</b>   | <b>28,521,089</b>   | <b>26,030,209</b>   | <b>24,155,621</b>   | <b>21,747,038</b>   | <b>22,769,795</b>   | <b>22,806,307</b>    | <b>21,664,366</b>    | <b>22,309,584</b>    |
| <b>Net Pension Liability</b>   | <b>\$ 9,115,701</b> | <b>\$ 9,937,157</b> | <b>\$ 5,226,691</b> | <b>\$ 6,758,377</b> | <b>\$ 7,030,508</b> | <b>\$ 7,249,448</b> | <b>\$ 4,784,444</b> | <b>\$ 18,649,744</b> | <b>\$ 22,018,037</b> | <b>\$ 14,271,369</b> |
| Plan Fiduciary Net position as a Percentage of Total Pension Liability | 74.32%              | 71.19%              | 84.51%              | 79.39%              | 77.46%              | 75.00%              | 82.64%              | 55.01%               | 49.60%               | 60.99%               |
| Covered Payroll  | \$ 3,639,270        | \$ 3,354,608        | \$ 3,354,608        | \$ 3,353,485        | \$ 3,424,219        | \$ 3,621,321        | \$ 3,690,642        | N/A                  | \$ 5,031,428         | \$ 5,344,449         |
| Net Pension Liability as a Percentage of Covered Payroll               | 250.48%             | 296.22%             | 155.81%             | 201.53%             | 205.32%             | 200.19%             | 129.64%             | N/A                  | 437.61%              | 267.03%              |

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

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

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

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions

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

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

|  | <b>2024</b>    | <b>2023</b>    | <b>2022</b>    | <b>2021</b>    | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution                                  | \$ 813,897     | \$ 942,562     | \$ 915,537     | \$ 708,120     | \$ 609,710     | \$ 683,104     | \$ 499,115     | \$ 826,402        | \$ 704,880        | \$ 699,970        |
| Contributions in Relation to the Actuarially Determined Contribution | <u>813,897</u> | <u>942,562</u> | <u>915,537</u> | <u>708,120</u> | <u>609,710</u> | <u>683,104</u> | <u>499,115</u> | <u>536,125</u>    | <u>-</u>          | <u>520,257</u>    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>    | <u>\$ 290,277</u> | <u>\$ 704,880</u> | <u>\$ 179,713</u> |
| Covered Payroll  | \$ 4,054,512   | \$ 3,590,382   | \$ 3,723,047   | \$ 3,555,662   | \$ 3,329,856   | \$ 3,563,091   | \$ 3,690,642   | N/A               | \$ 5,031,428      | \$ 5,202,565      |
| Contributions as a Percentage of Covered Payroll                     | 20.07%         | 26.25%         | 24.59%         | 19.92%         | 18.31%         | 19.17%         | 13.52%         | N/A               | 0.00%             | 10.00%            |

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 9 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and Assumptions Used to Determine Contribution Rates**

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry-age Normal  |
| Amortization Method           | Level percentage of payroll, closed   |
| Remaining Amortization Period | 19 years  |
| Asset Valuation Method        | 5-year smoothed market; 20% corridor  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.00%   |
| Investment Rate of Return     | 6.93%   |
| Retirement Age                | Experience-based tables of rates that are specific to the type of eligibility condition |
| Mortality                     | Pub-2010 and fully generational MP-2019   |

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

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

|   | <b>2024</b>         | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>   |                     |                     |                     |                     |                     |                     |                     |
| Service Cost  | \$ 63,549           | \$ 67,806           | \$ 62,718           | \$ 74,370           | \$ 49,890           | \$ 56,758           | \$ 52,399           |
| Interest  | 60,650              | 52,351              | 34,228              | 31,254              | 48,755              | 41,793              | 43,194              |
| Differences Between Expected and Actual Experience                  | (265,157)           | 1,647               | (81,078)            | (41,292)            | (304,598)           | (50,243)            | (233,733)           |
| Changes in Assumptions **   | 71,429              | (10,040)            | (323,237)           | (96,051)            | 289,524             | (62,675)            | 96,674              |
| Benefit Payments, Including Refunds                                 | (2,773)             | (10,000)            | (7,600)             | (9,360)             | (9,600)             | (10,480)            | (8,660)             |
| <b>Net Change in total OPEB Liability</b>                           | <b>(72,302)</b>     | <b>101,764</b>      | <b>(314,969)</b>    | <b>(41,079)</b>     | <b>73,971</b>       | <b>(24,847)</b>     | <b>(50,126)</b>     |
| <b>Total OPEB Liability - Beginning</b>                             | <b>1,136,468</b>    | <b>1,034,704</b>    | <b>1,349,673</b>    | <b>1,390,752</b>    | <b>1,316,781</b>    | <b>1,341,628</b>    | <b>1,391,754</b>    |
| <b>Total OPEB Liability - Ending (a)</b>                            | <b>\$ 1,064,166</b> | <b>\$ 1,136,468</b> | <b>\$ 1,034,704</b> | <b>\$ 1,349,673</b> | <b>\$ 1,390,752</b> | <b>\$ 1,316,781</b> | <b>\$ 1,341,628</b> |
| <br><b>Plan Fiduciary Net Position</b>                              |                     |                     |                     |                     |                     |                     |                     |
| Employer Contributions  | \$ 110,025          | \$ 266,667          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Contributions from General Operating                                | 2,773               | 10,000              | 7,600               | 9,360               | 9,600               | 10,480              | 8,660               |
| Net Investment Income (Loss)  | 54,998              | 12,761              | -                   | -                   | -                   | -                   | -                   |
| Benefit Payments, Including Refunds                                 | (2,773)             | (10,000)            | (7,600)             | (9,360)             | (9,600)             | (10,480)            | (8,660)             |
| Administrative Expense  | (700)               | (368)               | -                   | -                   | -                   | -                   | -                   |
| <b>Net Change in Plan Fiduciary Net Position</b>                    | <b>164,323</b>      | <b>279,060</b>      | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Plan Fiduciary Net Position - Beginning</b>                      | <b>279,060</b>      | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                     | <b>\$ 443,383</b>   | <b>\$ 279,060</b>   | <b>\$ -</b>         |
| <br><b>Net OPEB Liability - Ending (a) - (b)</b>                    | <b>\$ 620,783</b>   | <b>\$ 857,408</b>   | <b>\$ 1,034,704</b> | <b>\$ 1,349,673</b> | <b>\$ 1,390,752</b> | <b>\$ 1,316,781</b> | <b>\$ 1,341,628</b> |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 41.66%              | 24.56%              | 0.00%               | 0.00%               | 0.00%               | 0.00%               | 0.00%               |
| Covered Employee Payroll  | \$ 2,692,996        | \$ 2,622,508        | \$ 2,989,803        | \$ 2,704,297        | \$ 3,291,099        | \$ 2,648,267        | \$ 2,531,289        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll      | 23.05%              | 32.69%              | 34.61%              | 49.91%              | 42.26%              | 49.72%              | 53.00%              |

\* Built prospectively upon implementation of GASB 75

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

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

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

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

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

2023 valuation (2023 fiscal year) - The discount rate was increased from 4.77% to 5.06%.

**Montcalm County**  
**Required Supplementary Information**  
**Schedule of Contributions - OPEB**  
**Last Seven Fiscal Years \***

|  | <b>2024</b>      | <b>2023</b>         | <b>2022</b>       | <b>2021</b>       | <b>2020</b>       | <b>2019</b>       | <b>2018</b>       |
|--|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution                                  | \$ 146,499       | \$ 159,973          | \$ 159,973        | \$ 200,118        | \$ 176,147        | \$ 160,094        | \$ 161,065        |
| Contributions in Relation to the Actuarially Determined Contribution | 112,798          | 276,667             | 7,600             | 9,360             | 9,600             | 10,480            | 8,660             |
| Contribution Deficiency (Excess)                                     | <u>\$ 33,701</u> | <u>\$ (116,694)</u> | <u>\$ 152,373</u> | <u>\$ 190,758</u> | <u>\$ 166,547</u> | <u>\$ 149,614</u> | <u>\$ 152,405</u> |
| Covered Employee Payroll   | \$ 2,692,996     | \$ 2,622,508        | \$ 2,989,803      | \$ 2,704,297      | \$ 3,291,099      | \$ 2,648,267      | \$ 2,531,289      |
| Contributions as a Percentage of Covered Employee Payroll            | 4.19%            | 10.55%              | 0.25%             | 0.35%             | 0.29%             | 0.40%             | 0.34%             |

*Notes*

**Valuation Date: September 30, 2024**

**Methods and Assumptions Used to Determine Contribution Rates**

|  |   |
|--|---|
| Actuarial Cost Method                            | Entry Age Normal (level percentage of compensation) |
| Amortization Method                              | Average Future Service                              |
| Remaining Amortization Period                    | 13 years  |
| Asset Valuation Method                           | Not applicable; plan is not pre-funded              |
| Inflation  | Implicit in expected payroll increases              |
| Healthcare Inflation, Current Year and Long-term | 7.25% current and 4.50% long-term                   |
| Salary Increases                                 | 3.00%   |
| Investment Rate of Return                        | 6.93%   |
| Retirement Age                                   | Varies depending on plan adoption                   |
| Mortality  | MP-2021 Improvement                                 |

\* Built prospectively upon implementation of GASB 75

**Montcalm County**  
**Required Supplementary Information**  
**Schedule of Investment Returns - OPEB**  
**Last Seven Fiscal Years\***

|  | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expenses | 15.2%       | 9.1%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |

*Notes to the Schedule:*

\* Built prospectively upon implementation on GASB Statement No.74. An additional year will be added each year until ten years are presented.

## **OTHER SUPPLEMENTARY INFORMATION**

**Montcalm County**  
**General Fund Combining Balance Sheet**  
**All Funds Treated as General**  
**September 30, 2024**

|   | <b>General</b>       | <b>Parks</b>     | <b>Child Care</b> | <b>Court Collections</b> | <b>District Court Collection</b> | <b>Total General Funds</b> |
|---|----------------------|------------------|-------------------|--------------------------|----------------------------------|----------------------------|
| <b>ASSETS</b>                             |                      |                  |                   |                          |                                  |                            |
| Cash and Investments                      | \$ 21,040,453        | \$ 24,875        | \$ 101,244        | \$ 27,922                | \$ 24,275                        | \$ 21,218,769              |
| Receivables, net                          | 65,665               | --               | --                | --                       | --                               | 65,665                     |
| Taxes Receivable                          | 1,780,114            | --               | --                | --                       | --                               | 1,780,114                  |
| Due from Other Governments                | 253,410              | --               | 28,569            | --                       | --                               | 281,979                    |
| Prepays                                   | 127,451              | --               | --                | --                       | --                               | 127,451                    |
| Due from Other Funds                      | 11,349               | --               | --                | --                       | --                               | 11,349                     |
| <i>Total Assets</i>                       | <b>23,278,442</b>    | <b>24,875</b>    | <b>129,813</b>    | <b>27,922</b>            | <b>24,275</b>                    | <b>23,485,327</b>          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                      |                  |                   |                          |                                  |                            |
| Aggregated deferred outflows              | --                   | --               | --                | --                       | --                               | --                         |
| <i>Total Assets</i>                       | <b>\$ 23,278,442</b> | <b>\$ 24,875</b> | <b>\$ 129,813</b> | <b>\$ 27,922</b>         | <b>\$ 24,275</b>                 | <b>\$ 23,485,327</b>       |
| <b>LIABILITIES</b>                        |                      |                  |                   |                          |                                  |                            |
| Accounts Payable                          | \$ 342,966           | \$ 838           | \$ 21,991         | \$ 27,922                | \$ 24,275                        | \$ 417,992                 |
| Accrued Liabilities                       | 154,328              | 335              | --                | --                       | --                               | 154,663                    |
| Unearned Revenue                          | 233,696              | --               | --                | --                       | --                               | 233,696                    |
| <i>Total Liabilities</i>                  | <b>730,990</b>       | <b>1,173</b>     | <b>21,991</b>     | <b>27,922</b>            | <b>24,275</b>                    | <b>806,351</b>             |
| <b>FUND BALANCE</b>                       |                      |                  |                   |                          |                                  |                            |
| Nonspendable                              | 127,451              | --               | --                | --                       | --                               | 127,451                    |
| Committed                                 | --                   | 23,702           | 107,822           | --                       | --                               | 131,524                    |
| Assigned                                  | 5,000,000            | --               | --                | --                       | --                               | 5,000,000                  |
| Unassigned                                | 17,420,001           | --               | --                | --                       | --                               | 17,420,001                 |
| <i>Total Fund Balance</i>                 | <b>22,547,452</b>    | <b>23,702</b>    | <b>107,822</b>    | <b>--</b>                | <b>--</b>                        | <b>22,678,976</b>          |
| <i>Total Liabilities and Fund Balance</i> | <b>\$ 23,278,442</b> | <b>\$ 24,875</b> | <b>\$ 129,813</b> | <b>\$ 27,922</b>         | <b>\$ 24,275</b>                 | <b>\$ 23,485,327</b>       |

**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, 2024**

|   | <b>General</b>       | <b>Parks</b>     | <b>Child Care</b> | <b>Court Collections</b> | <b>District Court Collection</b> | <b>Total General Funds</b> |
|---|----------------------|------------------|-------------------|--------------------------|----------------------------------|----------------------------|
| <b>Revenues</b>                                     |                      |                  |                   |                          |                                  |                            |
| Property Taxes                                      | \$ 8,869,771         | \$ --            | \$ --             | \$ --                    | \$ --                            | \$ 8,869,771               |
| Licenses and Permits                                | 96,010               | --               | --                | --                       | --                               | 96,010                     |
| Intergovernmental                                   | 3,236,613            | --               | 115,331           | --                       | --                               | 3,351,944                  |
| Charges for Services                                | 3,232,248            | 27,175           | 12,737            | --                       | --                               | 3,272,160                  |
| Fines and Forfeitures                               | 63,358               | --               | --                | --                       | --                               | 63,358                     |
| Interest and Rents                                  | 1,084,886            | 780              | 6,471             | --                       | --                               | 1,092,137                  |
| Other Revenue                                       | 88,139               | --               | 25                | --                       | --                               | 88,164                     |
| <b>Total Revenues</b>                               | <b>16,671,025</b>    | <b>27,955</b>    | <b>134,564</b>    | <b>--</b>                | <b>--</b>                        | <b>16,833,544</b>          |
| <b>Expenditures</b>                                 |                      |                  |                   |                          |                                  |                            |
| General Government                                  | 4,347,845            | --               | --                | --                       | --                               | 4,347,845                  |
| Judicial  | 2,829,468            | --               | --                | --                       | --                               | 2,829,468                  |
| Public Safety                                       | 4,996,818            | --               | --                | --                       | --                               | 4,996,818                  |
| Public Works  | 486,687              | --               | --                | --                       | --                               | 486,687                    |
| Health and Welfare                                  | 1,108,743            | --               | 845,616           | --                       | --                               | 1,954,359                  |
| Community and Economic Development                  | 276,703              | --               | --                | --                       | --                               | 276,703                    |
| Recreation and Culture                              | --                   | 31,717           | --                | --                       | --                               | 31,717                     |
| <b>Total Expenditures</b>                           | <b>14,046,264</b>    | <b>31,717</b>    | <b>845,616</b>    | <b>--</b>                | <b>--</b>                        | <b>14,923,597</b>          |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>2,624,761</b>     | <b>(3,762)</b>   | <b>(711,052)</b>  | <b>--</b>                | <b>--</b>                        | <b>1,909,947</b>           |
| <b>Other Financing Sources (Uses)</b>               |                      |                  |                   |                          |                                  |                            |
| Sale of Capital Assets                              | 5,366                | --               | --                | --                       | --                               | 5,366                      |
| Transfers In  | 21,672               | 8,000            | 600,000           | --                       | --                               | 629,672                    |
| Transfers Out                                       | (1,892,383)          | --               | --                | --                       | --                               | (1,892,383)                |
| <b>Net Other Financing Sources (Uses)</b>           | <b>(1,865,345)</b>   | <b>8,000</b>     | <b>600,000</b>    | <b>--</b>                | <b>--</b>                        | <b>(1,257,345)</b>         |
| <b>Net Change in Fund Balance</b>                   | <b>759,416</b>       | <b>4,238</b>     | <b>(111,052)</b>  | <b>--</b>                | <b>--</b>                        | <b>652,602</b>             |
| <b>Fund Balance at Beginning of Period</b>          | <b>21,788,036</b>    | <b>19,464</b>    | <b>218,874</b>    | <b>--</b>                | <b>--</b>                        | <b>22,026,374</b>          |
| <b>Fund Balance at End of Period</b>                | <b>\$ 22,547,452</b> | <b>\$ 23,702</b> | <b>\$ 107,822</b> | <b>\$ --</b>             | <b>\$ --</b>                     | <b>\$ 22,678,976</b>       |

**Montcalm County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

| <b>Special Revenue</b>                    |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |  |  |
|---|-------------------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------|--------------------|-------------------------|--------------------------------|---------------------|--|--|
|   | <b>Register of Deeds Automation</b> | <b>Concealed Pistol License</b> | <b>Local Correction Training</b> | <b>Drug Law Enforcement</b> | <b>Law Enforcement - K9</b> | <b>Law Library</b> | <b>County Libraries</b> | <b>Animal Shelter Donation</b> | <b>CDBG Housing</b> |  |  |
| <b>ASSETS</b>                             |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |  |  |
| Cash and Investments                      | \$ 161,859                          | \$ 200,466                      | \$ 19,928                        | \$ 8,021                    | \$ 474                      | \$ 23,722          | \$ 231,141              | \$ 110,229                     | \$ 180              |  |  |
| Receivables, net                          | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| Due from Other Governments                | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| Prepays                                   | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| <i>Total Assets</i>                       | <b>\$ 161,859</b>                   | <b>\$ 200,466</b>               | <b>\$ 19,928</b>                 | <b>\$ 8,021</b>             | <b>\$ 474</b>               | <b>\$ 23,722</b>   | <b>\$ 231,141</b>       | <b>\$ 110,229</b>              | <b>\$ 180</b>       |  |  |
| <b>LIABILITIES</b>                        |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |  |  |
| Accounts Payable                          | \$ 17,328                           | \$ 318                          | \$ 140                           | \$ --                       | \$ --                       | \$ 3,755           | \$ 2,652                | \$ --                          | \$ --               |  |  |
| Accrued Liabilities                       | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| Due to Other Governments                  | --                                  | --                              | --                               | --                          | --                          | --                 | 80,890                  | --                             | --                  |  |  |
| Due to Other Funds                        | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| <i>Total Liabilities</i>                  | <b>17,328</b>                       | <b>318</b>                      | <b>140</b>                       | <b>--</b>                   | <b>--</b>                   | <b>3,755</b>       | <b>83,542</b>           | <b>--</b>                      | <b>--</b>           |  |  |
| <b>FUND BALANCE</b>                       |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |  |  |
| Nonspendable                              | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| Restricted                                | 144,531                             | 200,148                         | 19,788                           | 8,021                       | 474                         | 19,967             | 147,599                 | 110,229                        | 180                 |  |  |
| Committed                                 | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| Unassigned                                | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |  |  |
| <i>Total Fund Balance</i>                 | <b>144,531</b>                      | <b>200,148</b>                  | <b>19,788</b>                    | <b>8,021</b>                | <b>474</b>                  | <b>19,967</b>      | <b>147,599</b>          | <b>110,229</b>                 | <b>180</b>          |  |  |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 161,859</b>                   | <b>\$ 200,466</b>               | <b>\$ 19,928</b>                 | <b>\$ 8,021</b>             | <b>\$ 474</b>               | <b>\$ 23,722</b>   | <b>\$ 231,141</b>       | <b>\$ 110,229</b>              | <b>\$ 180</b>       |  |  |

**Montcalm County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

| <b>Special Revenue</b>                    |                            |                                |                                       |                                  |                   |                        |                   |                       |    |
|---|----------------------------|--------------------------------|---------------------------------------|----------------------------------|-------------------|------------------------|-------------------|-----------------------|----|
|   | <b>Commission on Aging</b> | <b>Social Welfare - County</b> | <b>Montcalm Conservation District</b> | <b>MSU Cooperative Extension</b> | <b>Drug Court</b> | <b>Law Enforcement</b> | <b>Veterans</b>   | <b>CMET Operating</b> |    |
| <b>ASSETS</b>                             |                            |                                |                                       |                                  |                   |                        |                   |                       |    |
| Cash and Investments                      | \$ 680,998                 | \$ 1,016                       | \$ 9,176                              | \$ 156,319                       | \$ 84,625         | \$ 2,157,010           | \$ 841,246        | \$ --                 | -- |
| Receivables, net                          | 52,048                     | --                             | --                                    | --                               | --                | --                     | --                | --                    | -- |
| Due from Other Governments                | 4,211                      | --                             | --                                    | --                               | --                | --                     | --                | 2,960                 |    |
| Prepays                                   | --                         | --                             | --                                    | --                               | --                | 51,180                 | --                | --                    | -- |
| <b>Total Assets</b>                       | <b>\$ 737,257</b>          | <b>\$ 1,016</b>                | <b>\$ 9,176</b>                       | <b>\$ 156,319</b>                | <b>\$ 84,625</b>  | <b>\$ 2,208,190</b>    | <b>\$ 841,246</b> | <b>\$ 2,960</b>       |    |
| <b>LIABILITIES</b>                        |                            |                                |                                       |                                  |                   |                        |                   |                       |    |
| Accounts Payable                          | \$ 39,384                  | \$ --                          | \$ --                                 | \$ 990                           | \$ 12,903         | \$ 91,859              | \$ 8,010          | \$ --                 | -- |
| Accrued Liabilities                       | 16,752                     | --                             | --                                    | --                               | --                | 25,629                 | 6,002             | --                    | -- |
| Due to Other Governments                  | --                         | --                             | 9,176                                 | --                               | --                | --                     | --                | --                    | -- |
| Due to Other Funds                        | --                         | --                             | --                                    | --                               | --                | --                     | --                | 2,960                 |    |
| <b>Total Liabilities</b>                  | <b>56,136</b>              | <b>--</b>                      | <b>9,176</b>                          | <b>990</b>                       | <b>12,903</b>     | <b>117,488</b>         | <b>14,012</b>     | <b>2,960</b>          |    |
| <b>FUND BALANCE</b>                       |                            |                                |                                       |                                  |                   |                        |                   |                       |    |
| Nonspendable                              | --                         | --                             | --                                    | --                               | --                | 51,180                 | --                | --                    | -- |
| Restricted                                | 681,121                    | 1,016                          | --                                    | 155,329                          | 71,722            | 2,039,522              | 827,234           | --                    | -- |
| Committed                                 | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | -- |
| Unassigned                                | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | -- |
| <b>Total Fund Balance</b>                 | <b>681,121</b>             | <b>1,016</b>                   | <b>--</b>                             | <b>155,329</b>                   | <b>71,722</b>     | <b>2,090,702</b>       | <b>827,234</b>    | <b>--</b>             |    |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 737,257</b>          | <b>\$ 1,016</b>                | <b>\$ 9,176</b>                       | <b>\$ 156,319</b>                | <b>\$ 84,625</b>  | <b>\$ 2,208,190</b>    | <b>\$ 841,246</b> | <b>\$ 2,960</b>       |    |

**Montcalm County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

|   | Special Revenue     |                  |                      |                                   |                 |                       |                     |                      |                         |                    | Debt Service |
|---|---------------------|------------------|----------------------|-----------------------------------|-----------------|-----------------------|---------------------|----------------------|-------------------------|--------------------|--------------|
|   | Leadership Montcalm | Sheriff Programs | Community Correction | Jail Medically Assisted Treatment | Victim Support  | Law Enforcement Trust | Friend of the Court | Solid Waste Planning | Homeland Security Grant | Building Authority |              |
| <b>ASSETS</b>                             |                     |                  |                      |                                   |                 |                       |                     |                      |                         |                    |              |
| Cash and Investments                      | \$ 17,202           | \$ 1,732         | \$ 36,686            | \$ 25,000                         | \$ 6,418        | \$ 22,978             | \$ 100              | \$ 411,129           | \$ 53,976               | \$ 7,288           |              |
| Receivables, net                          | --                  | --               | --                   | --                                | --              | --                    | --                  | 37,592               | --                      | --                 |              |
| Due from Other Governments                | --                  | --               | 14,388               | --                                | --              | --                    | 126,920             | --                   | --                      | --                 |              |
| Prepays                                   | --                  | --               | --                   | --                                | --              | --                    | --                  | --                   | --                      | --                 |              |
| <i>Total Assets</i>                       | <b>\$ 17,202</b>    | <b>\$ 1,732</b>  | <b>\$ 51,074</b>     | <b>\$ 25,000</b>                  | <b>\$ 6,418</b> | <b>\$ 22,978</b>      | <b>\$ 127,020</b>   | <b>\$ 448,721</b>    | <b>\$ 53,976</b>        | <b>\$ 7,288</b>    |              |
| <b>LIABILITIES</b>                        |                     |                  |                      |                                   |                 |                       |                     |                      |                         |                    |              |
| Accounts Payable                          | \$ --               | \$ --            | \$ 9,135             | \$ --                             | \$ --           | \$ --                 | \$ 4,826            | \$ 15,153            | \$ --                   | \$ --              |              |
| Accrued Liabilities                       | --                  | --               | 2,208                | --                                | --              | --                    | 15,860              | --                   | --                      | --                 |              |
| Due to Other Governments                  | --                  | --               | --                   | --                                | --              | --                    | --                  | --                   | --                      | --                 |              |
| Due to Other Funds                        | --                  | --               | --                   | --                                | --              | --                    | 8,389               | --                   | --                      | --                 |              |
| <i>Total Liabilities</i>                  | <b>--</b>           | <b>--</b>        | <b>11,343</b>        | <b>--</b>                         | <b>--</b>       | <b>--</b>             | <b>29,075</b>       | <b>15,153</b>        | <b>--</b>               | <b>--</b>          |              |
| <b>FUND BALANCE</b>                       |                     |                  |                      |                                   |                 |                       |                     |                      |                         |                    |              |
| Nonspendable                              | --                  | --               | --                   | --                                | --              | --                    | --                  | --                   | --                      | --                 |              |
| Restricted                                | 17,202              | 1,732            | 39,731               | 25,000                            | 6,418           | 22,978                | 97,945              | --                   | 53,976                  | 7,288              |              |
| Committed                                 | --                  | --               | --                   | --                                | --              | --                    | --                  | 433,568              | --                      | --                 |              |
| Unassigned                                | --                  | --               | --                   | --                                | --              | --                    | --                  | --                   | --                      | --                 |              |
| <i>Total Fund Balance</i>                 | <b>17,202</b>       | <b>1,732</b>     | <b>39,731</b>        | <b>25,000</b>                     | <b>6,418</b>    | <b>22,978</b>         | <b>97,945</b>       | <b>433,568</b>       | <b>53,976</b>           | <b>7,288</b>       |              |
| <i>Total Liabilities and Fund Balance</i> | <b>\$ 17,202</b>    | <b>\$ 1,732</b>  | <b>\$ 51,074</b>     | <b>\$ 25,000</b>                  | <b>\$ 6,418</b> | <b>\$ 22,978</b>      | <b>\$ 127,020</b>   | <b>\$ 448,721</b>    | <b>\$ 53,976</b>        | <b>\$ 7,288</b>    |              |

**Montcalm County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

|   | <b>Capital Projects</b>                           |                         |                         |                              |                               |                     | <b>Total Nonmajor<br/>Governmental<br/>Funds</b> |
|---|---|-------------------------|-------------------------|------------------------------|-------------------------------|---------------------|--|
|   | <b>Equipment<br/>Purchase and<br/>Replacement</b> | <b>Jail Improvement</b> | <b>General Projects</b> | <b>Park<br/>Improvements</b> | <b>Public<br/>Improvement</b> |                     |  |
| <b>ASSETS</b>                             |   |                         |                         |                              |                               |                     |  |
| Cash and Investments                      | \$ 212,373  | \$ 10,468               | \$ 391,930              | \$ 39,898                    | \$ 83,241                     | \$ 6,006,829        |  |
| Receivables, net                          | --  | --                      | --                      | --                           | --                            | 89,640              |  |
| Due from Other Governments                | --  | --                      | --                      | --                           | --                            | 148,479             |  |
| Prepays                                   | --  | --                      | --                      | --                           | --                            | 51,180              |  |
| <b>Total Assets</b>                       | <b>\$ 212,373</b>                                 | <b>\$ 10,468</b>        | <b>\$ 391,930</b>       | <b>\$ 39,898</b>             | <b>\$ 83,241</b>              | <b>\$ 6,296,128</b> |  |
| <b>LIABILITIES</b>                        |   |                         |                         |                              |                               |                     |  |
| Accounts Payable                          | \$ 172,923  | \$ 9,000                | \$ 50,253               | \$ --                        | \$ 3,940                      | \$ 442,569          |  |
| Accrued Liabilities                       | --  | --                      | --                      | --                           | --                            | 66,451              |  |
| Due to Other Governments                  | --  | --                      | --                      | --                           | --                            | 90,066              |  |
| Due to Other Funds                        | --  | --                      | --                      | --                           | --                            | 11,349              |  |
| <b>Total Liabilities</b>                  | <b>172,923</b>                                    | <b>9,000</b>            | <b>50,253</b>           | <b>--</b>                    | <b>3,940</b>                  | <b>610,435</b>      |  |
| <b>FUND BALANCE</b>                       |   |                         |                         |                              |                               |                     |  |
| Nonspendable                              | --  | --                      | --                      | --                           | --                            | 51,180              |  |
| Restricted                                | --  | --                      | 341,677                 | --                           | --                            | 5,040,828           |  |
| Committed                                 | 39,450  | 1,468                   | --                      | 39,898                       | 79,301                        | 593,685             |  |
| Unassigned                                | --  | --                      | --                      | --                           | --                            | --                  |  |
| <b>Total Fund Balance</b>                 | <b>39,450</b>                                     | <b>1,468</b>            | <b>341,677</b>          | <b>39,898</b>                | <b>79,301</b>                 | <b>5,685,693</b>    |  |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 212,373</b>                                 | <b>\$ 10,468</b>        | <b>\$ 391,930</b>       | <b>\$ 39,898</b>             | <b>\$ 83,241</b>              | <b>\$ 6,296,128</b> |  |

**Montcalm County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nominal Governmental Funds**  
**For the Year Ended September 30, 2024**

| <b>Special Revenue</b>                              |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |
|---|-------------------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------|--------------------|-------------------------|--------------------------------|---------------------|
|   | <b>Register of Deeds Automation</b> | <b>Concealed Pistol License</b> | <b>Local Correction Training</b> | <b>Drug Law Enforcement</b> | <b>Law Enforcement - K9</b> | <b>Law Library</b> | <b>County Libraries</b> | <b>Animal Shelter Donation</b> | <b>CDBG Housing</b> |
| <b>Revenues</b>                                     |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |
| Property Taxes                                      | \$ --                               | \$ --                           | \$ --                            | \$ --                       | \$ --                       | \$ --              | \$ 2,105,401            | \$ --                          | \$ --               |
| Licenses and Permits                                | --                                  | 41,746                          | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Intergovernmental                                   | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Charges for Services                                | 51,938                              | --                              | 9,901                            | --                          | --                          | --                 | --                      | --                             | --                  |
| Fines and Forfeitures                               | --                                  | --                              | --                               | --                          | --                          | 6,500              | --                      | --                             | --                  |
| Interest and Rents                                  | 8,849                               | 7,007                           | 710                              | --                          | --                          | 762                | 24,243                  | 3,717                          | --                  |
| Other Revenue                                       | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | 36,607                         | 24,430              |
| <b>Total Revenues</b>                               | <b>60,787</b>                       | <b>48,753</b>                   | <b>10,611</b>                    | <b>--</b>                   | <b>--</b>                   | <b>7,262</b>       | <b>2,129,644</b>        | <b>40,324</b>                  | <b>24,430</b>       |
| <b>Expenditures</b>                                 |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |
| General Government                                  | --                                  | 12,071                          | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Judicial  | --                                  | --                              | --                               | --                          | --                          | 9,958              | --                      | --                             | --                  |
| Public Safety                                       | --                                  | --                              | 8,644                            | --                          | --                          | --                 | --                      | --                             | --                  |
| Public Works  | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Health and Welfare                                  | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | 1,852                          | --                  |
| Community and Economic Development                  | 113,680                             | --                              | --                               | --                          | --                          | --                 | --                      | --                             | 34,725              |
| Recreation and Culture                              | --                                  | --                              | --                               | --                          | --                          | --                 | 2,112,539               | --                             | --                  |
| Capital Outlay                                      | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Debt Service - Interest                             | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Debt Service - Principal                            | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| <b>Total Expenditures</b>                           | <b>113,680</b>                      | <b>12,071</b>                   | <b>8,644</b>                     | <b>--</b>                   | <b>--</b>                   | <b>9,958</b>       | <b>2,112,539</b>        | <b>1,852</b>                   | <b>34,725</b>       |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>(52,893)</b>                     | <b>36,682</b>                   | <b>1,967</b>                     | <b>--</b>                   | <b>--</b>                   | <b>(2,696)</b>     | <b>17,105</b>           | <b>38,472</b>                  | <b>(10,295)</b>     |
| <b>Other Financing Sources (Uses)</b>               |                                     |                                 |                                  |                             |                             |                    |                         |                                |                     |
| Sale of Capital Assets                              | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| Transfers In  | 7,040                               | --                              | --                               | --                          | --                          | --                 | --                      | --                             | 6,147               |
| Transfers Out                                       | --                                  | --                              | --                               | --                          | --                          | --                 | --                      | --                             | --                  |
| <b>Net Other Financing Sources (Uses)</b>           | <b>7,040</b>                        | <b>--</b>                       | <b>--</b>                        | <b>--</b>                   | <b>--</b>                   | <b>--</b>          | <b>--</b>               | <b>--</b>                      | <b>6,147</b>        |
| <b>Net Change in Fund Balance</b>                   | <b>(45,853)</b>                     | <b>36,682</b>                   | <b>1,967</b>                     | <b>--</b>                   | <b>--</b>                   | <b>(2,696)</b>     | <b>17,105</b>           | <b>38,472</b>                  | <b>(4,148)</b>      |
| <b>Fund Balance at Beginning of Period</b>          | <b>190,384</b>                      | <b>163,466</b>                  | <b>17,821</b>                    | <b>8,021</b>                | <b>474</b>                  | <b>22,663</b>      | <b>130,494</b>          | <b>71,757</b>                  | <b>4,328</b>        |
| <b>Fund Balance at End of Period</b>                | <b>\$ 144,531</b>                   | <b>\$ 200,148</b>               | <b>\$ 19,788</b>                 | <b>\$ 8,021</b>             | <b>\$ 474</b>               | <b>\$ 19,967</b>   | <b>\$ 147,599</b>       | <b>\$ 110,229</b>              | <b>\$ 180</b>       |

**Montcalm County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2024**

| <b>Special Revenue</b>                              |                            |                                |                                       |                                  |                   |                        |                   |                       |        |
|---|----------------------------|--------------------------------|---------------------------------------|----------------------------------|-------------------|------------------------|-------------------|-----------------------|--------|
|   | <b>Commission on Aging</b> | <b>Social Welfare - County</b> | <b>Montcalm Conservation District</b> | <b>MSU Cooperative Extension</b> | <b>Drug Court</b> | <b>Law Enforcement</b> | <b>Veterans</b>   | <b>CMET Operating</b> |        |
| <b>Revenues</b>                                     |                            |                                |                                       |                                  |                   |                        |                   |                       |        |
| Property Taxes                                      | \$ 896,360                 | \$ --                          | \$ 157,208                            | \$ 317,227                       | \$ --             | \$ 2,337,914           | \$ 586,504        | \$ --                 | \$ --  |
| Licenses and Permits                                | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Intergovernmental                                   | 431,406                    | --                             | --                                    | 3,073                            | --                | 177,721                | 25,607            | --                    | --     |
| Charges for Services                                | 3,816                      | --                             | --                                    | --                               | 4,053             | --                     | --                | --                    | --     |
| Fines and Forfeitures                               | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Interest and Rents                                  | 33,732                     | --                             | --                                    | 3,573                            | 2,058             | 97,673                 | 33,559            | --                    | --     |
| Other Revenue                                       | 109,275                    | --                             | --                                    | --                               | --                | 66,255                 | 10,950            | 37,753                | 37,753 |
| <b>Total Revenues</b>                               | <b>1,474,589</b>           | <b>--</b>                      | <b>157,208</b>                        | <b>323,873</b>                   | <b>6,111</b>      | <b>2,679,563</b>       | <b>656,620</b>    | <b>37,753</b>         |        |
| <b>Expenditures</b>                                 |                            |                                |                                       |                                  |                   |                        |                   |                       |        |
| General Government                                  | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Judicial  | --                         | --                             | --                                    | --                               | 26,714            | --                     | --                | --                    | --     |
| Public Safety                                       | --                         | --                             | --                                    | --                               | --                | 2,317,022              | --                | 37,753                | --     |
| Public Works  | --                         | --                             | 157,226                               | --                               | --                | --                     | --                | --                    | --     |
| Health and Welfare                                  | 1,544,928                  | --                             | --                                    | --                               | --                | --                     | 546,255           | --                    | --     |
| Community and Economic Development                  | --                         | --                             | --                                    | 289,333                          | --                | --                     | --                | --                    | --     |
| Recreation and Culture                              | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Capital Outlay                                      | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Debt Service - Interest                             | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Debt Service - Principal                            | --                         | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| <b>Total Expenditures</b>                           | <b>1,544,928</b>           | <b>--</b>                      | <b>157,226</b>                        | <b>289,333</b>                   | <b>26,714</b>     | <b>2,317,022</b>       | <b>546,255</b>    | <b>37,753</b>         |        |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>(70,339)</b>            | <b>--</b>                      | <b>(18)</b>                           | <b>34,540</b>                    | <b>(20,603)</b>   | <b>362,541</b>         | <b>110,365</b>    | <b>--</b>             |        |
| <b>Other Financing Sources (Uses)</b>               |                            |                                |                                       |                                  |                   |                        |                   |                       |        |
| Sale of Capital Assets                              | 3,616                      | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| Transfers In  | --                         | --                             | --                                    | --                               | 50,000            | --                     | --                | --                    | --     |
| Transfers Out                                       | (16,663)                   | --                             | --                                    | --                               | --                | --                     | --                | --                    | --     |
| <b>Net Other Financing Sources (Uses)</b>           | <b>(13,047)</b>            | <b>--</b>                      | <b>--</b>                             | <b>--</b>                        | <b>50,000</b>     | <b>--</b>              | <b>--</b>         | <b>--</b>             |        |
| <b>Net Change in Fund Balance</b>                   | <b>(83,386)</b>            | <b>--</b>                      | <b>(18)</b>                           | <b>34,540</b>                    | <b>29,397</b>     | <b>362,541</b>         | <b>110,365</b>    | <b>--</b>             |        |
| <b>Fund Balance at Beginning of Period</b>          | <b>764,507</b>             | <b>1,016</b>                   | <b>18</b>                             | <b>120,789</b>                   | <b>42,325</b>     | <b>1,728,161</b>       | <b>716,869</b>    | <b>--</b>             |        |
| <b>Fund Balance at End of Period</b>                | <b>\$ 681,121</b>          | <b>\$ 1,016</b>                | <b>\$ --</b>                          | <b>\$ 155,329</b>                | <b>\$ 71,722</b>  | <b>\$ 2,090,702</b>    | <b>\$ 827,234</b> | <b>\$ --</b>          |        |

**Montcalm County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2024**

| <b>Special Revenue</b>   |                            |                         |                             |  |                       |                              |                            |                             |                                |                         |              |
|--|----------------------------|-------------------------|-----------------------------|--|-----------------------|------------------------------|----------------------------|-----------------------------|--------------------------------|-------------------------|--------------|
|  | <b>Leadership Montcalm</b> | <b>Sheriff Programs</b> | <b>Community Correction</b> | <b>Jail Medically Assisted Treatment</b> | <b>Victim Support</b> | <b>Law Enforcement Trust</b> | <b>Friend of the Court</b> | <b>Solid Waste Planning</b> | <b>Homeland Security Grant</b> | <b>Indigent Defense</b> |              |
| <b>Revenues</b>  |                            |                         |                             |  |                       |                              |                            |                             |                                |                         |              |
| Property Taxes   | \$ --                      | \$ --                   | \$ --                       | \$ --                                    | \$ --                 | \$ --                        | \$ --                      | \$ --                       | \$ --                          | \$ --                   | \$ --        |
| Licenses and Permits   | --                         | --                      | --                          | 94,738                                   | --                    | --                           | 6,795                      | --                          | --                             | --                      | --           |
| Intergovernmental  | --                         | --                      | 15,245                      | 25,000                                   | --                    | --                           | 753,599                    | 84,486                      | --                             | --                      | --           |
| Charges for Services   | --                         | --                      | --                          | --                                       | --                    | --                           | 120,782                    | 183,726                     | --                             | --                      | --           |
| Fines and Forfeitures  | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Interest and Rents   | 578                        | 63                      | 1,692                       | --                                       | 239                   | 477                          | --                         | 15,166                      | --                             | --                      | --           |
| Other Revenue  | 10,650                     | --                      | --                          | --                                       | --                    | --                           | --                         | 36,745                      | --                             | --                      | --           |
| <b>Total Revenues</b>  | <b>11,228</b>              | <b>63</b>               | <b>111,675</b>              | <b>25,000</b>                            | <b>239</b>            | <b>477</b>                   | <b>881,176</b>             | <b>320,123</b>              | <b>--</b>                      | <b>--</b>               | <b>--</b>    |
| <b>Expenditures</b>  |                            |                         |                             |  |                       |                              |                            |                             |                                |                         |              |
| General Government   | 10,163                     | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Judicial   | --                         | --                      | --                          | --                                       | --                    | --                           | 998,952                    | --                          | --                             | --                      | --           |
| Public Safety  | --                         | --                      | 116,450                     | --                                       | --                    | 1,435                        | --                         | --                          | --                             | --                      | --           |
| Public Works   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | 339,054                     | --                             | --                      | --           |
| Health and Welfare   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Community and Economic Development                                 | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Recreation and Culture   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Capital Outlay   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Debt Service - Interest  | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Debt Service - Principal   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| <b>Total Expenditures</b>  | <b>10,163</b>              | <b>--</b>               | <b>116,450</b>              | <b>--</b>                                | <b>--</b>             | <b>1,435</b>                 | <b>998,952</b>             | <b>339,054</b>              | <b>--</b>                      | <b>--</b>               | <b>--</b>    |
| <b>Excess of Revenues Over (Under) Expenditures</b>                | <b>1,065</b>               | <b>63</b>               | <b>(4,775)</b>              | <b>25,000</b>                            | <b>239</b>            | <b>(958)</b>                 | <b>(117,776)</b>           | <b>(18,931)</b>             | <b>--</b>                      | <b>--</b>               | <b>--</b>    |
| <b>Other Financing Sources (Uses)</b>                              |                            |                         |                             |  |                       |                              |                            |                             |                                |                         |              |
| Sale of Capital Assets   | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| Transfers In   | --                         | --                      | 44,506                      | --                                       | --                    | --                           | 118,916                    | --                          | --                             | --                      | --           |
| Transfers Out  | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| <b>Net Other Financing Sources (Uses)</b>                          |                            |                         | <b>44,506</b>               |  |                       |                              | <b>118,916</b>             |                             |                                |                         |              |
| <b>Net Change in Fund Balance</b>                                  | <b>1,065</b>               | <b>63</b>               | <b>39,731</b>               | <b>25,000</b>                            | <b>239</b>            | <b>(958)</b>                 | <b>1,140</b>               | <b>(18,931)</b>             | <b>--</b>                      | <b>--</b>               | <b>--</b>    |
| <i>Fund Balance at Beginning of Period, as Previously Reported</i> | 16,137                     | 1,669                   | --                          | --                                       | 6,179                 | 23,936                       | 96,805                     | 452,499                     | 53,976                         | --                      | --           |
| <i>Change within the Financial Reporting Entity, (See Note 16)</i> | --                         | --                      | --                          | --                                       | --                    | --                           | --                         | --                          | --                             | --                      | --           |
| <i>Fund Balance at Beginning of Period, Restated</i>               | 16,137                     | 1,669                   | --                          | --                                       | 6,179                 | 23,936                       | 96,805                     | 452,499                     | 53,976                         | --                      | --           |
| <b>Fund Balance at End of Period</b>                               | <b>\$ 17,202</b>           | <b>\$ 1,732</b>         | <b>\$ 39,731</b>            | <b>\$ 25,000</b>                         | <b>\$ 6,418</b>       | <b>\$ 22,978</b>             | <b>\$ 97,945</b>           | <b>\$ 433,568</b>           | <b>\$ 53,976</b>               | <b>\$ --</b>            | <b>\$ --</b> |

**Montcalm County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2024**

|  | Debt Service    | Capital Projects      |  |                   |                  |                      |                       | Total Nonmajor<br>Governmental<br>Funds |
|--|-----------------|-----------------------|--|-------------------|------------------|----------------------|-----------------------|---|
|  |                 | Building<br>Authority | Equipment<br>Purchase and<br>Replacement | Jail Improvement  | General Projects | Park<br>Improvements | Public<br>Improvement |   |
|  |                 |                       |  |                   |                  |                      |                       |   |
| <b>Revenues</b>  |                 |                       |  |                   |                  |                      |                       |   |
| Property Taxes   | \$ --           | \$ --                 | \$ --                                    | \$ --             | \$ --            | \$ --                | \$ --                 | \$ 6,400,614                            |
| Licenses and Permits   | --              | --                    | --                                       | --                | --               | --                   | --                    | 48,541                                  |
| Intergovernmental  | --              | 491,120               | --                                       | --                | 9,405            | 22,462               | --                    | 2,118,617                               |
| Charges for Services   | --              | --                    | --                                       | --                | --               | --                   | --                    | 389,461                                 |
| Fines and Forfeitures  | --              | --                    | --                                       | --                | --               | --                   | --                    | 6,500                                   |
| Interest and Rents   | 915,835         | --                    | 396                                      | 9,203             | 2,150            | 6,804                | 1,168,486             |   |
| Other Revenue  | --              | --                    | --                                       | 20,840            | 11,744           | --                   | 365,249               |   |
| <b>Total Revenues</b>  | <b>915,835</b>  | <b>491,120</b>        | <b>396</b>                               | <b>39,448</b>     | <b>36,356</b>    | <b>6,804</b>         | <b>10,497,468</b>     |   |
| <b>Expenditures</b>  |                 |                       |  |                   |                  |                      |                       |   |
| General Government   | --              | --                    | --                                       | --                | --               | --                   | --                    | 22,234                                  |
| Judicial   | --              | --                    | --                                       | --                | --               | --                   | --                    | 1,035,624                               |
| Public Safety  | --              | --                    | --                                       | --                | --               | --                   | --                    | 2,481,304                               |
| Public Works   | --              | --                    | --                                       | --                | --               | --                   | --                    | 496,280                                 |
| Health and Welfare   | --              | --                    | --                                       | --                | --               | --                   | --                    | 2,093,035                               |
| Community and Economic Development                                 | --              | --                    | --                                       | --                | --               | --                   | --                    | 437,738                                 |
| Recreation and Culture   | --              | --                    | --                                       | --                | --               | --                   | --                    | 2,112,539                               |
| Capital Outlay   | --              | 885,094               | 9,000                                    | 298,327           | 48,659           | 3,940                | 1,245,020             |   |
| Debt Service - Interest  | 45,835          | --                    | --                                       | --                | --               | --                   | --                    | 45,835                                  |
| Debt Service - Principal   | 870,000         | --                    | --                                       | --                | --               | --                   | --                    | 870,000                                 |
| <b>Total Expenditures</b>  | <b>915,835</b>  | <b>885,094</b>        | <b>9,000</b>                             | <b>298,327</b>    | <b>48,659</b>    | <b>3,940</b>         | <b>10,839,609</b>     |   |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b>            |                 |                       |  |                   |                  |                      |                       |   |
|  | --              | (393,974)             | (8,604)                                  | (258,879)         | (12,303)         | 2,864                | (342,141)             |   |
| <b>Other Financing Sources (Uses)</b>                              |                 |                       |  |                   |                  |                      |                       |   |
| Sale of Capital Assets   | --              | --                    | --                                       | --                | --               | --                   | --                    | 3,616                                   |
| Transfers In   | --              | 422,814               | --                                       | 380,000           | --               | 9,681                | 1,039,104             |   |
| Transfers Out  | --              | --                    | --                                       | --                | --               | --                   | --                    | (16,663)                                |
| <b>Net Other Financing Sources (Uses)</b>                          |                 |                       |  |                   |                  |                      |                       |   |
|  | --              | 422,814               | --                                       | 380,000           | --               | 9,681                | 1,026,057             |   |
| <b>Net Change in Fund Balance</b>                                  |                 |                       |  |                   |                  |                      |                       |   |
|  | --              | <b>28,840</b>         | <b>(8,604)</b>                           | <b>121,121</b>    | <b>(12,303)</b>  | <b>12,545</b>        | <b>683,916</b>        |   |
| <i>Fund Balance at Beginning of Period, as Previously Reported</i> | 7,288           | 10,610                | 10,072                                   | 220,556           | 52,201           | 66,756               | 5,001,777             |   |
| <i>Change within the Financial Reporting Entity, (See Note 16)</i> | --              | --                    | --                                       | --                | --               | --                   | --                    |   |
| <i>Fund Balance at Beginning of Period</i>                         | 7,288           | 10,610                | 10,072                                   | 220,556           | 52,201           | 66,756               | 5,001,777             |   |
| <b>Fund Balance at End of Period</b>                               | <b>\$ 7,288</b> | <b>\$ 39,450</b>      | <b>\$ 1,468</b>                          | <b>\$ 341,677</b> | <b>\$ 39,898</b> | <b>\$ 79,301</b>     | <b>\$ 5,685,693</b>   |   |

**Montcalm County**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2024**

| <b>Enterprise</b>                     |                              |                          |                  |                                   |
|---------------------------------------|------------------------------|--------------------------|------------------|-----------------------------------|
|                                       | <b>Inmate<br/>Commissary</b> | <b>Building Official</b> | <b>PRE Audit</b> | <b>Total Enterprise<br/>Funds</b> |
| <b>ASSETS</b>                         |                              |                          |                  |                                   |
| <i>Current Assets</i>                 |                              |                          |                  |                                   |
| Cash and Investments                  | \$ 298,136                   | \$ 1,439,987             | \$ 64,789        | \$ 1,802,912                      |
| <b>Total Current Assets</b>           | <u>298,136</u>               | <u>1,439,987</u>         | <u>64,789</u>    | <u>1,802,912</u>                  |
| <i>Noncurrent Assets</i>              |                              |                          |                  |                                   |
| Capital Assets being Depreciated, net | --                           | 32,113                   | --               | 32,113                            |
| <b>Total Assets</b>                   | <u>298,136</u>               | <u>1,472,100</u>         | <u>64,789</u>    | <u>1,835,025</u>                  |
| <b>LIABILITIES</b>                    |                              |                          |                  |                                   |
| <i>Current Liabilities</i>            |                              |                          |                  |                                   |
| Accounts Payable                      | 134,163                      | 2,949                    | --               | 137,112                           |
| Accrued Liabilities                   | --                           | 9,744                    | --               | 9,744                             |
| <b>Total Current Liabilities</b>      | <u>134,163</u>               | <u>12,693</u>            | <u>--</u>        | <u>146,856</u>                    |
| <i>Noncurrent Liabilities</i>         |                              |                          |                  |                                   |
| Compensated Absences                  | --                           | 8,166                    | --               | 8,166                             |
| <b>Total Liabilities</b>              | <u>134,163</u>               | <u>20,859</u>            | <u>--</u>        | <u>155,022</u>                    |
| <b>NET POSITION</b>                   |                              |                          |                  |                                   |
| Net Investment in Capital Assets      | --                           | 32,113                   | --               | 32,113                            |
| <i>Unrestricted</i>                   | 163,973                      | 1,419,128                | 64,789           | 1,647,890                         |
| <b>Total Net Position</b>             | <u>\$ 163,973</u>            | <u>\$ 1,451,241</u>      | <u>\$ 64,789</u> | <u>\$ 1,680,003</u>               |

**Montcalm County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2024**

|  | <b>Enterprise</b>            |                          |                  | <b>Total Enterprise<br/>Funds</b> |
|--|------------------------------|--------------------------|------------------|-----------------------------------|
|  | <b>Inmate<br/>Commissary</b> | <b>Building Official</b> | <b>PRE Audit</b> |                                   |
| <b>Operating Revenues</b>                        |                              |                          |                  |                                   |
| Charges for Services                             | \$ 89,662                    | \$ 754,711               | \$ --            | \$ 844,373                        |
| Penalties and Interest on Delinquent Taxes       | --                           | --                       | 85,679           | 85,679                            |
| <b>Total Operating Revenues</b>                  | <b>89,662</b>                | <b>754,711</b>           | <b>85,679</b>    | <b>930,052</b>                    |
| <b>Operating Expenses</b>                        |                              |                          |                  |                                   |
| Personnel Services                               | --                           | 481,586                  | --               | 481,586                           |
| Purchases of Goods and Services                  | 208,497                      | 123,621                  | 66,073           | 398,191                           |
| Depreciation                                     | --                           | 7,745                    | --               | 7,745                             |
| <b>Total Operating Expenses</b>                  | <b>208,497</b>               | <b>612,952</b>           | <b>66,073</b>    | <b>887,522</b>                    |
| <b>Operating Income (Loss)</b>                   | <b>(118,835)</b>             | <b>141,759</b>           | <b>19,606</b>    | <b>42,530</b>                     |
| <b>Non-Operating Revenues (Expenses)</b>         |                              |                          |                  |                                   |
| Interest Income                                  | 11,662                       | 62,599                   | 2,139            | 76,400                            |
| <b>Net Non-Operating Revenues (Expenses)</b>     | <b>11,662</b>                | <b>62,599</b>            | <b>2,139</b>     | <b>76,400</b>                     |
| <b>Income Before Contributions and Transfers</b> | <b>(107,173)</b>             | <b>204,358</b>           | <b>21,745</b>    | <b>118,930</b>                    |
| Transfers Out                                    | (21,672)                     | --                       | --               | (21,672)                          |
| <b>Change In Net Position</b>                    | <b>(128,845)</b>             | <b>204,358</b>           | <b>21,745</b>    | <b>97,258</b>                     |
| <b>Net Position at Beginning of Period</b>       | <b>292,818</b>               | <b>1,246,883</b>         | <b>43,044</b>    | <b>1,582,745</b>                  |
| <b>Net Position at End of Period</b>             | <b>\$ 163,973</b>            | <b>\$ 1,451,241</b>      | <b>\$ 64,789</b> | <b>\$ 1,680,003</b>               |

**Montcalm County**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2024**

| Enterprise   |                      |                     |                  |  |                           |  |
|--|----------------------|---------------------|------------------|--|---------------------------|--|
|  | Inmate<br>Commissary | Building Official   | PRE Audit        |  | Total Enterprise<br>Funds |  |
| <b>Cash Flows from Operating Activities</b>  |                      |                     |                  |  |                           |  |
| Cash Received from Customers and Users   | \$ 89,662            | \$ 754,711          | \$ --            |  | \$ 844,373                |  |
| Cash Payments for Goods and Services   | (80,234)             | (123,384)           | (66,073)         |  | (269,691)                 |  |
| Cash Received to Purchase Delinquent Taxes   | --                   | --                  | 85,679           |  | 85,679                    |  |
| Cash Payments to Employees   | --                   | (476,255)           | --               |  | (476,255)                 |  |
| <b>Net Cash Provided by Operating Activities</b>   | <b>9,428</b>         | <b>155,072</b>      | <b>19,606</b>    |  | <b>184,106</b>            |  |
| <b>Cash Flows from Noncapital Financing Activities</b>   |                      |                     |                  |  |                           |  |
| Transfers Out  | (21,672)             | --                  | --               |  | (21,672)                  |  |
| <b>Net Cash Used by Noncapital Financing Activities</b>  | <b>(21,672)</b>      | <b>--</b>           | <b>--</b>        |  | <b>(21,672)</b>           |  |
| <b>Cash Flows from Investing Activities</b>  |                      |                     |                  |  |                           |  |
| Interest Income  | 11,662               | 62,599              | 2,139            |  | 76,400                    |  |
| <b>Net Cash Provided by Investing Activities</b>   | <b>11,662</b>        | <b>62,599</b>       | <b>2,139</b>     |  | <b>76,400</b>             |  |
| <b>Net Increase in Cash and Investments</b>  |                      |                     |                  |  |                           |  |
| <i>Cash and Investments - Beginning of Year</i>  | (582)                | 217,671             | 21,745           |  | 238,834                   |  |
| <i>Cash and Investments - End of Year</i>  | 298,718              | 1,222,316           | 43,044           |  | 1,564,078                 |  |
|  | <b>\$ 298,136</b>    | <b>\$ 1,439,987</b> | <b>\$ 64,789</b> |  | <b>\$ 1,802,912</b>       |  |
| <b>Reconciliation of Operating Income to<br/>Net Cash Provided by Operating Activities</b>               |                      |                     |                  |  |                           |  |
| Operating Income   | \$ (118,835)         | \$ 141,759          | \$ 19,606        |  | \$ 42,530                 |  |
| <b>Adjustments to Reconcile Operating Income to<br/>Net Cash Provided (Used) by Operating Activities</b> |                      |                     |                  |  |                           |  |
| Depreciation Expense   | --                   | 7,745               | --               |  | 7,745                     |  |
| <b>Changes in Liabilities</b>  |                      |                     |                  |  |                           |  |
| Prepays  | --                   | --                  | --               |  | --                        |  |
| Accounts Payable   | 128,263              | 237                 | --               |  | 128,500                   |  |
| Accrued Liabilities  | --                   | 2,072               | --               |  | 2,072                     |  |
| Compensated Absences   | --                   | 3,259               | --               |  | 3,259                     |  |
| <b>Net Cash Provided by Operating Activities</b>   | <b>\$ 9,428</b>      | <b>\$ 155,072</b>   | <b>\$ 19,606</b> |  | <b>\$ 184,106</b>         |  |

**Montcalm County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2024**

|                                       | <b>Internal Service</b> |                  |                                  |                     |                | <b>Total Internal Service Funds</b> |
|---------------------------------------|-------------------------|------------------|----------------------------------|---------------------|----------------|-------------------------------------|
|                                       | <b>Office Equipment</b> | <b>OPEB</b>      | <b>Pension Employee Benefits</b> | <b>Fuel Station</b> | <b>Payroll</b> |                                     |
|                                       |                         |                  |                                  |                     |                |                                     |
| <b>ASSETS</b>                         |                         |                  |                                  |                     |                |                                     |
| <i>Current Assets</i>                 |                         |                  |                                  |                     |                |                                     |
| Cash and Investments                  | \$ 16,486               | \$ 32,956        | \$ 309,341                       | \$ 31,785           | \$ 141,799     | \$ 532,367                          |
| Inventory                             | --                      | --               | --                               | 35,672              | --             | 35,672                              |
| <b>    Total Current Assets</b>       | <b>16,486</b>           | <b>32,956</b>    | <b>309,341</b>                   | <b>67,457</b>       | <b>141,799</b> | <b>568,039</b>                      |
| <i>Noncurrent Assets</i>              |                         |                  |                                  |                     |                |                                     |
| Capital Assets being Depreciated, net | --                      | --               | --                               | 180,054             | --             | 180,054                             |
| <b>    Total Assets</b>               | <b>16,486</b>           | <b>32,956</b>    | <b>309,341</b>                   | <b>247,511</b>      | <b>141,799</b> | <b>748,093</b>                      |
| <b>LIABILITIES</b>                    |                         |                  |                                  |                     |                |                                     |
| <i>Current Liabilities</i>            |                         |                  |                                  |                     |                |                                     |
| Accounts Payable                      | 7,990                   | --               | 68,873                           | 20,102              | 42,313         | 139,278                             |
| Accrued Liabilities                   | --                      | --               | --                               | --                  | 99,486         | 99,486                              |
| <b>    Total Current Liabilities</b>  | <b>7,990</b>            | <b>--</b>        | <b>68,873</b>                    | <b>20,102</b>       | <b>141,799</b> | <b>238,764</b>                      |
| <i>Noncurrent Liabilities</i>         |                         |                  |                                  |                     |                |                                     |
| <b>    Total Liabilities</b>          | <b>7,990</b>            | <b>--</b>        | <b>68,873</b>                    | <b>20,102</b>       | <b>141,799</b> | <b>238,764</b>                      |
| <b>NET POSITION</b>                   |                         |                  |                                  |                     |                |                                     |
| Net Investment in Capital Assets      | --                      | --               | --                               | 180,054             | --             | 180,054                             |
| <i>Unrestricted</i>                   | 8,496                   | 32,956           | 240,468                          | 47,355              | --             | 329,275                             |
| <b>Total Net Position</b>             | <b>\$ 8,496</b>         | <b>\$ 32,956</b> | <b>\$ 240,468</b>                | <b>\$ 227,409</b>   | <b>\$ --</b>   | <b>\$ 509,329</b>                   |

**Montcalm County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2024**

|  | <b>Internal Service</b> |                  |                                  |                     |                | <b>Total Internal Service Funds</b> |
|--|-------------------------|------------------|----------------------------------|---------------------|----------------|-------------------------------------|
|  | <b>Office Equipment</b> | <b>OPEB</b>      | <b>Pension Employee Benefits</b> | <b>Fuel Station</b> | <b>Payroll</b> |                                     |
|  |                         |                  |                                  |                     |                |                                     |
| <b>Operating Revenues</b>                        |                         |                  |                                  |                     |                |                                     |
| Charges for Services                             | \$ --                   | \$ 4,785         | \$ --                            | \$ 658,491          | \$ --          | \$ 663,276                          |
| Employer Contributions                           | --                      | --               | 1,071,605                        | --                  | --             | 1,071,605                           |
| <b>Total Operating Revenues</b>                  | <b>--</b>               | <b>4,785</b>     | <b>1,071,605</b>                 | <b>658,491</b>      | <b>--</b>      | <b>1,734,881</b>                    |
| <b>Operating Expenses</b>                        |                         |                  |                                  |                     |                |                                     |
| Personnel Services                               | --                      | 7,558            | --                               | --                  | --             | 7,558                               |
| Purchases of Goods and Services                  | 36,655                  | --               | --                               | 762,482             | --             | 799,137                             |
| Depreciation                                     | --                      | --               | --                               | 11,891              | --             | 11,891                              |
| Participant Benefits                             | --                      | --               | 896,042                          | --                  | --             | 896,042                             |
| Administrative Expense                           | --                      | --               | --                               | 13,720              | --             | 13,720                              |
| <b>Total Operating Expenses</b>                  | <b>36,655</b>           | <b>7,558</b>     | <b>896,042</b>                   | <b>788,093</b>      | <b>--</b>      | <b>1,728,348</b>                    |
| <b>Operating Income (Loss)</b>                   | <b>(36,655)</b>         | <b>(2,773)</b>   | <b>175,563</b>                   | <b>(129,602)</b>    | <b>--</b>      | <b>6,533</b>                        |
| <b>Non-Operating Revenues (Expenses)</b>         |                         |                  |                                  |                     |                |                                     |
| Interest Income                                  | --                      | 1,339            | --                               | 2,166               | --             | 3,505                               |
| <b>Net Non-Operating Revenues (Expenses)</b>     | <b>--</b>               | <b>1,339</b>     | <b>--</b>                        | <b>2,166</b>        | <b>--</b>      | <b>3,505</b>                        |
| <b>Income Before Contributions and Transfers</b> | <b>(36,655)</b>         | <b>(1,434)</b>   | <b>175,563</b>                   | <b>(127,436)</b>    | <b>--</b>      | <b>10,038</b>                       |
| Transfers In                                     | 30,000                  | 5,000            | --                               | --                  | --             | 35,000                              |
| <b>Change In Net Position</b>                    | <b>(6,655)</b>          | <b>3,566</b>     | <b>175,563</b>                   | <b>(127,436)</b>    | <b>--</b>      | <b>45,038</b>                       |
| <b>Net Position at Beginning of Period</b>       | <b>15,151</b>           | <b>29,390</b>    | <b>64,905</b>                    | <b>354,845</b>      | <b>--</b>      | <b>464,291</b>                      |
| <b>Net Position at End of Period</b>             | <b>\$ 8,496</b>         | <b>\$ 32,956</b> | <b>\$ 240,468</b>                | <b>\$ 227,409</b>   | <b>\$ --</b>   | <b>\$ 509,329</b>                   |

**Montcalm County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2024**

| <b>Internal Service</b>                                     |                         |                   |                                  |                     |                   |                                     |
|---|-------------------------|-------------------|----------------------------------|---------------------|-------------------|-------------------------------------|
|   | <b>Office Equipment</b> | <b>OPEB</b>       | <b>Pension Employee Benefits</b> | <b>Fuel Station</b> | <b>Payroll</b>    | <b>Total Internal Service Funds</b> |
| <b>Cash Flows from Operating Activities</b>                 |                         |                   |                                  |                     |                   |                                     |
| Cash Received from Interfund Services                       | \$ --                   | \$ 4,785          | \$ 1,071,605                     | \$ --               | \$ 8,077          | \$ 1,084,467                        |
| Cash Received from Customers                                | --                      | --                | --                               | 658,491             | --                | 658,491                             |
| Cash Payments for Goods and Services                        | (35,497)                | --                | --                               | (659,974)           | (4,782)           | (700,253)                           |
| Cash Payments to Employees                                  | --                      | (7,558)           | (927,890)                        | --                  | --                | (935,448)                           |
| <b>Net Cash Provided (Used) by Operating Activities</b>     | <b>(35,497)</b>         | <b>(2,773)</b>    | <b>143,715</b>                   | <b>(1,483)</b>      | <b>3,295</b>      | <b>107,257</b>                      |
| <b>Cash Flows from Noncapital Financing Activities</b>      |                         |                   |                                  |                     |                   |                                     |
| Transfers In  | 30,000                  | 5,000             | --                               | --                  | --                | 35,000                              |
| <b>Net Cash Provided by Noncapital Financing Activities</b> | <b>30,000</b>           | <b>5,000</b>      | <b>--</b>                        | <b>--</b>           | <b>--</b>         | <b>35,000</b>                       |
| <b>Cash Flows from Investing Activities</b>                 |                         |                   |                                  |                     |                   |                                     |
| Interest Income   | --                      | 1,339             | --                               | 2,166               | --                | 3,505                               |
| <b>Net Cash Provided by Investing Activities</b>            | <b>--</b>               | <b>1,339</b>      | <b>--</b>                        | <b>2,166</b>        | <b>--</b>         | <b>3,505</b>                        |
| <b>Net Increase (Decrease) in Cash and Investments</b>      | <b>(5,497)</b>          | <b>3,566</b>      | <b>143,715</b>                   | <b>683</b>          | <b>3,295</b>      | <b>145,762</b>                      |
| <b>Cash and Investments - Beginning of Year</b>             | <b>21,983</b>           | <b>29,390</b>     | <b>165,626</b>                   | <b>31,102</b>       | <b>138,504</b>    | <b>386,605</b>                      |
| <b>Cash and Investments - End of Year</b>                   | <b>\$ 16,486</b>        | <b>\$ 32,956</b>  | <b>\$ 309,341</b>                | <b>\$ 31,785</b>    | <b>\$ 141,799</b> | <b>\$ 532,367</b>                   |
| <b>Reconciliation of Operating Income (Loss) to</b>         |                         |                   |                                  |                     |                   |                                     |
| <b>Net Cash Provided (Used) by Operating Activities</b>     |                         |                   |                                  |                     |                   |                                     |
| Operating Income (Loss)                                     | \$ (36,655)             | \$ (2,773)        | \$ 175,563                       | (129,602)           | \$ --             | \$ 6,533                            |
| <b>Adjustments to Reconcile Operating Income (Loss) to</b>  |                         |                   |                                  |                     |                   |                                     |
| <b>Net Cash Provided by (Used in) Operating Activities</b>  |                         |                   |                                  |                     |                   |                                     |
| Depreciation Expense  | --                      | --                | --                               | 11,891              | --                | 11,891                              |
| <b>Changes in Assets and Liabilities</b>                    |                         |                   |                                  |                     |                   |                                     |
| Inventory   | --                      | --                | --                               | 96,126              | --                | 96,126                              |
| Prepads   | --                      | --                | --                               | --                  | --                | --                                  |
| Accrued Liabilities   | --                      | --                | --                               | --                  | 8,077             | 8,077                               |
| Accounts Payable  | 1,158                   | --                | (31,848)                         | 20,102              | (4,782)           | (15,370)                            |
| <b>Net Cash Provided (Used) by Operating Activities</b>     | <b>\$ (35,497)</b>      | <b>\$ (2,773)</b> | <b>\$ 143,715</b>                | <b>\$ (1,483)</b>   | <b>\$ 3,295</b>   | <b>\$ 107,257</b>                   |

**Montcalm County**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2024**

|  | <b>Custodial</b>                  |                          |                    |                     | <b>Total Custodial Funds</b> |
|--|-----------------------------------|--------------------------|--------------------|---------------------|------------------------------|
|  | <b>District Health Department</b> | <b>General Custodial</b> | <b>Penal Fines</b> | <b>Inmate Trust</b> |                              |
| <b>ASSETS</b>  |                                   |                          |                    |                     |                              |
| Cash and Investments   | \$ 2,850,911                      | \$ 9,007,164             | \$ 140,067         | \$ 33,114           | \$ 12,031,256                |
| <b>Total Assets</b>  | <b>2,850,911</b>                  | <b>9,007,164</b>         | <b>140,067</b>     | <b>33,114</b>       | <b>12,031,256</b>            |
| <b>LIABILITIES</b>   |                                   |                          |                    |                     |                              |
| Undistributed Receipts   | --                                | 352,639                  | --                 | 33,114              | 33,114                       |
| Due to Other Governments   | --                                | 8,654,525                | --                 | --                  | 8,654,525                    |
| <b>Total Liabilities</b>   | <b>--</b>                         | <b>9,007,164</b>         | <b>--</b>          | <b>33,114</b>       | <b>8,687,639</b>             |
| <b>NET POSITION</b>  |                                   |                          |                    |                     |                              |
| Restricted for Individuals, Organizations, and Other Governments | \$ 2,850,911                      | \$ --                    | \$ 140,067         | \$ --               | \$ 2,990,978                 |

**Montcalm County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2024**

| <b>Custodial</b>                                 |                                   |                          |                    |                     |                              |                     |
|--|-----------------------------------|--------------------------|--------------------|---------------------|------------------------------|---------------------|
|  | <b>District Health Department</b> | <b>General Custodial</b> | <b>Penal Fines</b> | <b>Inmate Trust</b> | <b>Total Custodial Funds</b> |                     |
| <b>Additions</b>                                 |                                   |                          |                    |                     |                              |                     |
| Inmate Trust Collections                         | \$ --                             | \$ --                    | \$ --              | \$ 22,685           | \$ 22,685                    |                     |
| Taxes Collected for Other Governments            | --                                | 14,548,293               | --                 | --                  |                              | 14,548,293          |
| Library Penal Fine Collections                   | --                                | --                       | 349,171            | --                  |                              | 349,171             |
| County Clerk/Register of Deeds Collections       | --                                | 652,091                  | --                 | --                  |                              | 652,091             |
| Treasurer Collections                            | 9,955,343                         | 2,404,781                | --                 | --                  |                              | 12,360,124          |
| <b>Total Additions</b>                           | <b>9,955,343</b>                  | <b>17,605,165</b>        | <b>349,171</b>     | <b>22,685</b>       |                              | <b>27,932,364</b>   |
| <b>Deductions</b>                                |                                   |                          |                    |                     |                              |                     |
| Payments of Property Taxes to Other Governments  | --                                | 14,548,293               | --                 | --                  |                              | 14,548,293          |
| Library Penal Fines Distributions                | --                                | --                       | 343,497            | --                  |                              | 343,497             |
| Inmate Trust Distributions                       | --                                | --                       | --                 | 22,685              |                              | 22,685              |
| County Clerk and Register of Deeds Distributions | --                                | 652,091                  | --                 | --                  |                              | 652,091             |
| Treasurer Distributions                          | 9,796,263                         | 2,404,781                | --                 | --                  |                              | 12,201,044          |
| <b>Total Deductions</b>                          | <b>9,796,263</b>                  | <b>17,605,165</b>        | <b>343,497</b>     | <b>22,685</b>       |                              | <b>27,767,610</b>   |
| <b>Change in Net Position</b>                    | <b>159,080</b>                    | <b>--</b>                | <b>5,674</b>       | <b>--</b>           |                              | <b>164,754</b>      |
| <i>Net Position at Beginning of Period</i>       | <i>2,691,831</i>                  | <i>--</i>                | <i>134,393</i>     | <i>--</i>           |                              | <i>2,826,224</i>    |
| <b>Net Position at End of Period</b>             | <b>\$ 2,850,911</b>               | <b>\$ --</b>             | <b>\$ 140,067</b>  | <b>\$ --</b>        |                              | <b>\$ 2,990,978</b> |

**Montcalm County Drains**  
**Statement of Net Position**  
**September 30, 2024**

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                     |                                    |                                     |                     |
| <i>Current Assets</i>                             |                                    |                                     |                     |
| Cash and Cash Equivalents                         | \$ 2,961,028                       | \$ 597,041                          | \$ 3,558,069        |
| Accounts Receivable                               | --                                 | 18,986                              | 18,986              |
| Current Portion of Special Assessments Receivable | 138,600                            | 65,886                              | 204,486             |
| <b>    Total Current Assets</b>                   | <b>3,099,628</b>                   | <b>681,913</b>                      | <b>3,781,541</b>    |
| <i>Noncurrent Assets</i>                          |                                    |                                     |                     |
| Restricted Cash                                   | --                                 | 119,000                             | 119,000             |
| Special Assessment Receivable                     | 1,069,332                          | 1,639,697                           | 2,709,029           |
| Capital Assets being Depreciated, net             | 2,815,420                          | 4,041,915                           | 6,857,335           |
| <b>    Total Assets</b>                           | <b>6,984,380</b>                   | <b>6,482,525</b>                    | <b>13,466,905</b>   |
| <b>LIABILITIES</b>                                |                                    |                                     |                     |
| <i>Current Liabilities</i>                        |                                    |                                     |                     |
| Accounts Payable                                  | 126,093                            | 4,467                               | 130,560             |
| Accrued Interest                                  | 17,749                             | 19,047                              | 36,796              |
| Current Portion of Long-term Debt                 | 177,055                            | 63,400                              | 240,455             |
| <b>    Total Current Liabilities</b>              | <b>320,897</b>                     | <b>86,914</b>                       | <b>407,811</b>      |
| <i>Noncurrent Liabilities</i>                     |                                    |                                     |                     |
| Long-term Debt                                    | 1,593,163                          | 1,840,925                           | 3,434,088           |
| <b>    Total Liabilities</b>                      | <b>1,914,060</b>                   | <b>1,927,839</b>                    | <b>3,841,899</b>    |
| <b>NET POSITION</b>                               |                                    |                                     |                     |
| Net Investment in Capital Assets                  | 1,045,202                          | 2,137,590                           | 3,182,792           |
| <i>Restricted for:</i>                            |                                    |                                     |                     |
| Drain Projects                                    | 4,024,851                          | --                                  | 4,024,851           |
| Debt Service                                      | 267                                | 2,417,096                           | 2,417,363           |
| <b>    Total Net Position</b>                     | <b>\$ 5,070,320</b>                | <b>\$ 4,554,686</b>                 | <b>\$ 9,625,006</b> |

**Montcalm County Drains**  
**Statement of Activities**  
**For the Year Ended September 30, 2024**

| Functions/Programs                    | Expenses            | Program Revenues     |                                    |                                  | Net (Expense) Revenue   |                          |                  |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|------------------|
|                                       |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government      |                          |                  |
|                                       |                     |                      |                                    |                                  | Governmental Activities | Business-type Activities | Total            |
| <b>Governmental Activities:</b>       |                     |                      |                                    |                                  |                         |                          |                  |
| Public Works                          | \$ 2,510,859        | \$ 2,661,628         | \$ 134                             | \$ 30,483                        | \$ 181,386              | \$ --                    | \$ 181,386       |
| Debt Service - Interest               | 56,526              | --                   | --                                 | --                               | (56,526)                | --                       | (56,526)         |
| <b>Total Governmental Activities</b>  | <b>2,567,385</b>    | <b>2,661,628</b>     | <b>134</b>                         | <b>30,483</b>                    | <b>124,860</b>          | <b>--</b>                | <b>124,860</b>   |
| <b>Business-type Activities:</b>      |                     |                      |                                    |                                  |                         |                          |                  |
| Sidney Sewer Project                  | 312,018             | 172,353              | 48,299                             | --                               | --                      | (91,366)                 | (91,366)         |
| <b>Total Business-type Activities</b> | <b>312,018</b>      | <b>172,353</b>       | <b>48,299</b>                      | <b>--</b>                        | <b>--</b>               | <b>(91,366)</b>          | <b>(91,366)</b>  |
| <b>Total</b>                          | <b>\$ 2,879,403</b> | <b>\$ 2,833,981</b>  | <b>\$ 48,433</b>                   | <b>\$ 30,483</b>                 | <b>\$ 124,860</b>       | <b>\$ (91,366)</b>       | <b>\$ 33,494</b> |

|  |  |                     |                     |
|--|--|---------------------|---------------------|
| <b>General Purpose Revenues:</b>           |  |                     |                     |
| <b>Revenues</b>                            |  |                     |                     |
| Interest Income                            |  | 46,861              | 21,963              |
| <b>Total General Revenues</b>              |  | <b>46,861</b>       | <b>21,963</b>       |
| <b>Change in Net Position</b>              |  | <b>171,721</b>      | <b>(69,403)</b>     |
| <i>Net Position at Beginning of Period</i> |  | 4,898,599           | 4,624,089           |
| <b>Net Position at End of Period</b>       |  | <b>\$ 5,070,320</b> | <b>\$ 4,554,686</b> |
|  |  |                     | <b>\$ 9,625,006</b> |

**Montcalm County Drains**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2024**

|  | <b>Debt Service</b> | <b>Capital Projects</b>               |                                 |  |  |                                     |                      | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---------------------|---------------------------------------|---------------------------------|--|--|-------------------------------------|----------------------|---|
|  |                     | <b>Regular Drain<br/>Debt Service</b> | <b>Lake Level<br/>Revolving</b> | <b>Lake Level<br/>Special<br/>Assessment</b> | <b>Drain<br/>Maintenance<br/>Revolving</b> | <b>Drain Special<br/>Assessment</b> | <b>Regular Drain</b> |   |
|  |                     |                                       |                                 |  |  |                                     |                      |   |
| <b>ASSETS</b>  |                     |                                       |                                 |  |  |                                     |                      |   |
| Cash and Cash Equivalents  | \$ 267              | \$ --                                 | \$ 144,013                      | \$ --  | \$ 100,276                                 | \$ 2,102,618                        | \$ 613,854           | \$ 2,961,028                            |
| Current Portion of Special Assessments Receivable                        | --                  | 3,000                                 | --                              | --   | --   | 1,204,932                           | --                   | 1,207,932                               |
| Due from Other Funds   | --                  | --                                    | --                              | 120,437                                      | 60,481                                     | --                                  | --                   | 180,918                                 |
| <i>Total Assets</i>  | <b>\$ 267</b>       | <b>\$ 3,000</b>                       | <b>\$ 144,013</b>               | <b>\$ 120,437</b>                            | <b>\$ 160,757</b>                          | <b>\$ 3,307,550</b>                 | <b>\$ 613,854</b>    | <b>\$ 4,349,878</b>                     |
| <b>LIABILITIES</b>   |                     |                                       |                                 |  |  |                                     |                      |   |
| Accounts Payable   | \$ --               | \$ --                                 | \$ 1,480                        | \$ --  | \$ 99,652                                  | \$ 24,961                           | \$ 126,093           |   |
| Due to Other Funds   | --                  | 1,454                                 | 846                             | --   | --   | 178,618                             | --                   | 180,918                                 |
| <i>Total Liabilities</i>   | <b>--</b>           | <b>1,454</b>                          | <b>846</b>                      | <b>1,480</b>                                 | <b>--</b>                                  | <b>278,270</b>                      | <b>24,961</b>        | <b>307,011</b>                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                     |                                       |                                 |  |  |                                     |                      |   |
| Unavailable Revenue - Special Assessments                                | --                  | --                                    | --                              | --   | --   | 1,204,932                           | --                   | 1,204,932                               |
| <i>Total Liabilities and Deferred Inflows of Resources</i>               | <b>--</b>           | <b>1,454</b>                          | <b>846</b>                      | <b>1,480</b>                                 | <b>--</b>                                  | <b>1,483,202</b>                    | <b>24,961</b>        | <b>1,511,943</b>                        |
| <b>FUND BALANCE</b>  |                     |                                       |                                 |  |  |                                     |                      |   |
| Restricted   | 267                 | 1,546                                 | 143,167                         | 118,957                                      | 160,757                                    | 1,824,348                           | 588,893              | 2,837,935                               |
| <i>Total Fund Balance</i>  | <b>267</b>          | <b>1,546</b>                          | <b>143,167</b>                  | <b>118,957</b>                               | <b>160,757</b>                             | <b>1,824,348</b>                    | <b>588,893</b>       | <b>2,837,935</b>                        |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i> | <b>\$ 267</b>       | <b>\$ 3,000</b>                       | <b>\$ 144,013</b>               | <b>\$ 120,437</b>                            | <b>\$ 160,757</b>                          | <b>\$ 3,307,550</b>                 | <b>\$ 613,854</b>    | <b>\$ 4,349,878</b>                     |

**Montcalm County Drains**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2024**

|  |                     |
|--|---------------------|
| Total Fund Balance - Governmental Funds  | \$ 2,837,935        |
| In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.                                     | (17,749)            |
| 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. | 2,815,420           |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.   | (1,770,218)         |
| Certain assets, such as special assessments receivable, are not available to pay current period expenditures and, therefore, are reported as deferred in the funds.                        | 1,204,932           |
| <b>Total Net Position-Governmental Activities</b>  | <b>\$ 5,070,320</b> |

**Montcalm County Drains**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2024**

|   | <b>Debt Service</b> | <b>Capital Projects</b>               |                                 |  |  |                                     |                      | <b>Total<br/>Governmental<br/>Funds</b> |
|---|---------------------|---------------------------------------|---------------------------------|--|--|-------------------------------------|----------------------|---|
|   |                     | <b>Regular Drain<br/>Debt Service</b> | <b>Lake Level<br/>Revolving</b> | <b>Lake Level<br/>Special<br/>Assessment</b> | <b>Drain<br/>Maintenance<br/>Revolving</b> | <b>Drain Special<br/>Assessment</b> | <b>Regular Drain</b> |   |
|   |                     |                                       |                                 |  |  |                                     |                      |   |
| <b>Revenues</b>   |                     |                                       |                                 |  |  |                                     |                      |   |
| Special Assessments                                     | \$ 24,321           | \$ --                                 | \$ 45,558                       | \$ --  | \$ --                                      | \$ 1,584,915                        | \$ 401,751           | \$ 2,056,545                            |
| Intergovernmental                                       | 134                 | --                                    | --                              | 352,612                                      | --   | --                                  | --                   | 352,746                                 |
| Other Revenue   | --                  | --                                    | 37,625                          | --   | --   | --                                  | --                   | 37,625                                  |
| Other Revenue   | --                  | --                                    | --                              | 26,154                                       | --   | 6,826                               | --                   | 32,980                                  |
| Interest Income   | --                  | --                                    | 5,558                           | 10,679                                       | 5,774                                      | 61,334                              | 24,850               | 108,195                                 |
| <b>Total Revenues</b>                                   | <b>24,455</b>       | <b>--</b>                             | <b>88,741</b>                   | <b>389,445</b>                               | <b>5,774</b>                               | <b>1,653,075</b>                    | <b>426,601</b>       | <b>2,588,091</b>                        |
| <b>Expenditures</b>                                     |                     |                                       |                                 |  |  |                                     |                      |   |
| Public Works  | --                  | --                                    | 102,605                         | 367,382                                      | --   | 1,643,868                           | 436,015              | 2,549,870                               |
| Debt Service - Principal                                | 18,000              | --                                    | --                              | 9,182  | --   | 99,600                              | --                   | 126,782                                 |
| Debt Service - Interest                                 | 6,345               | --                                    | --                              | 3,409  | --   | 36,089                              | --                   | 45,843                                  |
| <b>Total Expenditures</b>                               | <b>24,345</b>       | <b>--</b>                             | <b>102,605</b>                  | <b>379,973</b>                               | <b>--</b>                                  | <b>1,779,557</b>                    | <b>436,015</b>       | <b>2,722,495</b>                        |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | <b>110</b>          | <b>--</b>                             | <b>(13,864)</b>                 | <b>9,472</b>                                 | <b>5,774</b>                               | <b>(126,482)</b>                    | <b>(9,414)</b>       | <b>(134,404)</b>                        |
| <b>Other Financing Sources (Uses)</b>                   |                     |                                       |                                 |  |  |                                     |                      |   |
| Issuance of Long-Term Debt                              | --                  | --                                    | --                              | 103,600                                      | --   | 709,000                             | --                   | 812,600                                 |
| Transfers In  | --                  | --                                    | --                              | 6,498  | --   | --                                  | --                   | 6,498                                   |
| Transfers Out   | --                  | --                                    | --                              | --   | --   | (6,498)                             | --                   | (6,498)                                 |
| <b>Net Other Financing Sources (Uses)</b>               | <b>--</b>           | <b>--</b>                             | <b>--</b>                       | <b>110,098</b>                               | <b>--</b>                                  | <b>702,502</b>                      | <b>--</b>            | <b>812,600</b>                          |
| <b>Net Change in Fund Balance</b>                       | <b>110</b>          | <b>--</b>                             | <b>(13,864)</b>                 | <b>119,570</b>                               | <b>5,774</b>                               | <b>576,020</b>                      | <b>(9,414)</b>       | <b>678,196</b>                          |
| <b>Fund Balance at Beginning of Period</b>              | <b>157</b>          | <b>1,546</b>                          | <b>157,031</b>                  | <b>(613)</b>                                 | <b>154,983</b>                             | <b>1,248,328</b>                    | <b>598,307</b>       | <b>2,159,739</b>                        |
| <b>Fund Balance at End of Period</b>                    | <b>\$ 267</b>       | <b>\$ 1,546</b>                       | <b>\$ 143,167</b>               | <b>\$ 118,957</b>                            | <b>\$ 160,757</b>                          | <b>\$ 1,824,348</b>                 | <b>\$ 588,893</b>    | <b>\$ 2,837,935</b>                     |

**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, 2024**

|   |                |
|---|----------------|
| Total Net Change in Fund Balances - Governmental Funds  | \$ 678,196     |
| 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. | 69,494         |
| Proceeds from the issuance of notes payable are reported as other financing sources in the fund statements, but reported as liabilities in the statement of net position.   | (812,600)      |
| 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.  | 126,782        |
| 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.   | (10,683)       |
| 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.                            | 120,532        |
| <b>Changes in Net Position-Governmental Activities</b>  | <b>171,721</b> |

**Montcalm County Drains**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2024**

|   |                     | <b>Sidney Sewer<br/>Project</b> |
|---|---------------------|---------------------------------|
| <b>ASSETS</b>                                     |                     |                                 |
| <i>Current Assets</i>                             |                     |                                 |
| Cash and Cash Equivalents                         | \$ 597,041          |                                 |
| Accounts Receivable                               | 18,986              |                                 |
| Current Portion of Special Assessments Receivable | 65,886              |                                 |
| <b>Total Current Assets</b>                       | <b>681,913</b>      |                                 |
| <i>Noncurrent Assets</i>                          |                     |                                 |
| Restricted Cash                                   | 119,000             |                                 |
| Special Assessment Receivable                     | 1,639,697           |                                 |
| Capital Assets being Depreciated, net             | 4,041,915           |                                 |
| <b>Total Assets</b>                               | <b>6,482,525</b>    |                                 |
| <b>LIABILITIES</b>                                |                     |                                 |
| <i>Current Liabilities</i>                        |                     |                                 |
| Accounts Payable                                  | 4,467               |                                 |
| Accrued Interest                                  | 19,047              |                                 |
| Current Portion of Long-term Debt                 | 63,400              |                                 |
| <b>Total Current Liabilities</b>                  | <b>86,914</b>       |                                 |
| <i>Noncurrent Liabilities</i>                     |                     |                                 |
| Long-term Debt                                    | <b>1,840,925</b>    |                                 |
| <b>Total Liabilities</b>                          | <b>1,927,839</b>    |                                 |
| <b>NET POSITION</b>                               |                     |                                 |
| Net Investment in Capital Assets                  | 2,137,590           |                                 |
| <i>Restricted for:</i>                            |                     |                                 |
| Debt Service                                      | 2,417,096           |                                 |
| <b>Total Net Position</b>                         | <b>\$ 4,554,686</b> |                                 |

**Montcalm County Drains**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2024**

|  | <b>Sidney Sewer<br/>Project</b> |
|--|---------------------------------|
| <b>Operating Revenues</b>                    |                                 |
| Special Assessments                          | \$ 48,299                       |
| Charges for Services                         | <u>172,353</u>                  |
| <b>Total Operating Revenues</b>              | <u>220,652</u>                  |
| <b>Operating Expenses</b>                    |                                 |
| Public Works                                 | 85,824                          |
| Depreciation                                 | <u>166,961</u>                  |
| <b>Total Operating Expenses</b>              | <u>252,785</u>                  |
| <b>Operating Income (Loss)</b>               | <u>(32,133)</u>                 |
| <b>Non-Operating Revenues (Expenses)</b>     |                                 |
| Interest Income                              | 21,963                          |
| Interest Expense                             | <u>(59,233)</u>                 |
| <b>Net Non-Operating Revenues (Expenses)</b> | <u>(37,270)</u>                 |
| <b>Change In Net Position</b>                | <b>(69,403)</b>                 |
| <i>Net Position at Beginning of Period</i>   | 4,624,089                       |
| <b>Net Position at End of Period</b>         | <b>\$ 4,554,686</b>             |

**Montcalm County Drains  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended September 30, 2024**

|  | <b>Sidney Sewer<br/>Project</b> |
|--|---------------------------------|
| <b>Cash Flows from Operating Activities</b>                      |                                 |
| Cash Received from Customers and Users                           | \$ 371,183                      |
| Cash Payments to Suppliers for Goods and Services                | (91,810)                        |
| <b>Net Cash Provided by Operating Activities</b>                 | <u><u>279,373</u></u>           |
| <b>Cash Flows from Capital and Related Financing Activities</b>  |                                 |
| Principal Paid on Long-term Debt                                 | (64,234)                        |
| Interest Paid on Long-term Debt                                  | (59,058)                        |
| <b>Net Cash Used by Capital and Related Financing Activities</b> | <u><u>(123,292)</u></u>         |
| <b>Cash Flows from Noncapital Financing Activities</b>           |                                 |
| Interfund Balances   | (590)                           |
| <b>Net Cash Provided by Noncapital Financing Activities</b>      | <u><u>(590)</u></u>             |
| <b>Cash Flows from Investing Activities</b>                      |                                 |
| Interest Income Received   | 21,963                          |
| <b>Net Cash Provided by Investing Activities</b>                 | <u><u>21,963</u></u>            |
| <b>Increase in Cash and Investments</b>                          | <b>177,454</b>                  |
| <i>Cash and Investments, Beginning of Year</i>                   | 538,587                         |
| <b>Cash and Investments, End of Year</b>                         | <b><u><u>716,041</u></u></b>    |
| <b>Reconciliation of Operating Loss to</b>                       |                                 |
| <b>Net Cash Provided by Operating Activities</b>                 |                                 |
| Operating Loss   | \$ (32,133)                     |
| <b>Adjustments to Reconcile Operating Loss to</b>                |                                 |
| <b>Net Cash Provided by Operating Activities</b>                 |                                 |
| Depreciation Expense   | 166,961                         |
| <b>Change in Operating Assets and Liabilities</b>                |                                 |
| Accounts Receivable  | (2,364)                         |
| Special Assessments Receivable                                   | 152,895                         |
| Accounts Payable   | (5,986)                         |
| <b>Net Cash Provided by Operating Activities</b>                 | <u><u>\$ 279,373</u></u>        |



**MONTCALM COUNTY  
STANTON, MICHIGAN  
SINGLE AUDIT ACT COMPLIANCE  
YEAR ENDED SEPTEMBER 30, 2024**

**Montcalm County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2024**

| <b>Federal Agency / Cluster / Program Title</b>           | <b>Assistance Listing Number</b> | <b>Passed Through</b> | <b>Pass-through / Grantor Number</b> | <b>Total Subawards</b> | <b>Federal Expenditures</b> |
|---|----------------------------------|-----------------------|--------------------------------------|------------------------|-----------------------------|
| <b>U.S. Department of Agriculture</b>                     |                                  |                       |                                      |                        |                             |
| <i>Forest Service Schools and Roads Cluster</i>           |                                  |                       |                                      |                        |                             |
| Schools and Roads - Grants to States                      | 10.665                           | MDNR                  | -n/a-                                | \$ 4,781               | \$ 4,781                    |
| <b>Total Forest Service Schools and Roads Cluster</b>     |                                  |                       |                                      | <u>4,781</u>           | <u>4,781</u>                |
| <b>Total U.S. Department of Agriculture</b>               |                                  |                       |                                      | <u>4,781</u>           | <u>4,781</u>                |
| <b>U.S. Department of Justice</b>                         |                                  |                       |                                      |                        |                             |
| Residential Substance Abuse Treatment                     | 16.593                           | Direct                | -n/a-                                | 242,090                | 242,090                     |
| <b>Total U.S. Department of Justice</b>                   |                                  |                       |                                      | <u>242,090</u>         | <u>242,090</u>              |
| <b>U.S. Department of Health and Human Services</b>       |                                  |                       |                                      |                        |                             |
| <i>Aging Cluster:</i>                                     |                                  |                       |                                      |                        |                             |
| Title IIIB - Homemaker                                    | 93.044                           | AAAWM                 | 61.76                                | -                      | 39,371                      |
| Title IIIB - Transportation                               | 93.044                           | AAAWM                 | 61.76                                | -                      | 24,493                      |
| Title IIIC-1 - Congregate Meals                           | 93.045                           | AAAWM                 | 61.76                                | -                      | 41,311                      |
| Title IIIC-2 - Home Delivered Meals                       | 93.045                           | AAAWM                 | 61.76                                | -                      | 180,965                     |
| Nutrition Services Incentive Program:                     |                                  |                       |                                      |                        |                             |
| Congregate and Home Delivered Meals                       | 93.053                           | AAAWM                 | 61.76                                | -                      | 23,175                      |
| <b>Total Aging Cluster</b>                                |                                  |                       |                                      | <u>-</u>               | <u>309,315</u>              |
| Title IIIE - Respite                                      | 93.052                           | AAAWM                 | 61.76                                | -                      | 38,111                      |
| <i>Child Support Enforcement:</i>                         |                                  |                       |                                      |                        |                             |
| Title IV-D - Incentive Payments                           | 93.563                           | MDHHS                 | CSFOC-24-59001                       | -                      | 142,322                     |
| Title IV-D - Friend of the Court                          | 93.563                           | MDHHS                 | CSFOC-24-59001                       | -                      | 489,545                     |
| Title IV-D - Prosecuting Attorney                         | 93.563                           | MDHHS                 | CSPA-24-59002                        | -                      | 72,621                      |
| Total Child Support Enforcement                           |                                  |                       |                                      | <u>-</u>               | <u>704,488</u>              |
| <b>Total U.S. Department of Health and Human Services</b> |                                  |                       |                                      | <u>\$ -</u>            | <u>\$ 1,051,914</u>         |

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**Montcalm County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2024**

| <b>Federal Agency / Cluster / Program Title</b>   | <b>Assistance Listing Number</b> | <b>Passed Through</b> | <b>Pass-through / Grantor Number</b> | <b>Total Subawards</b> | <b>Federal Expenditures</b> |
|---|----------------------------------|-----------------------|--------------------------------------|------------------------|-----------------------------|
| <b>U.S. Department of Homeland Security</b>       |                                  |                       |                                      |                        |                             |
| Boating Safety Financial Assistance               | 97.012                           | MDNR                  | MSR-MS18-086-279                     | \$ -                   | \$ 24,500                   |
| Emergency Management Performance Grants           | 97.042                           | MSP                   | EMC-2024-EP-05005                    | -                      | 13,084                      |
| Homeland Security Grant Program                   | 97.067                           | WMSRDC                | EMW-2023-SS-00022-S01                |                        | 19,482                      |
| Homeland Security Grant Program (non-cash)        | 97.067                           | WMSRDC                | EMW-2023-SS-00022-S01                | 5,017                  | 34,730                      |
| <b>Total U.S. Department of Homeland Security</b> |                                  |                       |                                      | <u>5,017</u>           | <u>91,796</u>               |
| <b>U.S. Department of Treasury</b>                |                                  |                       |                                      |                        |                             |
| COVID-19 American Rescue Plan Act                 | 21.027                           | DIRECT                | n/a                                  | -                      | 590,769                     |
| <b>Total U.S. Department of Treasury</b>          |                                  |                       |                                      | <u>-</u>               | <u>590,769</u>              |
| <b>U.S. Department of Transportation</b>          |                                  |                       |                                      |                        |                             |
| <i>Highway Safety Cluster:</i>                    |                                  |                       |                                      |                        |                             |
| Highway Safety Project                            | 20.600                           | MOHSP                 | PT-23-25                             | -                      | 10,913                      |
| <i>Total Highway Safety Cluster</i>               |                                  |                       |                                      | <u>-</u>               | <u>10,913</u>               |
| <b>Total U.S. Department of Transportation</b>    |                                  |                       |                                      | <u>-</u>               | <u>10,913</u>               |
| <b>Total Expenditures of Federal Awards</b>       |                                  |                       |                                      | <u>\$ 251,888</u>      | <u>\$ 1,992,263</u>         |

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

## Montcalm County

### Notes to the Schedule of Expenditures of Federal Awards

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#### **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, 2024. 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, 2024, 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   | \$ 6,436,830               |
| Subtract State and Local Sources:                              | <u>(4,444,567)</u>         |
| <b><i>Total Expenditures of Federal Awards</i></b>             | <b><u>\$ 1,992,263</u></b> |

## **Montcalm County**

### Notes to the Schedule of Expenditures of Federal Awards

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#### **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:

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montcalm County (the “County”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise County’s basic financial statements, and have issued our report thereon dated March 31, 2025. Our report includes a reference to other auditors who audited the financial statements of the Montcalm County Road Commission, the Montcalm County Housing Commission, and the Montcalm Central Dispatch Authority, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Gabridge & Company". The signature is fluid and cursive, with "Gabridge" on the first line and "& Company" on the second line.

Gabridge & Company, PLC

Grand Rapids, MI

March 31, 2025

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

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Montcalm County (the "County"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements also include the operations of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, and the Montcalm County Housing Commission, which all received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2024. Our audit, described below, did not include the operations of the Montcalm County Road Commission, the Montcalm County Central Dispatch Authority, or the Montcalm County Housing Commission because they arranged for separate financial statement audits and did not meet the criteria for a single audit.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

A handwritten signature in black ink that reads "Gabridge & Company". The signature is fluid and cursive, with a slight flourish at the end of "Company".

Gabridge & Company, PLC  
Grand Rapids, MI  
March 31, 2025

**Montcalm County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

|   |            |
|---|------------|
| Type of auditor's report issued   | Unmodified |
| Internal controls over financial reporting                                    |            |
| Material weaknesses identified?   | No         |
| Significant deficiencies identified not considered to be material weaknesses? | No         |
| Noncompliance material to financial statements noted?                         | No         |

Federal Awards

|  |               |
|--|---------------|
| Internal control over major programs   |               |
| Material weaknesses identified?  | No            |
| Significant deficiencies identified not considered to be material weaknesses?                      | None reported |
| Type of auditor's report issued on compliance for major programs                                   | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |

Identification of Major Programs

| Name of Federal Program or Cluster                                  | Assistance Listing Number |
|---|---------------------------|
| Child Support Services  | 93.563                    |
| 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, 2025

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montcalm County, Michigan (the “County”) as of and for the year ended September 30, 2024. 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 February 7, 2025. 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. The application of existing policies were not changed during the fiscal year ended September 30, 2024. 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, 2025.

*Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

As required by the OMB Uniform Guidance, we have also completed an audit of the federal programs administered by the County. The results of that audit are provided to the Board of Commissioners in our report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the OMB Uniform Guidance dated March 31, 2025.

### 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,

*Gabridge & Company*

Gabridge & Company, PLC  
Grand Rapids, MI