

County of Mecosta,  
Michigan



Year Ended  
December 31, 2020

Financial  
Statements and  
Single Audit Act  
Compliance

**Rehmann**

## COUNTY OF MECOSTA, MICHIGAN

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## INTRODUCTORY SECTION



## COUNTY OF MECOSTA, MICHIGAN

### ELECTED OFFICERS

**For the Year Ended December 31, 2020**

#### COUNTY BOARD OF COMMISSIONERS

Marilynn Bradstrom

Jerrilynn Strong

Linda Howard

Raymond Steinke

Tom O'Neil

Wendy Nystrom

William Routley

#### COUNTY OFFICIALS

Paul E. Bullock  
***Controller/Administrator***

Marcee M. Purcell  
***Clerk***

Sherry Earnest  
***Treasurer***

Mindy Taylor  
***Finance Officer***

Brian E. Thiede  
***Prosecuting Attorney***

## COUNTY OF MECOSTA, MICHIGAN

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Concealed Pistol Licensing (259)	92	98
Michigan Indigent Defense Commission (260)	92	98
Township Law Enforcement (261)	92	98
Corrections Officer Training (262)	92	98
K-9 (263)	92	98
Jail Maintenance (264)	93	99
Drug Law Enforcement (265)	93	99
Dive Team (266)	93	99
Community Corrections Program (267)	93	99
Crime Victims' Rights (268)	93	99
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Commission on Aging Meals (273)	94	100
Commission on Aging (274)	26	30
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## COUNTY OF MECOSTA, MICHIGAN

### Index of Funds

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## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

May 25, 2021

Board of Commissioners  
County of Mecosta  
Big Rapids, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Mecosta, Michigan** (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mecosta County Road Commission discretely presented component unit, which represented 94.9%, 97.3%, and 96.1%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those financial 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 Mecosta County Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of the 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 of Mecosta, Michigan as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Implementation of GASB Statement No. 84***

As described in Note 18, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. Accordingly, beginning net position of custodial funds was restated. Our opinion is not modified with respect to this matter.

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

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 May 25, 2021 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.



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

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

As management of the **County of Mecosta, Michigan** (the "County"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020. 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

Key metrics and financial highlights of the County for the year ended December 31, 2020 are as follows:

Total net position	\$ 36,473,556
Unrestricted net position	21,007,216
Change in net position	2,852,991
Fund balances, governmental funds	19,218,257
Change in fund balances, governmental funds	807,438
Fund balance, general fund	10,887,187
(as percentage of general fund expenditures and transfers out)	77.9%
Unassigned fund balance, general fund	10,260,964
(as percentage of general fund expenditures and transfers out)	73.4%
Change in fund balance, general fund	(10,842)

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include various services within the general government, legislative, judicial, public safety, public works, health and welfare, and community and economic development functions.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also legally separate component units for which the County is financially accountable. Financial information for *discretely presented component units* is reported separately from the financial information presented for the primary government itself.

**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.

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

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

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, emergency medical services special revenue fund, and commission on aging special revenue fund, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison 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 park commission, delinquent tax collection and administration, and other enterprise activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various County functions. The County uses internal service funds to account for its equalization revolving, mailing department, and health insurance operations.

**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.** Immediately following the notes to the financial statements, the County presents required supplementary information for its pension plan. The combining statements referred to earlier in connection with nonmajor funds are presented following the Required Supplementary Information.

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows of resources for the primary government by \$36,473,556 at the close of the most recent fiscal year. A large portion of the County's net position (18.3%) represents its investment in capital assets (e.g., land, construction in progress, buildings and improvements, equipment and furniture, vehicles and infrastructure). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

## COUNTY OF MECOSTA, MICHIGAN

## Management's Discussion and Analysis

The County's total net position increased 8.5%, or \$2,852,991 from \$33,620,565 to \$36,473,556 for the year ended December 31, 2020.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets	\$ 25,381,269	\$ 22,106,255	\$ 10,057,937	\$ 9,360,916	\$ 35,439,206	\$ 31,467,171
Capital assets, net	5,441,157	5,465,331	1,237,439	1,208,050	6,678,596	6,673,381
<b>Total assets</b>	<b>30,822,426</b>	<b>27,571,586</b>	<b>11,295,376</b>	<b>10,568,966</b>	<b>42,117,802</b>	<b>38,140,552</b>
<b>Deferred outflows of resources</b>	-	193,362	-	5,980	-	199,342
<b>Liabilities</b>						
Other liabilities	862,967	1,483,572	207,580	274,351	1,070,547	1,757,923
Long-term debt	1,109,661	955,155	7,398	5,180	1,117,059	960,335
<b>Total liabilities</b>	<b>1,972,628</b>	<b>2,438,727</b>	<b>214,978</b>	<b>279,531</b>	<b>2,187,606</b>	<b>2,718,258</b>
<b>Deferred inflows of resources</b>	<b>3,415,045</b>	<b>2,001,071</b>	<b>41,595</b>	<b>-</b>	<b>3,456,640</b>	<b>2,001,071</b>
<b>Net position</b>						
Investment in capital assets	5,441,157	5,465,331	1,237,439	1,208,050	6,678,596	6,673,381
Restricted	8,753,166	6,836,450	34,578	-	8,787,744	6,836,450
Unrestricted	11,240,430	11,023,369	9,766,786	9,087,365	21,007,216	20,110,734
<b>Total net position</b>	<b>\$ 25,434,753</b>	<b>\$ 23,325,150</b>	<b>\$ 11,038,803</b>	<b>\$ 10,295,415</b>	<b>\$ 36,473,556</b>	<b>\$ 33,620,565</b>

## COUNTY OF MECOSTA, MICHIGAN

## Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 5,725,788	\$ 6,026,013	\$ 2,292,626	\$ 2,004,008	\$ 8,018,414	\$ 8,030,021
Operating grants and contributions	3,582,000	2,557,543	16,137	17,311	3,598,137	2,574,854
Capital grants and contributions	24,606	21,311	-	-	24,606	21,311
General revenues:						
Property taxes	11,067,932	10,748,245	-	-	11,067,932	10,748,245
State revenue sharing	681,985	877,750	-	-	681,985	877,750
Unrestricted investment earnings	345,719	351,923	-	-	345,719	351,923
Gain on sale of capital assets	26,860	-	-	-	26,860	-
Other revenues	106,799	80,031	7,029	9,828	113,828	89,859
<b>Total revenues</b>	<b>21,561,689</b>	<b>20,662,816</b>	<b>2,315,792</b>	<b>2,031,147</b>	<b>23,877,481</b>	<b>22,693,963</b>
<b>Expenses</b>						
General government	3,553,792	3,261,739	-	-	3,553,792	3,261,739
Legislative	416,722	501,311	-	-	416,722	501,311
Judicial	3,238,405	3,123,169	-	-	3,238,405	3,123,169
Public safety	6,760,187	6,520,168	-	-	6,760,187	6,520,168
Public works	36,147	4,103	-	-	36,147	4,103
Health and welfare	5,140,893	5,389,194	-	-	5,140,893	5,389,194
Community and economic development	202,614	180,919	-	-	202,614	180,919
Indirect cost allocation	(29,244)	(29,245)	29,244	29,245	-	-
Park Commission	-	-	1,500,158	1,379,061	1,500,158	1,379,061
Delinquent tax collection and administration	-	-	21,825	24,660	21,825	24,660
Other activities	-	-	21,177	15,352	21,177	15,352
<b>Total expenses</b>	<b>19,319,516</b>	<b>18,951,358</b>	<b>1,572,404</b>	<b>1,448,318</b>	<b>20,891,920</b>	<b>20,399,676</b>
Change in net position before special item	2,242,173	1,711,458	743,388	582,829	2,985,561	2,294,287
<b>Special item</b>	<b>(132,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132,570)</b>	<b>-</b>
<b>Change in net position</b>	<b>2,109,603</b>	<b>1,711,458</b>	<b>743,388</b>	<b>582,829</b>	<b>2,852,991</b>	<b>2,294,287</b>
Net position, beginning of year	23,325,150	21,613,692	10,295,415	9,712,586	33,620,565	31,326,278
<b>Net position, end of year</b>	<b>\$ 25,434,753</b>	<b>\$ 23,325,150</b>	<b>\$ 11,038,803</b>	<b>\$ 10,295,415</b>	<b>\$ 36,473,556</b>	<b>\$ 33,620,565</b>

Overall, governmental activities revenues increased from the prior year by \$898,873, or 4.4%. This was primarily due to increases in operating grants and contributions received related to the Coronavirus pandemic, and an increase in property tax revenues. Overall, governmental activities expenses increased from the prior year by \$368,158, or 1.9%, due primarily to increases in personnel costs.

Overall, business-type activity revenues increased by \$284,645. This was primarily due to an increase in charges for services. Overall, business-type activity expenses increased by \$124,086 due to primarily an increase in parks commission expenses.

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

#### ***Governmental Activities***

Governmental activities increased the County's net position by \$2,109,603 compared to an increase in fund balance of governmental funds of \$807,438. The difference between these amounts is detailed in a reconciliation presented in the basic financial statements.

Governmental activities include:

- General government activities – expenses related to the support departments of the County such as administration, human resources, treasury, information services, facilities management, and finance.
- Legislative activities – expenses related to the Board of Commissioners and high-level administrative expenses.
- Judicial activities – expenses related to the administration of circuit, district, and probate/family courts and court probation units.
- Public safety – expenses related to the sheriff's administration and road patrol, County corrections services, and Central Michigan Enforcement Team administration.
- Public works activities – expenses related to the County drain commissioner.
- Health and welfare – expenses related to veterans' service, medical examiner fees, operations of the commission on aging, and child care programs.
- Community and economic development – expenses related to planning and zoning activities and administration of low-income housing programs.

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

The business-type activities of the County include enterprise fund operations, which increased the County's net position by \$743,388 compared to a prior year increase of \$582,829.

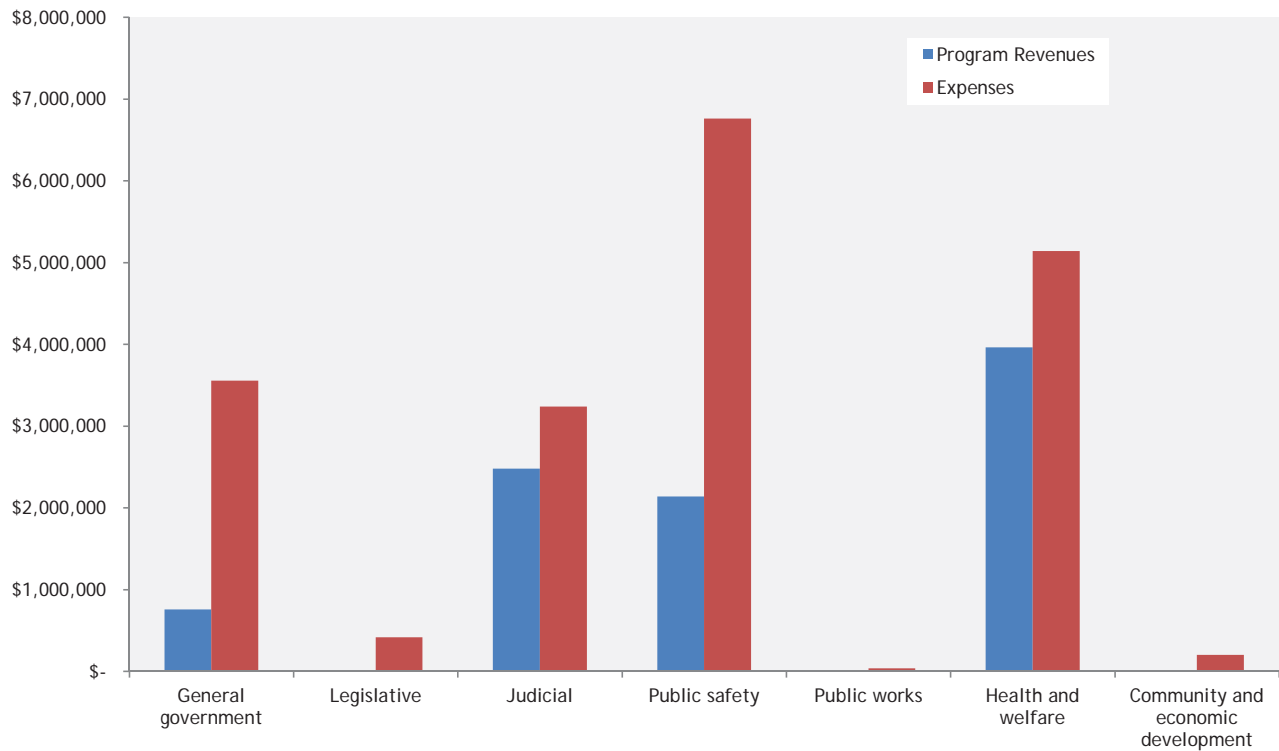
Business-type activities include:

- Park Commission – This fund is a blended component unit that operates four major parks in the Mecosta County area.
- Delinquent tax revolving fund – This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes. Current policy is to maintain cash and investments to fund 100% of the prior year's delinquent tax settlement.
- Other business-type activities – The County accounts for principal residence exemption (i.e., homestead tax credits) audits and operations of the jail commissary, plat review, and public works in separate enterprise funds.

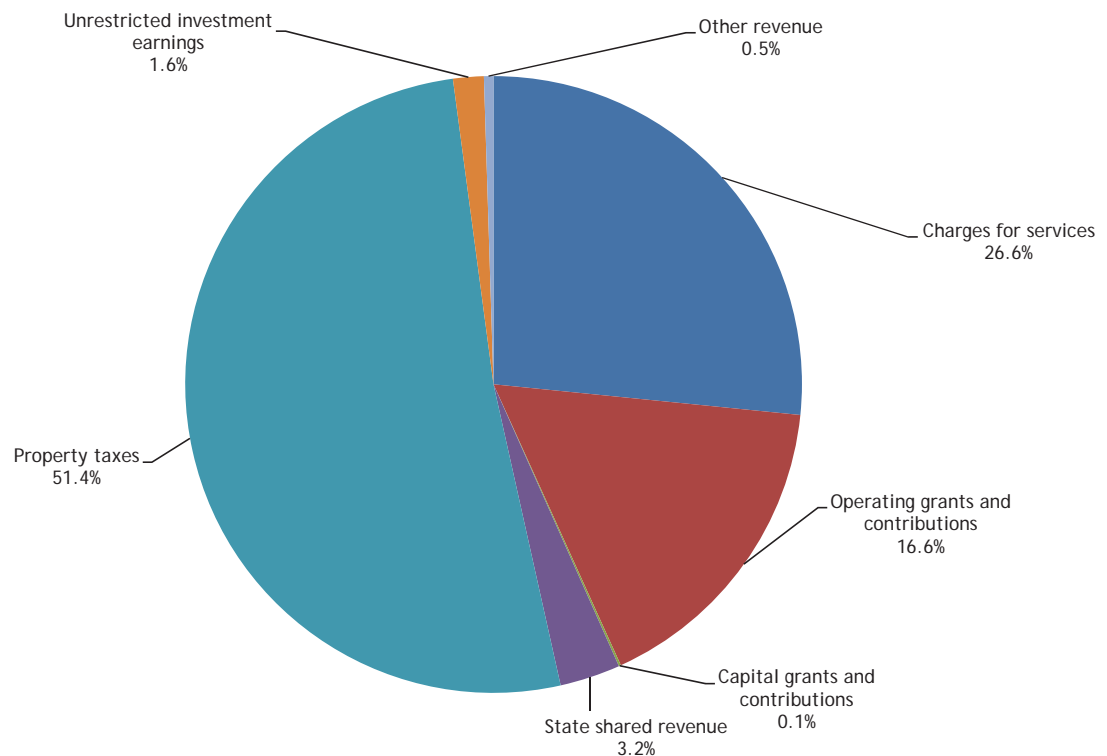
## COUNTY OF MECOSTA, MICHIGAN

## Management's Discussion and Analysis

Governmental Activities Expenses and Program Revenues by Function



Governmental Activities Revenues by Source





## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

#### *Financial Analysis of the Government's Funds*

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

**Governmental funds.** The focus of the County governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund decreased by \$10,842 from \$10,898,029 to \$10,887,187. This is primarily attributable to an increase in the voluntary additional payment made to MERS for the defined benefit pension plans.

The fund balance of the emergency medical services fund increased \$617,264 from \$3,526,329 to \$4,143,593. This was primarily the result of grants received related to the coronavirus pandemic and an increase in property taxes.

The fund balance of the commission on aging fund increased \$122,831 from \$1,068,451 to \$1,191,282. This was primarily the result of Michigan personal property tax reimbursement from the local stabilization authority, and an increase in property taxes along with a decrease in mileage reimbursement and part-time wage expenses.

**Proprietary funds.** The County proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

#### *General Fund Budgetary Highlights*

Over the course of the year, the County Board of Commissioners amended the budget to take into account events during the year.

- The County approved an increase of the original budget for bonds, insurance and pension of 1,649,925 to make an additional payment to MERS for our defined benefit plan.
- Amendments and supplemental appropriations to reflect the actual beginning account balances and prevention of budget overruns.

After all adjustments, the County's 2020 actual general fund revenues came in 8.5% above budget and actual expenditures were well below final budget amounts by 9.9%. Expenditures were primarily under budget estimates due to budgeted contingency funds not being spent along with a budgeted match for a grant contract not being spent.

#### *Capital Assets and Debt Administration*

- **Capital assets** – A capital asset is an asset whose cost exceeds \$5,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives.
- **Debt administration** – Debt incurred in the course of constructing or acquiring a capital asset is recorded and paid for from a debt service fund.

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

During the year, significant additions included a boiler, an ambulance, 2 Stryker power cots with power loads, several vehicles, a generator, 4 roof top heat exchangers, and a variety of park and drain improvements.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 314,537	\$ 314,537	\$ -	\$ -	\$ 314,537	\$ 314,537
Land improvements	-	-	644,152	530,994	644,152	530,994
Buildings and improvements	4,176,341	4,338,992	512,456	579,542	4,688,797	4,918,534
Equipment and furniture	329,004	412,758	32,685	40,003	361,689	452,761
Vehicles	621,275	399,044	48,146	57,511	669,421	456,555
<b>Total</b>	<b>\$ 5,441,157</b>	<b>\$ 5,465,331</b>	<b>\$ 1,237,439</b>	<b>\$ 1,208,050</b>	<b>\$ 6,678,596</b>	<b>\$ 6,673,381</b>

Additional information on the County's capital assets can be found in Note 7.

The County did not have any outstanding debt obligations at year-end. Long-term debt was comprised entirely of compensated absences payable.

#### ***Economic Factors and Next Year's Budgets and Rates***

The County's budget for 2021 does include an increase in the property tax rates. Because of the impact of Proposal A, however, the County needs to continue to watch its budget very closely. The statewide tax reform act limits growth in the taxable value on any individual property to the lesser of inflation or 5% unless there is a transfer of ownership.

Although having faced revenue shortages over the last few years, the overall County adopted 2021 budget is expected to be a stable one. Mecosta County's economic base continues to grow, with new business/industry coming to the area. This growth adds to the local economy and creates new jobs.

The above indicators were considered when adopting the general budget for 2020. As we prepare for the 2021 budget, those same indicators will guide us in our budget deliberations, in addition to such things as grant revenue, cost of living adjustments, the cost of postemployment benefits, and the rising cost of health care. After all estimates are calculated, the County's budget for 2021 is expected to remain steady.

The COVID-19 pandemic has resulted in many unknowns when considering the long-term future economic outlook for the County. However, the County was awarded several grants for reimbursement of expenditures incurred during fiscal year 2020 and 2021 related to the pandemic.

#### ***Requests for Information***

This financial report is designed to provide a general overview of the County finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mecosta County Finance Department, 400 Elm St., Big Rapids, Michigan, 49307. Additional information can be found at our website at [www.mecostacounty.org](http://www.mecostacounty.org).

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## **BASIC FINANCIAL STATEMENTS**

## COUNTY OF MECOSTA, MICHIGAN

## Statement of Net Position

December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 18,851,380	\$ 8,317,032	\$ 27,168,412	\$ 1,326,954
Investments	36,541	-	36,541	-
Receivables	3,499,843	1,605,923	5,105,766	2,065,261
Internal balances	(58,809)	58,809	-	-
Prepays and other assets	589,400	-	589,400	705,984
Net pension asset	2,462,914	76,173	2,539,087	-
Capital assets not being depreciated	314,537	-	314,537	9,576,754
Capital assets being depreciated, net	5,126,620	1,237,439	6,364,059	33,455,677
<b>Total assets</b>	<b>30,822,426</b>	<b>11,295,376</b>	<b>42,117,802</b>	<b>47,130,630</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	-	-	-	977,276
<b>Liabilities</b>				
Accounts payable and accrued liabilities	738,282	84,130	822,412	1,198,870
Unearned revenue	124,685	123,450	248,135	-
Long-term debt:				
Due within one year	527,180	7,398	534,578	824,569
Due in more than one year	582,481	-	582,481	1,945,048
Net pension liability (due in more than one year)	-	-	-	1,812,722
Net other postemployment benefits liability (due in more than one year)	-	-	-	1,175,126
<b>Total liabilities</b>	<b>1,972,628</b>	<b>214,978</b>	<b>2,187,606</b>	<b>6,956,335</b>
<b>Deferred inflows of resources</b>				
Taxes levied for subsequent year	2,070,138	-	2,070,138	-
Deferred pension amounts	1,344,907	41,595	1,386,502	131,728
<b>Total deferred inflows of resources</b>	<b>3,415,045</b>	<b>41,595</b>	<b>3,456,640</b>	<b>131,728</b>
<b>Net position</b>				
Net investment in capital assets	5,441,157	1,237,439	6,678,596	40,912,026
Restricted for:				
Health and welfare programs	5,911,809	-	5,911,809	-
Public safety programs	1,114,786	-	1,114,786	-
Pension	1,118,007	34,578	1,152,585	-
Judicial programs	122,276	-	122,276	-
Housing rehabilitation	66,838	-	66,838	-
Permanent fund nonexpendable	30,535	-	30,535	-
Permanent fund expendable	7,653	-	7,653	-
Register of Deeds automation	368,750	-	368,750	-
Other state mandated programs	12,512	-	12,512	-
Unrestricted	11,240,430	9,766,786	21,007,216	107,817
<b>Total net position</b>	<b>\$ 25,434,753</b>	<b>\$ 11,038,803</b>	<b>\$ 36,473,556</b>	<b>\$ 41,019,843</b>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2020

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
General government	\$ 3,553,792	\$ (311,407)	\$ 701,965	\$ 53,005	\$ -	\$ (2,487,415)
Legislative	416,722	-	-	-	-	(416,722)
Judicial	3,238,405	13,614	1,302,542	1,174,802	-	(774,675)
Public safety	6,760,187	48,291	977,460	1,135,613	24,606	(4,670,799)
Public works	36,147	-	-	-	-	(36,147)
Health and welfare	5,140,893	220,258	2,741,384	1,218,580	-	(1,401,187)
Community and economic development	202,614	-	2,437	-	-	(200,177)
Total governmental activities	19,348,760	(29,244)	5,725,788	3,582,000	24,606	(9,987,122)
Business-type activities:						
Park Commission	1,500,158	28,512	1,789,286	15,771	-	276,387
Delinquent tax collection and administration	21,825	732	478,783	366	-	456,592
Other activities	21,177	-	24,557	-	-	3,380
Total business-type activities	1,543,160	29,244	2,292,626	16,137	-	736,359
Total primary government	\$ 20,891,920	\$ -	\$ 8,018,414	\$ 3,598,137	\$ 24,606	\$ (9,250,763)
Component units						
Road Commission	\$ 9,712,728	\$ -	\$ 1,160,072	\$ 6,524,027	\$ 2,231,823	\$ 203,194
Morgue Authority	90,106	-	641	2,633	-	(86,832)
Drain Commission	438,705	-	4,154	31,224	364,142	(39,185)
Total component units	\$ 10,241,539	\$ -	\$ 1,164,867	\$ 6,557,884	\$ 2,595,965	\$ 77,177

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Statement of Activities**

For the Year Ended December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Change in net position</b>				
Net (expense) revenue	\$ (9,987,122)	\$ 736,359	\$ (9,250,763)	\$ 77,177
General revenues:				
Property taxes	11,067,932	-	11,067,932	-
State revenue sharing	681,985	-	681,985	-
Unrestricted investment earnings	345,719	-	345,719	-
Gain on sale of capital assets	26,860	-	26,860	69,081
Other revenues	106,799	7,029	113,828	-
Total general revenues	12,229,295	7,029	12,236,324	69,081
Change in net position before special item	2,242,173	743,388	2,985,561	146,258
Special item (Note 19)	(132,570)	-	(132,570)	-
<b>Change in net position</b>	2,109,603	743,388	2,852,991	146,258
Net position, beginning of year	23,325,150	10,295,415	33,620,565	40,873,585
<b>Net position, end of year</b>	<u>\$ 25,434,753</u>	<u>\$ 11,038,803</u>	<u>\$ 36,473,556</u>	<u>\$ 41,019,843</u>
				concluded

The accompanying notes are an integral part of these financial statements.

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## COUNTY OF MECOSTA, MICHIGAN

**Balance Sheet**

Governmental Funds

December 31, 2020

	General Fund (101)	Emergency Medical Services (210)	Commission on Aging (274)
<b>Assets</b>			
Cash and pooled investments	\$ 10,231,459	\$ 4,084,995	\$ 1,280,900
Investments	-	-	-
Accounts receivable, net	53,172	279,425	1,316
Taxes receivable	656,033	1,178,276	624,874
Interest receivable	59,706	15,109	4,735
Due from other governments	303,643	41,458	17,458
Advance to component units	30,000	-	-
Prepays	589,400	-	-
<b>Total assets</b>	<b>\$ 11,923,413</b>	<b>\$ 5,599,263</b>	<b>\$ 1,929,283</b>
<b>Liabilities</b>			
Accounts payable	\$ 351,199	\$ 38,788	\$ 13,070
Accrued liabilities	133,754	41,834	7,538
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>484,953</b>	<b>80,622</b>	<b>20,608</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	551,273	165,521	-
Taxes levied for subsequent year	-	1,209,527	717,393
<b>Total deferred inflows of resources</b>	<b>551,273</b>	<b>1,375,048</b>	<b>717,393</b>
<b>Fund balances</b>			
Nonspendable	619,400	-	-
Restricted	-	4,143,593	1,191,282
Committed	-	-	-
Assigned	6,823	-	-
Unassigned	10,260,964	-	-
<b>Total fund balances</b>	<b>10,887,187</b>	<b>4,143,593</b>	<b>1,191,282</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,923,413</b>	<b>\$ 5,599,263</b>	<b>\$ 1,929,283</b>

The accompanying notes are an integral part of these financial statements.



Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,180,041	\$ 18,777,395
36,541	36,541
12,377	346,290
-	2,459,183
6,045	85,595
216,216	578,775
-	30,000
-	589,400
<u>\$ 3,451,220</u>	<u>\$ 22,903,179</u>
\$ 111,392	\$ 514,449
15,701	198,827
60,029	60,029
124,685	124,685
<u>311,807</u>	<u>897,990</u>
-	716,794
143,218	2,070,138
<u>143,218</u>	<u>2,786,932</u>
30,535	649,935
2,104,228	7,439,103
861,432	861,432
-	6,823
-	10,260,964
<u>2,996,195</u>	<u>19,218,257</u>
<u>\$ 3,451,220</u>	<u>\$ 22,903,179</u>

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## COUNTY OF MECOSTA, MICHIGAN

**Reconciliation**

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2020

**Fund balances - total governmental funds** \$ 19,218,257

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statements.

Capital assets not being depreciated	314,537
Capital assets being depreciated, net	5,126,620

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.

Unavailable property taxes receivable	467,269
Unavailable emergency medical services fees receivable	165,521
Unavailable state grants	84,004

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

Net position of governmental activities accounted for in internal service funds	75,199
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Certain liabilities, such as compensated absences, are not due and payable in the current period, and therefore are not reported in the funds.

Compensated absences	(1,109,661)
Estimated claims liability	(25,000)

Certain pension-related amounts, such as the net pension asset and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

Net pension asset	2,462,914
Deferred inflows related to the net pension asset	(1,344,907)

**Net position of governmental activities** \$ 25,434,753

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balances**

Governmental Funds

For the Year Ended December 31, 2020

	General Fund (101)	Emergency Medical Services (210)	Commission on Aging (274)
<b>Revenues</b>			
Taxes	\$ 9,038,952	\$ 1,208,525	\$ 734,523
Licenses and permits	46,845	-	-
Intergovernmental:			
Federal	743,749	258,883	171,449
State	1,378,742	-	107,878
Local	229,680	-	-
Charges for services	1,276,791	2,365,527	9,096
Fines and forfeitures	777,584	-	-
Interest	345,719	79,786	27,908
Other revenues	107,181	59,495	65,954
<b>Total revenues</b>	<b>13,945,243</b>	<b>3,972,216</b>	<b>1,116,808</b>
<b>Expenditures</b>			
Current:			
General government	2,472,763	-	-
Legislative	460,107	-	-
Judicial	1,543,096	-	-
Public safety	4,232,101	-	-
Health and welfare	328,508	3,204,535	788,640
Community and economic development	87,463	-	-
Other expenditures	3,952,234	-	-
Capital outlay	-	152,521	174,036
<b>Total expenditures</b>	<b>13,076,272</b>	<b>3,357,056</b>	<b>962,676</b>
Revenues over (under) expenditures	868,971	615,160	154,132
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(901,419)	-	(34,451)
Proceeds from sale of capital assets	21,606	2,104	3,150
<b>Total other financing sources (uses)</b>	<b>(879,813)</b>	<b>2,104</b>	<b>(31,301)</b>
Change in fund balances before special item	(10,842)	617,264	122,831
Special item (Note 19)	-	-	-
<b>Net change in fund balances</b>	<b>(10,842)</b>	<b>617,264</b>	<b>122,831</b>
Fund balances, beginning of year	10,898,029	3,526,329	1,068,451
<b>Fund balances, end of year</b>	<b>\$ 10,887,187</b>	<b>\$ 4,143,593</b>	<b>\$ 1,191,282</b>

The accompanying notes are an integral part of these financial statements.



Nonmajor Governmental Funds		Total Governmental Funds	
\$	138,657	\$	11,120,657
	369,055		415,900
	635,963		1,810,044
	855,363		2,341,983
	3,000		232,680
	616,373		4,267,787
	14,232		791,816
	27,674		481,087
	64,595		297,225
	<u>2,724,912</u>		<u>21,759,179</u>
	91,681		2,564,444
	-		460,107
	1,011,719		2,554,815
	995,221		5,227,322
	979,032		5,300,715
	47,463		134,926
	-		3,952,234
	<u>324,911</u>		<u>651,468</u>
	<u>3,450,027</u>		<u>20,846,031</u>
	<u>(725,115)</u>		<u>913,148</u>
	935,870		935,870
	-		(935,870)
	<u>-</u>		<u>26,860</u>
	<u>935,870</u>		<u>26,860</u>
	210,755		940,008
	<u>(132,570)</u>		<u>(132,570)</u>
	78,185		807,438
	<u>2,918,010</u>		<u>18,410,819</u>
\$	<u>2,996,195</u>	\$	<u>19,218,257</u>

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## COUNTY OF MECOSTA, MICHIGAN

**Reconciliation**

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2020

**Net change in fund balances - total governmental funds** \$ 807,438

Amounts reported for *governmental activities* in the statement of activities are different because:

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.

Capital assets purchased/constructed	732,677
Depreciation expense	(756,851)
Proceeds from sale of capital assets	(26,860)
Gain on sale of capital assets	26,860

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.

Net change in unavailable property tax revenue	(52,725)
Net change in unavailable emergency medical services revenue	31,172
Net change in unavailable state grant revenue	84,004

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 governmental funds.

Change in the accrual for compensated absences	(154,506)
Change in estimated liability for claims	(25,000)
Change in net pension asset and related deferred amounts	1,447,661

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

Operating loss from governmental activities internal service funds	(4,267)
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**Change in net position of governmental activities** \$ 2,109,603

The accompanying notes are an integral part of these financial statements.



## COUNTY OF MECOSTA, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 8,462,747	\$ 8,462,747	\$ 9,038,952	\$ 576,205
Licenses and permits	42,827	42,827	46,845	4,018
Intergovernmental:				
Federal	122,690	122,690	743,749	621,059
State	1,655,163	1,664,663	1,378,742	(285,921)
Local	220,000	220,000	229,680	9,680
Charges for services	1,044,383	1,044,383	1,276,791	232,408
Fines and forfeitures	1,046,498	1,046,498	777,584	(268,914)
Interest	175,000	175,000	345,719	170,719
Other revenues	77,375	77,375	107,181	29,806
<b>Total revenues</b>	<b>12,846,683</b>	<b>12,856,183</b>	<b>13,945,243</b>	<b>1,089,060</b>
<b>Expenditures</b>				
General government:				
Elections	79,153	79,153	29,797	(49,356)
County clerk	326,086	326,086	302,962	(23,124)
Register of deeds	227,608	227,608	207,810	(19,798)
Drain commission	145,268	145,268	135,839	(9,429)
Equalization	253,175	253,175	223,102	(30,073)
County treasurer	183,396	183,396	168,488	(14,908)
Cooperative education	124,511	124,511	107,082	(17,429)
Central services	211,859	211,859	210,032	(1,827)
Mimeo and photocopy	18,000	18,000	10,584	(7,416)
Courthouse building and grounds	616,261	616,261	507,101	(109,160)
Prosecuting attorney	584,121	584,121	526,393	(57,728)
Corporate counsel	20,000	20,000	14,173	(5,827)
Audit	31,400	31,400	29,400	(2,000)
Total general government	2,820,838	2,820,838	2,472,763	(348,075)
Legislative:				
Board of Commissioners	504,206	504,206	460,107	(44,099)

continued...

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Judicial:				
Circuit court - probation	\$ 4,800	\$ 4,800	\$ 2,347	\$ (2,453)
49th circuit court	465,404	465,404	401,726	(63,678)
77th district court	520,032	520,032	475,558	(44,474)
District court probation	153,679	153,679	139,409	(14,270)
Jury board	6,503	6,503	3,058	(3,445)
18th probate court	610,928	610,928	520,998	(89,930)
Total judicial	<u>1,761,346</u>	<u>1,761,346</u>	<u>1,543,096</u>	<u>(218,250)</u>
Public safety:				
Sheriff	2,397,527	2,397,527	2,383,741	(13,786)
Law enforcement/road patrol	1,713,324	1,713,324	1,636,877	(76,447)
Marine patrol	24,642	24,642	15,325	(9,317)
Civil defense	72,662	72,662	64,399	(8,263)
Animal shelter	70,000	70,000	70,000	-
Animal control	69,418	69,418	61,759	(7,659)
Total public safety	<u>4,347,573</u>	<u>4,347,573</u>	<u>4,232,101</u>	<u>(115,472)</u>
Health and welfare:				
Communicable diseases	4,000	4,000	273	(3,727)
Medical examiner	110,000	118,500	118,136	(364)
State institutions	166,912	166,912	166,912	-
Soldiers' and sailors relief	3,400	3,400	988	(2,412)
Veterans' burial services	15,000	15,000	6,600	(8,400)
Veterans' affairs	31,945	41,445	35,599	(5,846)
Total health and welfare	<u>331,257</u>	<u>349,257</u>	<u>328,508</u>	<u>(20,749)</u>
Community and economic development:				
Planning and zoning	92,117	92,117	82,598	(9,519)
Plat board	161	161	-	(161)
National forest revenue distribution	<u>6,500</u>	<u>6,500</u>	<u>4,865</u>	<u>(1,635)</u>
Total community and economic development	<u>98,778</u>	<u>98,778</u>	<u>87,463</u>	<u>(11,315)</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Other expenditures:				
Appropriations	\$ 524,568	\$ 524,568	\$ 506,008	\$ (18,560)
Bonds, insurance and pension	1,961,504	3,611,429	3,446,226	(165,203)
Contingencies	500,000	491,500	-	(491,500)
Total other expenditures	<u>2,986,072</u>	<u>4,627,497</u>	<u>3,952,234</u>	<u>(675,263)</u>
<b>Total expenditures</b>	<u>12,850,070</u>	<u>14,509,495</u>	<u>13,076,272</u>	<u>(1,433,223)</u>
Revenues over (under) expenditures	<u>(3,387)</u>	<u>(1,653,312)</u>	<u>868,971</u>	<u>2,522,283</u>
<b>Other financing sources (uses)</b>				
Transfers out	(951,419)	(1,362,219)	(901,419)	(460,800)
Proceeds from sale of capital assets	11,000	11,000	21,606	10,606
<b>Total other financing sources (uses)</b>	<u>(940,419)</u>	<u>(1,351,219)</u>	<u>(879,813)</u>	<u>471,406</u>
<b>Net change in fund balance</b>	<u>(943,806)</u>	<u>(3,004,531)</u>	<u>(10,842)</u>	<u>2,993,689</u>
Fund balance, beginning of year	<u>10,898,029</u>	<u>10,898,029</u>	<u>10,898,029</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,954,223</u>	<u>\$ 7,893,498</u>	<u>\$ 10,887,187</u>	<u>\$ 2,993,689</u>

concluded

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Emergency Medical Services Special Revenue Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 1,134,500	\$ 1,177,500	\$ 1,208,525	\$ 31,025
Intergovernmental - federal	-	-	258,883	258,883
Charges for services	2,045,500	1,935,500	2,365,527	430,027
Interest	25,000	25,000	79,786	54,786
Other revenues	750	57,750	59,495	1,745
<b>Total revenues</b>	<u>3,205,750</u>	<u>3,195,750</u>	<u>3,972,216</u>	<u>776,466</u>
<b>Expenditures</b>				
Current - health and welfare:				
Emergency medical services	2,970,892	3,361,260	3,204,535	(156,725)
Capital outlay	350,000	178,480	152,521	(25,959)
<b>Total expenditures</b>	<u>3,320,892</u>	<u>3,539,740</u>	<u>3,357,056</u>	<u>(182,684)</u>
Revenues over (under) expenditures	(115,142)	(343,990)	615,160	959,150
<b>Other financing sources</b>				
Proceeds from sale of capital assets	-	-	2,104	2,104
<b>Net change in fund balance</b>	(115,142)	(343,990)	617,264	961,254
Fund balance, beginning of year	<u>3,526,329</u>	<u>3,526,329</u>	<u>3,526,329</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,411,187</u>	<u>\$ 3,182,339</u>	<u>\$ 4,143,593</u>	<u>\$ 961,254</u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Special Revenue Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 689,800	\$ 689,800	\$ 734,523	\$ 44,723
Intergovernmental:				
Federal	52,894	52,894	171,449	118,555
State	62,000	62,000	107,878	45,878
Charges for services	10,000	10,000	9,096	(904)
Interest	12,500	12,500	27,908	15,408
Other revenues	73,000	73,000	65,954	(7,046)
<b>Total revenues</b>	<u>900,194</u>	<u>900,194</u>	<u>1,116,808</u>	<u>216,614</u>
<b>Expenditures</b>				
Current - health and welfare	1,055,246	880,847	788,640	(92,207)
Capital outlay	-	174,399	174,036	(363)
<b>Total expenditures</b>	<u>1,055,246</u>	<u>1,055,246</u>	<u>962,676</u>	<u>(92,570)</u>
Revenues over (under) expenditures	<u>(155,052)</u>	<u>(155,052)</u>	<u>154,132</u>	<u>309,184</u>
<b>Other financing sources (uses)</b>				
Transfers out	(34,451)	(34,451)	(34,451)	-
Proceeds from sale of capital assets	-	-	3,150	3,150
<b>Total other financing sources (uses)</b>	<u>(34,451)</u>	<u>(34,451)</u>	<u>(31,301)</u>	<u>3,150</u>
<b>Net change in fund balance</b>	<u>(189,503)</u>	<u>(189,503)</u>	<u>122,831</u>	<u>312,334</u>
Fund balance, beginning of year	<u>1,068,451</u>	<u>1,068,451</u>	<u>1,068,451</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 878,948</u>	<u>\$ 878,948</u>	<u>\$ 1,191,282</u>	<u>\$ 312,334</u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

**Statement of Net Position**

Proprietary Funds  
December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Park Commission (508)	Delinquent Tax Revolving (516)	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and pooled investments	\$ 857,949	\$ 7,336,312	\$ 122,771	\$ 8,317,032	\$ 73,985
Accounts receivable	256	11,572	-	11,828	-
Taxes receivable	-	1,442,556	14,509	1,457,065	-
Interest receivable	3,172	19,044	-	22,216	-
Due from other governments	-	64,831	-	64,831	-
Due from other funds	-	58,809	-	58,809	1,220
Total current assets	861,377	8,933,124	137,280	9,931,781	75,205
Noncurrent assets:					
Advance to component units	-	49,983	-	49,983	-
Net pension asset	76,173	-	-	76,173	-
Capital assets being depreciated, net	1,237,439	-	-	1,237,439	-
Total noncurrent assets	1,313,612	49,983	-	1,363,595	-
<b>Total assets</b>	2,174,989	8,983,107	137,280	11,295,376	75,205
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	30,355	-	-	30,355	6
Accrued liabilities	3,687	-	-	3,687	-
Due to other governments	-	(6,905)	56,993	50,088	-
Unearned revenue	123,450	-	-	123,450	-
Current portion of compensated absences payable	7,398	-	-	7,398	-
<b>Total liabilities</b>	164,890	(6,905)	56,993	214,978	6
<b>Deferred inflows of resources</b>					
Deferred pension amounts	41,595	-	-	41,595	-
<b>Net position</b>					
Investment in capital assets	1,237,439	-	-	1,237,439	-
Restricted for pension	34,578	-	-	34,578	-
Unrestricted	696,487	8,990,012	80,287	9,766,786	75,199
<b>Total net position</b>	\$ 1,968,504	\$ 8,990,012	\$ 80,287	\$ 11,038,803	\$ 75,199

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Park Commission (508)	Delinquent Tax Revolving (516)	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues</b>					
Charges for services	\$ 1,789,286	\$ 29,081	\$ 24,757	\$ 1,843,124	\$ 2,243,982
Interest and penalties on delinquent taxes	-	420,886	4,154	425,040	-
Auction sales proceeds, net	-	24,462	-	24,462	-
<b>Total operating revenues</b>	<u>1,789,286</u>	<u>474,429</u>	<u>28,911</u>	<u>2,292,626</u>	<u>2,243,982</u>
<b>Operating expenses</b>					
Personnel services	687,922	-	732	688,654	-
Supplies	86,310	6,396	1,047	93,753	898
Postage	791	12,739	40	13,570	37,632
Other services and charges	620,440	1,603	21,177	643,220	2,209,719
Depreciation	133,207	-	-	133,207	-
<b>Total operating expenses</b>	<u>1,528,670</u>	<u>20,738</u>	<u>22,996</u>	<u>1,572,404</u>	<u>2,248,249</u>
Operating income (loss)	<u>260,616</u>	<u>453,691</u>	<u>5,915</u>	<u>720,222</u>	<u>(4,267)</u>
<b>Nonoperating revenues</b>					
Interest income	15,771	366	-	16,137	-
Other nonoperating revenues	7,029	-	-	7,029	-
<b>Total nonoperating revenues</b>	<u>22,800</u>	<u>366</u>	<u>-</u>	<u>23,166</u>	<u>-</u>
<b>Change in net position</b>	<u>283,416</u>	<u>454,057</u>	<u>5,915</u>	<u>743,388</u>	<u>(4,267)</u>
Net position, beginning of year	<u>1,685,088</u>	<u>8,535,955</u>	<u>74,372</u>	<u>10,295,415</u>	<u>79,466</u>
<b>Net position, end of year</b>	<u>\$ 1,968,504</u>	<u>\$ 8,990,012</u>	<u>\$ 80,287</u>	<u>\$ 11,038,803</u>	<u>\$ 75,199</u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Park Commission (508)	Delinquent Tax Revolving (516)	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>					
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 2,243,982
Receipts from customers and users	1,839,965	3,176,973	24,757	5,041,695	-
Payments to suppliers	(733,373)	(20,738)	(81,015)	(835,126)	(2,248,226)
Payments to employees	(714,791)	-	(732)	(715,523)	-
Payments for delinquent tax rolls	-	(2,718,577)	-	(2,718,577)	-
<b>Net cash provided by (used in) operating activities</b>	<u>391,801</u>	<u>437,658</u>	<u>(56,990)</u>	<u>772,469</u>	<u>(4,244)</u>
<b>Cash flows from noncapital financing activities</b>					
Insurance receipts	7,029	-	-	7,029	-
Repayment of advance from other funds	(22,300)	-	-	(22,300)	-
Receipt from advance to other funds	-	22,300	-	22,300	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(15,271)</u>	<u>22,300</u>	<u>-</u>	<u>7,029</u>	<u>-</u>
<b>Cash flows used in capital and related financing activities</b>					
Purchases of capital assets	<u>(162,596)</u>	<u>-</u>	<u>-</u>	<u>(162,596)</u>	<u>-</u>
<b>Cash flows from investing activities</b>					
Interest income received	<u>15,771</u>	<u>366</u>	<u>-</u>	<u>16,137</u>	<u>-</u>
<b>Net change in cash and pooled investments</b>	<u>229,705</u>	<u>460,324</u>	<u>(56,990)</u>	<u>633,039</u>	<u>(4,244)</u>
Cash and pooled investments, beginning of year	<u>628,244</u>	<u>6,875,988</u>	<u>179,761</u>	<u>7,683,993</u>	<u>78,229</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 857,949</u>	<u>\$ 7,336,312</u>	<u>\$ 122,771</u>	<u>\$ 8,317,032</u>	<u>\$ 73,985</u>

continued...



## COUNTY OF MECOSTA, MICHIGAN

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Park Commission (508)	Delinquent Tax Revolving (516)	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ 260,616	\$ 453,691	\$ 5,915	\$ 720,222	\$ (4,267)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	133,207	-	-	133,207	-
Change in operating assets and liabilities that provided (used) cash:					
Accounts receivable	6,141	1,712	-	7,853	-
Taxes receivable	-	1,986	(14,509)	(12,523)	-
Interest receivable	(3,172)	(90)	-	(3,262)	-
Due from other governments	-	2,236	-	2,236	-
Due from other funds	-	(4,413)	-	(4,413)	541
Accounts payable	(25,832)	-	-	(25,832)	(518)
Accrued liabilities	(6,613)	-	-	(6,613)	-
Due to other governments	-	(17,464)	(48,396)	(65,860)	-
Unearned revenue	47,710	-	-	47,710	-
Net pension asset/liability	(59,997)	-	-	(59,997)	-
Deferred inflows of resources	37,523	-	-	37,523	-
Compensated absences payable	2,218	-	-	2,218	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 391,801</u>	<u>\$ 437,658</u>	<u>\$ (56,990)</u>	<u>\$ 772,469</u>	<u>\$ (4,244)</u>

concluded

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MECOSTA, MICHIGAN****Statement of Fiduciary Net Position**

Fiduciary Funds

December 31, 2020

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and pooled investments	\$ 358,404
<b>Liabilities</b>	
Undistributed receipts	<u>342,740</u>
<b>Net position</b>	
Restricted for individuals, organizations and other governments	<u><u>\$ 15,664</u></u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2020

	Custodial Funds
<b>Additions</b>	
Taxes collected for other governments	\$ 8,143,043
Inmate trust collections	434,286
Other additions	<u>2,355,053</u>
<b>Total additions</b>	<u>10,932,382</u>
<b>Deductions</b>	
Payments of taxes to other governments	8,143,043
Inmate trust distributions	431,677
Other deductions	<u>2,355,053</u>
<b>Total deductions</b>	<u>10,929,773</u>
<b>Change in net position</b>	2,609
Net position, beginning of year, as restated	<u>13,055</u>
<b>Net position, end of year</b>	<u><u>\$ 15,664</u></u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Net Position**

Discretely Presented Component Units

December 31, 2020

	Road Commission (201)	Brownfield Redevelopment Authority (242-244)	West Michigan Forensic Morgue Services Authority (520)	Drain Commission (801-802)	Total
<b>Assets</b>					
Cash and pooled investments	\$ 630,074	\$ 1,211	\$ -	\$ 695,669	\$ 1,326,954
Receivables	1,295,745	-	-	769,516	2,065,261
Inventory	705,984	-	-	-	705,984
Capital assets not being depreciated	9,359,580	-	-	217,174	9,576,754
Capital assets being depreciated, net	32,701,074	-	-	754,603	33,455,677
<b>Total assets</b>	<b>44,692,457</b>	<b>1,211</b>	<b>-</b>	<b>2,436,962</b>	<b>47,130,630</b>
<b>Deferred outflows of resources</b>					
Deferred pension amounts	977,276	-	-	-	977,276
<b>Liabilities</b>					
Accounts payable and accrued liabilities	1,081,813	-	-	37,074	1,118,887
Advance from primary government	-	-	-	79,983	79,983
Long-term debt:					
Due within one year	382,597	-	-	441,972	824,569
Due in more than one year	1,164,892	-	-	780,156	1,945,048
Net pension liability (due in more than one year)	1,812,722	-	-	-	1,812,722
Net other postemployment benefits liability (due in more than one year)	1,175,126	-	-	-	1,175,126
<b>Total liabilities</b>	<b>5,617,150</b>	<b>-</b>	<b>-</b>	<b>1,339,185</b>	<b>6,956,335</b>
<b>Deferred inflows of resources</b>					
Deferred pension amounts	131,728	-	-	-	131,728
<b>Net position</b>					
Net investment in capital assets	40,746,111	-	-	165,915	40,912,026
Unrestricted	(825,256)	1,211	-	931,862	107,817
<b>Total net position</b>	<b>\$ 39,920,855</b>	<b>\$ 1,211</b>	<b>\$ -</b>	<b>\$ 1,097,777</b>	<b>\$ 41,019,843</b>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Activities**

Discretely Presented Component Units  
For the Year Ended December 31, 2020

	Road Commission (201)	Brownfield Redevelopment Authority (242-244)	West Michigan Forensic Morgue Services Authority (520)	Drain Commission (801-802)	Total
<b>Expenses</b>					
Road Commission	\$ 9,712,728	\$ -	\$ -	\$ -	\$ 9,712,728
Morgue Authority	-	-	90,106	-	90,106
Drain Commission	-	-	-	438,705	438,705
<b>Total expenses</b>	<u>9,712,728</u>	<u>-</u>	<u>90,106</u>	<u>438,705</u>	<u>10,241,539</u>
<b>Program revenues</b>					
Charges for services	1,160,072	-	641	4,154	1,164,867
Operating grants and contributions	6,524,027	-	2,633	31,224	6,557,884
Capital grants and contributions	2,231,823	-	-	364,142	2,595,965
<b>Total program revenues</b>	<u>9,915,922</u>	<u>-</u>	<u>3,274</u>	<u>399,520</u>	<u>10,318,716</u>
Net revenue (expense)	203,194	-	(86,832)	(39,185)	77,177
<b>General revenues</b>					
Gain on sale of capital assets	69,081	-	-	-	69,081
<b>Change in net position</b>	<u>272,275</u>	<u>-</u>	<u>(86,832)</u>	<u>(39,185)</u>	<u>146,258</u>
Net position, beginning of year	39,648,580	1,211	86,832	1,136,962	40,873,585
<b>Net position, end of year</b>	<u>\$ 39,920,855</u>	<u>\$ 1,211</u>	<u>\$ -</u>	<u>\$ 1,097,777</u>	<u>\$ 41,019,843</u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Mecosta, Michigan (the "County") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the most significant policies:

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

As required by generally accepted accounting principles, these financial statements present the County of Mecosta and its component units, entities with which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations, so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize they are legally separate from the County. A separate section of the basic financial statements provides detailed financial information on the discretely presented component units.

##### *Blended Component Units*

**Building Authority** – The Building Authority was created for the purpose of financing and constructing office buildings and related facilities to meet County needs. Mecosta County appoints a voting majority of the County Building Authority Board and can approve or modify the Building Authority's budget. A separate report is not prepared by the Building Authority. The Building Authority had no activity for the year ended December 31, 2020 and, therefore, is not presented in the accompanying financial statements.

**Mecosta County Park Commission** – Mecosta County Park Commission (the "Commission") operates four major parks within the County of Mecosta. The Commission provides camping, cabins, park access, picnic facilities, youth camps, and boat ramp access to the public. Mecosta County appoints a voting majority of the County Park Commission. The Commission's activity is included in the Enterprise Fund section of the report.

##### *Discretely Presented Component Units*

The criteria established by GAAP for determining the reporting entity includes oversight responsibility, financial benefit or burden, fiscal dependency, the ability for the primary government to impose its will, whether the County represents a voting majority, and whether the financial statements would be misleading if the component unit data were not included.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

**Mecosta County Road Commission** – The Mecosta County 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 Mecosta County Board of Commissioners, which is deemed to provide the County with effective control over the Road Commission. The component unit is audited individually and complete financial statements may be obtained from the Road Commission's administrative office at the following address:

Mecosta County Road Commission  
120 DeKraft  
Big Rapids, MI 49307

**Brownfield Redevelopment Authority** – Members of the governing board of the Brownfield are appointed by the County Board of Commissioners. The Brownfield reviews and approves plans for business development within designated areas of the County where property was once contaminated. Property tax revenues from the “captured” portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. The County has the ability to significantly influence the operations of the Brownfield Redevelopment Authority and has accountability for fiscal matters. Separate financial statements for the Brownfield Redevelopment Authority are not prepared.

**West Michigan Forensic Morgue Services Authority** – The County participated jointly in the operation of this Authority with 7 other counties. The purpose was to maintain and operate a regional morgue facility for the use of northern Michigan counties. As the County has the ability to significantly influence the operations of the Authority and has accountability for fiscal matters, the County has determined that it would be misleading to exclude the Authority from its financial statements. Separate financial statements for the Authority are not prepared.

Effective February 1, 2020 the Forensic Pathologist providing autopsy services in the Morgue withdrew, leaving the members with no choice but to send autopsies to Flint, Grand Rapids, or Lansing. The Authority members entered discussion with the Western Michigan University Homer Stryker M.D. School of Medicine (WMED) for provision of forensic autopsy services at the Mecosta County morgue. The County, in conjunction with the other 7 county members, terminated operations of the Authority effective April 14, 2020, as Authority members determined that the need for the Authority would cease following commencement of a contract for services with WMED. On April 15, 2020, the County of Mecosta took back control of the morgue from the Authority and entered a contract for services with WMED. The contract is on a per autopsy basis for any county wishing to have them done by WMED in the morgue.

**Drain Commission** – Each individual district is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan for road drainage. The Mecosta County Drain Commissioner manages the drainage districts with the Mecosta County Board of Commissioners exercising legislative oversight. The County is a direct beneficiary of the service provided and its employees run the day-to-day operations. The full faith and credit of the County may be given for the debt of the drainage districts. Separate financial statements for the Drain Commission are not prepared.



## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Jointly Governed Organizations*

**Mid State Health Network** – The County participates jointly with numerous other northern Michigan counties in the operation of a substance abuse treatment agency. The funding formula requires the County to appropriate 50% of its convention facility revenue each year, which amounted to \$89,203 for the year ended December 31, 2020.

**District Health Department #10** – The County participates jointly in the operation of this Health Department with ten other area counties. All financial operations of the Health Department are recorded in Missaukee County. The County appropriated \$278,527 to the Health Department for the year ended December 31, 2020.

**Central Michigan Community Mental Health Authority** – The County participates jointly in the operation of this Authority with four other area counties. The County appropriated \$166,912 to the Authority for the year ended December 31, 2020.

**Meceola Consolidated Central Dispatch Authority** – Mecosta and Osceola Counties participate jointly in the operation of the Meceola Consolidated Central Dispatch Authority. The County distributes its entire allocation of State E-911 funding to this Authority. For the year ended December 31, 2020, this amounted to \$177,799.

#### ***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 legally separate *component units* for which the primary government is financially accountable.

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

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.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to 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 funds. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of each year, the delinquent tax revolving fund pays the County, and is responsible for collecting any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of special assessments in the drain commission component unit which are based on a 180-day period of availability, and expenditure-driven grants which are based on a one-year period of availability. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if collected within the period of availability as defined above. 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 funds:

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

The *emergency medical services fund* is used to account for emergency medical services provided which are financed by charges for services, Medicare, Medicaid, insurance reimbursements, property taxes, and grants.

The *commission on aging fund* accounts for services provided to the elderly. Revenue is primarily generated through property taxes and state and federal grants.

The County reports the following major enterprise funds:

The *park commission* is used to account for the operations of four major parks in the County of Mecosta. The park commission is a blended component unit of the County.

The *delinquent tax revolving fund* is used to account for the delinquent property tax collection process administered by the County.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

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.

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

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

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

*Internal service funds* account for services provided to the County departments on a cost reimbursement basis.

*Custodial funds* are used to account for assets held on behalf of outside parties, including other governments.

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

#### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for general and special revenue funds. The general and special revenue funds adopt a legal budget with additional funds maintaining budgets as a management control device. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The County Administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at year end.
6. Adoption and amendments of all budgets used by the County are governed by Public Act 621, which was followed during the year. The appropriations resolution is based on the projected expenditures budget of the department heads of the County. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the County Board of Commissioners. The County Administrator is authorized to transfer budgeted amounts within an activity subject to the condition that the total expenditures do not exceed the approved appropriations by activity. Supplemental appropriations were necessary during the year.

Budgets for expenditures are adopted by activity in the general fund and by function in the special revenue funds. Thus, expenditures may not legally exceed the budgeted amounts by activity for the general fund and by function for the special revenue funds.

#### ***Cash and Pooled Investments***

For the purpose of the statement of cash flows, the County considers all balances in the cash and investments pool to be cash and cash equivalents because the balances are available for withdrawal at any time, similar to demand deposit accounts.

#### ***Investments***

Investments are stated at amortized cost (which approximates fair value) at the balance sheet date.

#### ***Receivables***

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end are reported in the emergency medical services fund.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Taxes Receivable – Delinquent*

The delinquent taxes receivable, which are recorded in the enterprise funds, consist of unpaid balances of delinquent real property taxes which were purchased from all of the taxing units in Mecosta County by the County's delinquent tax fund. 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 3-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.

#### *Interfund Transactions*

During the course of its operations, the County has numerous transactions between funds to finance operations, to provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of fiscal year end, balances of interfund accounts receivable or payable have been recorded.

#### *Prepays*

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

#### *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	10-40
Infrastructure - drains	10-20
Vehicles	3-5
Equipment and furniture	5-10
Computer equipment	2-5

#### ***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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources in the proprietary fund and government-wide statements related to the net pension asset/liability.

#### ***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 method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed 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.

#### ***Compensated Absences***

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused sick and vacation pay benefits under formulas and conditions specified in the contracts. All sick pay is accrued when the employee is vested, after various years of employment with the County, based on position and bargaining unit. All vacation pay is accrued when incurred.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

Accumulated vacation time of governmental funds is recorded on the statement of net position and not on the governmental fund balance sheets, as a liability is reported for governmental amounts only if they have matured. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick-pay benefits; however, a liability is recognized for vested accumulated sick pay benefits.

#### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from four sources: property taxes, ambulance fees, certain state grants and special assessments receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. Deferred inflows of resources are also presented for certain pension-related amounts.

#### *Fund Equity*

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. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator. Unassigned fund balance is the residual classification for the general fund.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the general fund will be equal to at least 15% of the most recent year's general fund expenditures. The County is in compliance with this policy.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Pensions*

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

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

### 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### *Budgetary Information*

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 December 31, 2020, the County did not incur expenditures in excess of amounts budgeted in any budgetary funds.

### 3. CASH AND INVESTMENTS

The captions on the government-wide and fund statements relating to cash and investments are as follows:

	Primary Government	Component Units	Fiduciary Funds	Totals
Cash and pooled investments	\$ 27,168,412	\$ 1,326,954	\$ 358,404	\$ 28,853,770
Investments	36,541	-	-	36,541
<b>Total</b>	<b>\$ 27,204,953</b>	<b>\$ 1,326,954</b>	<b>\$ 358,404</b>	<b>\$ 28,890,311</b>



## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

Cash and investments consist of the following at December 31, 2020:

Petty cash	\$ 1,990
Checking / savings accounts	4,198,925
Certificates of deposit (due within one year)	12,721,767
Certificates of deposit (due in one to five years)	11,931,088
Investments	<u>36,541</u>
<b>Total</b>	<b><u>\$ 28,890,311</u></b>

These deposits are in several financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the County and a specific fund or common account. They are recorded in County records at market value. Interest is recorded when earned.

*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, \$24,504,204 of the County's bank balance of \$29,401,537 was exposed to custodial credit risk because it was uninsured and uncollateralized.

#### ***Investments***

The County chooses to disclose its investments by specifically identifying each. As of year-end, the County had the following investments:

	<b>Fair Value</b>	<b>Credit Rating</b>
Oppenheimer Money Market Fund	<u>\$ 36,541</u>	Unrated

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments below. The County's investment policy does 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. The County's investment has no stated maturity.

*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 the County's specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in "statutory authority" below. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment held at year-end is identified above.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

*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. State law does not require and the County does not have a policy for investment custodial credit risk. As of December 31, 2020, none of the County's investments were exposed to risk since the securities are held in the County's name by the counterparty.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk. County policy does not limit the amount of investment in a single security type or with a single financial institution. All investments held at year-end are reported above.

State statutes authorize the County to invest in the following:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. 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.
- d. Bankers acceptances of United States banks.
- e. 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.
- f. 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.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Interest revenue on cash deposits and investments is allocated only to those funds required by the State to earn income on interest-bearing accounts. Income is allocated based on the cash balance of each fund in comparison to the cash balance of the County as a whole. All interest income remaining after this allocation is credited to the general fund.

*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.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

At December 31, 2020 the money market fund is carried at amortized cost (which approximates fair value).

#### 4. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

The composition of receivables in the government-wide financial statements is as follows:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 2,459,183	\$ -	\$ -
Taxes (delinquent)	-	1,457,065	-
Accounts	487,053	11,828	28,565
Allowance for uncollectibles	(140,763)	-	-
Interest	85,595	22,216	2,573
Special assessments	-	-	766,943
Advances to component unit (Note 6)	30,000	49,983	-
Due from other governments	578,775	64,831	1,267,180
<b>Total</b>	<u>\$ 3,499,843</u>	<u>\$ 1,605,923</u>	<u>\$ 2,065,261</u>

Of the amounts reported above, the balance due from component unit of \$79,983 and special assessments receivable of \$706,728 in the drain commission component unit are not expected to be collected within one year.

*Housing Rehabilitation Loans Receivable.* The County has used grant funding provided through the Michigan State Housing Development Authority (MSHDA) to finance housing rehabilitation projects for qualified homeowners. Such assistance was provided in the form of a deferred loan receivable, due and payable upon sale or foreclosure of the related property. Management has estimated the amount of such loans outstanding at year-end may approximate \$773,000, but has determined that the collectible portion (if any) would be immaterial, and would further be due to MSHDA upon collection. Accordingly, no receivable has been recorded.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Resources intended to provide financing for a subsequent period are also reported as deferred inflows of resources.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

	Unavailable	Subsequent Years' Resources	Total
<b>Governmental funds</b>			
Property taxes receivable	\$ 467,269	\$ -	\$ 467,269
Emergency medical services fees receivable	165,521	-	165,521
State grants receivable	84,004	-	84,004
Property taxes levied to finance subsequent year	-	2,070,138	2,070,138
<b>Total</b>	<u>\$ 716,794</u>	<u>\$ 2,070,138</u>	<u>\$ 2,786,932</u>

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The composition of accounts payable and accrued liabilities in the government-wide statement of net position is as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 514,455	\$ 30,355	\$ 680,358
Accrued liabilities	223,827	3,687	33,182
Due to other governments	-	50,088	64,290
Advance from State of Michigan	-	-	341,057
Advances from primary government (Note 6)	-	-	79,983
<b>Total</b>	<u>\$ 738,282</u>	<u>\$ 84,130</u>	<u>\$ 1,198,870</u>

### 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020, was as follows:

	Due to and from Primary Government Funds	
	Due from Fund	Due to Fund
Nonmajor governmental funds	\$ -	\$ 60,029
Delinquent tax revolving	58,809	-
Internal service funds	1,220	-
<b>Total</b>	<u>\$ 60,029</u>	<u>\$ 60,029</u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

These balances are a result of negative balances in the nonmajor governmental funds pooled cash and investments as of year end.

	Advance from Primary Government to Component Unit	
	Advance to Component Unit	Advance from Primary Government
General fund	\$ 30,000	\$ -
Delinquent tax revolving	49,983	-
Drain commission component unit	-	79,983
<b>Total</b>	<u>\$ 79,983</u>	<u>\$ 79,983</u>

These balances result from capital advances to finance drain construction. The balances will be repaid as related special assessments are levied and collected. The outstanding balances are not expected to be repaid within one year.

	Due to and from Component Units	
	Due from Fund	Due to Fund
Drain fund	\$ -	\$ 9,057
Revolving drain fund	9,057	-
<b>Total</b>	<u>\$ 9,057</u>	<u>\$ 9,057</u>

For the year ended December 31, 2020, interfund transfers consisted of the following:

Transfers Out	Transfers in
	Nonmajor Governmental Funds
General fund	\$ 901,419
Commission on Aging	34,451
<b>Total</b>	<u>\$ 935,870</u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

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.

#### 7. CAPITAL ASSETS

##### Primary government

Capital asset activity for the primary government for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 314,537	\$ -	\$ -	\$ -	\$ 314,537
Capital assets, being depreciated:					
Buildings and improvements	10,960,224	162,547	-	-	11,122,771
Equipment and furniture	1,895,938	112,690	-	-	2,008,628
Vehicles	2,220,973	457,440	(404,206)	-	2,274,207
	<u>15,077,135</u>	<u>732,677</u>	<u>(404,206)</u>	<u>-</u>	<u>15,405,606</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,621,232)	(325,198)	-	-	(6,946,430)
Equipment and furniture	(1,483,180)	(196,444)	-	-	(1,679,624)
Vehicles	(1,821,929)	(235,209)	404,206	-	(1,652,932)
	<u>(9,926,341)</u>	<u>(756,851)</u>	<u>404,206</u>	<u>-</u>	<u>(10,278,986)</u>
Total capital assets, being depreciated, net	<u>5,150,794</u>	<u>(24,174)</u>	<u>-</u>	<u>-</u>	<u>5,126,620</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 5,465,331</u>	<u>\$ (24,174)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,441,157</u>

Depreciation expense was allocated to the various functions of governmental activities as follows:

##### **Depreciation of governmental activities by function**

General government	\$ 216,615
Public safety	307,027
Health and welfare	<u>233,209</u>
<b>Total</b>	<u>\$ 756,851</u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, being depreciated:					
Land improvements	\$ 1,763,385	\$ 162,596	\$ -	\$ -	\$ 1,925,981
Buildings and improvements	1,324,537	-	-	-	1,324,537
Equipment and furniture	119,792	-	-	-	119,792
Vehicles	252,654	-	-	-	252,654
	<u>3,460,368</u>	<u>162,596</u>	<u>-</u>	<u>-</u>	<u>3,622,964</u>
Less accumulated depreciation for:					
Land improvements	(1,232,391)	(49,438)	-	-	(1,281,829)
Buildings and improvements	(744,995)	(67,086)	-	-	(812,081)
Equipment and furniture	(79,789)	(7,318)	-	-	(87,107)
Vehicles	(195,143)	(9,365)	-	-	(204,508)
	<u>(2,252,318)</u>	<u>(133,207)</u>	<u>-</u>	<u>-</u>	<u>(2,385,525)</u>
Total capital assets being depreciated, net	<u>\$ 1,208,050</u>	<u>\$ 29,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,237,439</u>

Depreciation expense of \$133,207 was recorded in the Park Commission enterprise fund.

Capital assets activity for the Drain Commission component unit for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Drain Commission Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 293,985	\$ 217,174	\$ (293,985)	\$ -	\$ 217,174
Capital assets, being depreciated:					
Infrastructure	3,399,686	18,744	293,985	-	3,712,415
Less accumulated depreciation for:					
Infrastructure	(2,889,025)	(68,787)	-	-	(2,957,812)
Total capital assets being depreciated, net	<u>510,661</u>	<u>(50,043)</u>	<u>293,985</u>	<u>-</u>	<u>754,603</u>
<b>Drain Commission capital assets, net</b>	<u>\$ 804,646</u>	<u>\$ 167,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971,777</u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### 8. LEASES - OPERATING

The Mecosta County Park Commission leases the land for Brower Park. The Park Commission entered into a lease with Consumers Energy Company (the "Lessor") dated October 16, 1999 that extends from May 1, 1999 to May 1, 2024. Rent is paid annually and is to be based on an allocation of the annual expenses the Lessor expects to incur in administering the various leases, licenses, and license agreements that the Lessor expects to have in place for its Federal Energy Regulatory Commission (FERC) hydro project lands. The rental amount currently is set at \$2,700 per year and shall be revised every fifth year during the term of the lease, based on projected data for the year of the revision.

The following is a schedule of the future minimum lease payments required under the operating lease which has initial or remaining noncancelable lease terms in excess of one year as of December 31, 2020. The amount for the years ended December 31, 2021 and after are subject to changes based on the agreement discussed above.

Year Ended December 31,	Amount
2021	\$ 2,700
2022	2,700
2023	2,700
2024	2,700
<b>Total</b>	<b>\$ 10,800</b>

#### 9. LONG-TERM DEBT

The following is a summary of long-term debt for the year ended December 31, 2020:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 955,155	\$ 668,828	\$ (514,322)	\$ 1,109,661	\$ 527,180
Accrued compensated absences for governmental activities are generally liquidated by the general fund.					
<b>Business-type Activities</b>					
Compensated absences	\$ 5,180	\$ 12,734	\$ (10,516)	\$ 7,398	\$ 7,398
<b>Drain Commission Component Unit</b>					
Notes from direct borrowings and direct placements	\$ 680,767	\$ 565,000	\$ (23,639)	\$ 1,222,128	\$ 441,972



## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### Drain Commission Component Unit

##### Notes payable

\$199,000 2015 Culp Drain Note, due in annual installments of \$13,267 plus interest of 3.48%, payable annually through June 1, 2030	\$ 132,665
\$155,579 2017 Snow Drain Note, due in annual installments of \$10,370 plus interest of 2.95%, payable annually through May 1, 2032	124,463
\$400,000 2019 Tonkin Drain Note, due in a single installment of \$400,000 plus interest of 2.95%, due May 31, 2021	400,000
\$290,000 2020 Ives Drain Note, due in a single installment of \$290,000 plus interest of 1.65%, due April 1, 2023	290,000
\$275,000 2020 Ford Drain Note, due in annual installments of \$18,333 plus interest of 1.65%, due August 1, 2035	<u>275,000</u>
<b>Total notes payable</b>	<b><u>\$ 1,222,128</u></b>

The following is a schedule of future principal and interest payments at December 31, 2020:

Year Ended December 31,	Principal	Interest
2021	\$ 441,972	\$ 39,673
2022	41,972	15,120
2023	331,972	27,705
2024	41,972	12,517
2025	41,972	11,188
2026-2030	209,855	36,298
2031-2035	<u>112,413</u>	<u>9,065</u>
<b>Total</b>	<b><u>\$ 1,222,128</u></b>	<b><u>\$ 151,566</u></b>

## COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

## 10. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Emergency Medical Services	Commission on Aging	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Prepays	\$ 589,400	\$ -	\$ -	\$ -	\$ 589,400
Long-term advances	30,000	-	-	-	30,000
Broomfield trust fund corpus	-	-	-	30,535	30,535
	<u>619,400</u>	<u>-</u>	<u>-</u>	<u>30,535</u>	<u>649,935</u>
<b>Restricted</b>					
Emergency medical services	-	4,143,593	-	-	4,143,593
Senior programs	-	-	1,191,282	302,269	1,493,551
Sobriety Court	-	-	-	111,870	111,870
Drug prevention and law enforcement	-	-	-	300,718	300,718
Housing rehabilitation program	-	-	-	66,838	66,838
Emergency planning	-	-	-	3,243	3,243
Register of deeds automation	-	-	-	368,750	368,750
Public safety training	-	-	-	168,450	168,450
K-9 services	-	-	-	3,066	3,066
Remonumentation	-	-	-	12,512	12,512
Building department	-	-	-	649,715	649,715
Human services programs	-	-	-	109,144	109,144
Broomfield trust	-	-	-	7,653	7,653
	<u>-</u>	<u>4,143,593</u>	<u>1,191,282</u>	<u>2,104,228</u>	<u>7,439,103</u>
<b>Committed</b>					
District court caseload	-	-	-	8,509	8,509
Senior programs	-	-	-	38,451	38,451
Human services programs	-	-	-	220,613	220,613
Secondary road patrol	-	-	-	56,157	56,157
Township law enforcement	-	-	-	13,156	13,156
Jail maintenance	-	-	-	79,042	79,042
Dive team	-	-	-	8,956	8,956
Law library materials	-	-	-	2,372	2,372
Crime victims' rights	-	-	-	34,624	34,624
Capital improvements	-	-	-	399,552	399,552
	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,432</u>	<u>861,432</u>
<b>Assigned</b>					
Soldiers' and sailors' assistance	6,823	-	-	-	6,823
<b>Unassigned</b>	<u>10,260,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,260,964</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 10,887,187</u>	<u>\$ 4,143,593</u>	<u>\$ 1,191,282</u>	<u>\$ 2,996,195</u>	<u>\$ 19,218,257</u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### 11. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2020, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 314,537	\$ -	\$ 9,576,754
Capital assets being depreciated, net	5,126,620	1,237,439	33,455,677
	5,441,157	1,237,439	43,032,431
Related debt:			
Total installment purchases and notes payable	-	-	2,536,671
Less unexpended debt proceeds	-	-	(416,266)
	-	-	2,120,405
<b>Net investment in capital assets</b>	<b>\$ 5,441,157</b>	<b>\$ 1,237,439</b>	<b>\$ 40,912,026</b>

#### 12. PENSION PLANS

##### Primary Government - Defined Benefit Plan

##### *General Information About the Plan*

*Plan Description.* The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. 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. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. 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.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 2.0% to 2.5%. Participants are considered to be fully vested in the plan after 8 or 10 years. Normal retirement age is 60 with early retirement options available for certain bargaining units.

*Employees Covered by Benefit Terms.* At the December 31, 2019 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	125
Inactive employees entitled to but not yet receiving benefits	49
Active employees	34
<b>Total membership</b>	<b>208</b>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees. Closed divisions have a monthly employer contribution ranging from \$0 to \$7,916, while member contributions range from 0% to 3.39%. There were no open divisions as of December 31, 2020.

*Net Pension Liability (Asset).* The County's net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019.

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
<b>Investment rate of return</b>			<u><u>7.60%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2020 was 7.6% (down from 8.0% at December 31, 2019). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Changes in Net Pension Liability (Asset)*

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

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at December 31, 2019	\$ 37,605,398	\$ 37,066,206	\$ 539,192
Changes for the year:			
Service cost	190,931	-	190,931
Interest	2,778,442	-	2,778,442
Differences between expected and actual experience	(190,330)	-	(190,330)
Changes in assumptions	1,233,941		1,233,941
Employer contributions	-	2,296,057	(2,296,057)
Employee contributions	-	15,861	(15,861)
Net investment income	-	4,837,650	(4,837,650)
Benefit payments, including refunds of employee contributions	(2,284,824)	(2,284,824)	-
Administrative expense	-	(75,096)	75,096
Other changes	(16,791)	-	(16,791)
Net changes	1,711,369	4,789,648	(3,078,279)
<b>Balances at December 31, 2020</b>	<b>\$ 39,316,767</b>	<b>\$ 41,855,854</b>	<b>\$ (2,539,087)</b>

*Changes in Assumptions.* In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the County calculated using the discount rate of 7.6%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

	<b>1% Decrease (6.6%)</b>	<b>Current Discount Rate (7.6%)</b>	<b>1% Increase (8.6%)</b>
County's net pension liability (asset)	\$ 1,415,792	\$ (2,539,087)	\$ (5,929,062)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended December 31, 2020, the County recognized pension expense of \$803,622. The County reported pension-related deferred inflows of resources of \$1,386,502 for the net difference between projected and actual earnings on pension plan investments.

Amounts reported as pension-related deferred inflows of resources will be recognized in pension expense as follows:

Year Ended, December 31,	Amount
2021	\$ (268,448)
2022	73,672
2023	(787,236)
2024	<u>(404,490)</u>
<b>Total</b>	<b><u>\$ (1,386,502)</u></b>

*Payable to the Pension Plan.* At December 31, 2020, the County had no amounts payable to the pension plan.

For the governmental activities, the net pension liability is generally liquidated by the general fund.

#### **Road Commission Component Unit - Defined Benefit Plan**

The Road Commission participates in a separate MERS defined benefit retirement plan. Complete disclosures for this plan are available in the Road Commission's separately issued financial statements.

#### **Primary Government - Defined Contribution Plan**

The County of Mecosta contributes to a defined contribution retirement plan administered by MERS with the International City Management Association Retirement Corporation (ICMA) acting as an investment fiduciary. County contributions are equal to 6% of covered payroll, plus up to an additional 3% matching of employee contributions.

The County contributed \$587,612 to the plan during the year ended December 31, 2020, and employee contributions totaled \$213,629.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### 13. OTHER POSTEMPLOYMENT BENEFITS

##### *County General Employees*

In addition to the pension benefits described in Note 12, the County provides postemployment benefits to all retired employees and/or their spouses. The benefit includes the provision that a retiree pays 100% of the cost of the premium. An actuarial valuation of the County's liability for the implicit rate subsidy in accordance with GASB Statement No. 75 has not been performed. Management has determined that the actuarially accrued liability would be immaterial to the financial statements taken as a whole.

##### *Road Commission Component Unit*

The Mecosta County Road Commission administers a single-employer defined benefit healthcare plan. The Road Commission provides postemployment healthcare insurance benefits to certain retired union and administrative employees through the Road Commission group health insurance plan which covers both active and retired members. Complete information on the Road Commission's other postemployment benefits plan can be found in the separately-issued financial statements.

#### 14. DEFERRED COMPENSATION PLAN

The County of Mecosta offers all employees a deferred compensation plan created in accordance with the Internal Revenue code, Section 457. The assets of the plans are held in trust (custodial account or annuity contract), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this section 457 plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the County's financial statements.

#### 15. RISK MANAGEMENT

##### *Primary Government*

Mecosta County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County participates in the Michigan Municipal Risk Management Authority (MMRMA). The Authority is a self-insured association organized under the laws of the State of Michigan to provide self-insurance protection against loss and risk management services to Michigan cities, counties, townships, and special purpose governments. Mecosta County is responsible for paying all losses, including damages, loss adjustment expenses, and defense costs, for each occurrence that falls within the County's self-insured retention (SIR). The County's self-insurance retention is the first \$75,000 for liability, \$15,000 for vehicle/\$30,000 per occurrence for vehicle physical damage, and 10% up to \$100,000 for property and crime coverage.



## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

Settled claims have not exceeded insurance coverage in the history of the self-insurance program. The changes in the claims liability for the previous two years are as follows:

Year Ended December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2019	\$ 150,119	\$ 177,097	\$ (327,216)	\$ -
2020	-	32,377	(7,377)	25,000

### 16. CONTINGENT LIABILITIES

The County has received significant financial assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the applicable fund of the County. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2020.

### 17. TAX ABATEMENTS

Industrial property tax abatements are granted by the State of Michigan under public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement of facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2020 amounted to approximately \$17,000.

### 18. RESTATEMENT

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result of this change, beginning net position of the custodial funds was increased by \$13,055.

### 19. SPECIAL ITEM

On October 1, 2020, the County transferred the fiduciary responsibility for the Central Michigan Enforcement Team (CMET) to the Michigan State Police. This is reported as a special item in the CMET Public Safety nonmajor governmental fund and in the government-wide statement of net position at the net transferred amount of \$132,570.

**COUNTY OF MECOSTA, MICHIGAN****Notes to Financial Statements****20. CORONAVIRUS**

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

## COUNTY OF MECOSTA, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios

	December 31,		
	2020	2019	2018
<b>Total pension liability</b>			
Service cost	\$ 190,931	\$ 197,250	\$ 199,032
Interest	2,778,442	2,861,324	2,806,343
Differences between expected and actual experience	(190,330)	142,195	(43,850)
Changes of assumptions	1,233,941	-	-
Benefit payments, including refunds of employee contributions	(2,284,824)	(2,218,349)	(2,106,028)
Other changes	(16,791)	(154,116)	(111,190)
<b>Net change in total pension liability</b>	<u>1,711,369</u>	<u>828,304</u>	<u>744,307</u>
Total pension liability, beginning of year	<u>37,605,398</u>	<u>36,777,094</u>	<u>36,032,787</u>
<b>Total pension liability, end of year</b>	<u>39,316,767</u>	<u>37,605,398</u>	<u>36,777,094</u>
<b>Plan fiduciary net position</b>			
Employer contributions	2,296,057	689,131	981,272
Employee contributions	15,861	16,363	18,365
Net investment income (loss)	4,837,650	4,576,577	(1,417,554)
Benefit payments, including refunds of employee contributions	(2,284,824)	(2,218,349)	(2,106,028)
Administrative expense	(75,096)	(78,817)	(70,549)
<b>Net change in plan fiduciary net position</b>	<u>4,789,648</u>	<u>2,984,905</u>	<u>(2,594,494)</u>
Plan fiduciary net position, beginning of year	<u>37,066,206</u>	<u>34,081,301</u>	<u>36,675,795</u>
<b>Plan fiduciary net position, end of year</b>	<u>41,855,854</u>	<u>37,066,206</u>	<u>34,081,301</u>
<b>County's net pension liability (asset)</b>	<u>\$ (2,539,087)</u>	<u>\$ 539,192</u>	<u>\$ 2,695,793</u>
Plan fiduciary net position as a percentage of total pension liability	106.5%	98.6%	92.7%
Covered payroll	<u>\$ 1,881,064</u>	<u>\$ 1,865,245</u>	<u>\$ 1,905,214</u>
County's net pension liability (asset) as a percentage of covered payroll	-135.0%	28.9%	141.5%

See notes to required supplementary information.



December 31,		
2017	2016	2015
\$ 209,608	\$ 202,437	\$ 211,770
2,746,212	2,605,589	2,539,073
(45,938)	109,831	-
-	1,896,455	-
(1,968,289)	(1,928,226)	(1,898,418)
(115,791)	(124,894)	(26,601)
825,802	2,761,192	825,824
35,206,985	32,445,793	31,619,969
36,032,787	35,206,985	32,445,793
1,466,932	2,514,266	1,334,865
18,349	20,309	20,559
4,321,035	3,263,899	(433,694)
(1,968,289)	(1,928,226)	(1,898,418)
(68,454)	(64,578)	(65,189)
3,769,573	3,805,670	(1,041,877)
32,906,222	29,100,552	30,142,429
36,675,795	32,906,222	29,100,552
\$ (643,008)	\$ 2,300,763	\$ 3,345,241
101.8%	93.5%	89.7%
\$ 1,871,843	\$ 1,966,035	\$ 1,933,937
-34.4%	117.0%	173.0%

## COUNTY OF MECOSTA, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan  
Schedule of Contributions

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2011	\$ 902,606	\$ 902,606	\$ -	\$ 2,498,252	36.1%
2012	1,262,917	1,262,917	-	2,306,133	54.8%
2013	1,382,530	1,382,530	-	2,207,656	62.6%
2014	1,007,194	1,007,194	-	2,016,334	50.0%
2015	336,168	1,334,865	(998,697)	1,933,937	69.0%
2016	309,420	2,514,266	(2,204,846)	1,966,035	127.9%
2017	843,150	1,466,932	(623,782)	1,871,843	78.4%
2018	481,272	981,272	(500,000)	1,905,214	51.5%
2019	216,312	689,131	(472,819)	1,865,245	36.9%
2020	277,284	2,296,057	(2,018,773)	1,881,064	122.1%

See notes to required supplementary information.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Required Supplementary Information

#### *MERS Agent Multiple-Employer Defined Benefit Pension Plan*

#### Notes to the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

*Changes in Assumptions.* In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

#### Notes to Schedule of Contributions

Valuation Date	Actuarially determined contribution rates are calculated as of the December 31 that is 12 months prior to the beginning of the fiscal year in which contributions are reported.
----------------	---

Methods and assumptions used to determine contribution rates (2020, based on the 12/31/2018 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	1-10 years, based on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables



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**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

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## GENERAL FUND

## COUNTY OF MECOSTA, MICHIGAN

**Combining Balance Sheet - By Activity**

General Fund

December 31, 2020

	General Fund (101)	Budget Stabilization (257)	Soldiers' and Sailors' Relief (293)	Total
<b>Assets</b>				
Cash and pooled investments	\$ 8,510,636	\$ 1,714,000	\$ 6,823	\$ 10,231,459
Accounts receivable	53,172	-	-	53,172
Taxes receivable	656,033	-	-	656,033
Interest receivable	59,706	-	-	59,706
Due from other governments	303,643	-	-	303,643
Advance to component units	30,000	-	-	30,000
Prepays	589,400	-	-	589,400
<b>Total assets</b>	<u>\$ 10,202,590</u>	<u>\$ 1,714,000</u>	<u>\$ 6,823</u>	<u>\$ 11,923,413</u>
<b>Liabilities</b>				
Accounts payable	\$ 351,199	\$ -	\$ -	\$ 351,199
Accrued liabilities	133,754	-	-	133,754
<b>Total liabilities</b>	<u>484,953</u>	<u>-</u>	<u>-</u>	<u>484,953</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	551,273	-	-	551,273
<b>Fund balance</b>				
Nonspendable	619,400	-	-	619,400
Assigned	-	-	6,823	6,823
Unassigned	8,546,964	1,714,000	-	10,260,964
<b>Total fund balance</b>	<u>9,166,364</u>	<u>1,714,000</u>	<u>6,823</u>	<u>10,887,187</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 10,202,590</u>	<u>\$ 1,714,000</u>	<u>\$ 6,823</u>	<u>\$ 11,923,413</u>

## COUNTY OF MECOSTA, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes**

in Fund Balance - By Activity

General Fund

For the Year Ended December 31, 2020

	General Fund (101)	Budget Stabilization (257)	Soldiers' and Sailors' Relief (293)	Total
<b>Revenues</b>				
Taxes	\$ 9,038,952	\$ -	\$ -	\$ 9,038,952
Licenses and permits	46,845	-	-	46,845
Intergovernmental:				
Federal	743,749	-	-	743,749
State	1,378,742	-	-	1,378,742
Local	229,680	-	-	229,680
Charges for services	1,276,791	-	-	1,276,791
Fines and forfeitures	777,584	-	-	777,584
Interest	345,719	-	-	345,719
Other revenues	107,181	-	-	107,181
<b>Total revenues</b>	<u>13,945,243</u>	<u>-</u>	<u>-</u>	<u>13,945,243</u>
<b>Expenditures</b>				
Current:				
General government	2,472,763	-	-	2,472,763
Legislative	460,107	-	-	460,107
Judicial	1,543,096	-	-	1,543,096
Public safety	4,232,101	-	-	4,232,101
Health and welfare	327,520	-	988	328,508
Community and economic development	87,463	-	-	87,463
Other expenditures	3,952,234	-	-	3,952,234
<b>Total expenditures</b>	<u>13,075,284</u>	<u>-</u>	<u>988</u>	<u>13,076,272</u>
Revenues over (under) expenditures	<u>869,959</u>	<u>-</u>	<u>(988)</u>	<u>868,971</u>
<b>Other financing sources (uses)</b>				
Transfers out	(901,419)	-	-	(901,419)
Proceeds from sale of capital assets	21,606	-	-	21,606
<b>Total other financing sources (uses)</b>	<u>(879,813)</u>	<u>-</u>	<u>-</u>	<u>(879,813)</u>
<b>Net change in fund balance</b>	<u>(9,854)</u>	<u>-</u>	<u>(988)</u>	<u>(10,842)</u>
Fund balance, beginning of year	<u>9,176,218</u>	<u>1,714,000</u>	<u>7,811</u>	<u>10,898,029</u>
<b>Fund balance, end of year</b>	<u>\$ 9,166,364</u>	<u>\$ 1,714,000</u>	<u>\$ 6,823</u>	<u>\$ 10,887,187</u>

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## **NONMAJOR GOVERNMENTAL FUNDS**



## COUNTY OF MECOSTA, MICHIGAN

**Combining Balance Sheet**

Nonmajor Governmental Funds

December 31, 2020

	Special Revenue					
	CMET Public Safety (205)	Medical First Responders (211)	Sobriety Court (214)	Friend of The Court (215)	Prosecutor's Drug Forfeitures (216)	Family Counseling (217)
<b>Assets</b>						
Cash and pooled investments	\$ -	\$ 165,668	\$ 105,036	\$ -	\$ 10,017	\$ 108,460
Investments	-	-	-	-	-	-
Accounts receivable	-	-	75	9,421	-	-
Interest receivable	-	-	-	-	37	-
Due from other governments	-	-	18,306	52,953	399	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 165,668</u>	<u>\$ 123,417</u>	<u>\$ 62,374</u>	<u>\$ 10,453</u>	<u>\$ 108,460</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 21,766	\$ 1,926	\$ 600	\$ 47	\$ -
Accrued liabilities	-	-	1,112	5,232	-	-
Due to other funds	-	-	-	45,870	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>21,766</u>	<u>3,038</u>	<u>51,702</u>	<u>47</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Taxes levied for subsequent year	-	143,218	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	684	111,870	-	10,406	108,460
Committed	-	-	8,509	10,672	-	-
<b>Total fund balances</b>	<u>-</u>	<u>684</u>	<u>120,379</u>	<u>10,672</u>	<u>10,406</u>	<u>108,460</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 165,668</u>	<u>\$ 123,417</u>	<u>\$ 62,374</u>	<u>\$ 10,453</u>	<u>\$ 108,460</u>

Special Revenue					
Remonu- mentation Grant (232)	County Housing Rehab Program (234)	Building Department (249)	Drunk Driving (250)	Emergency Planning Committee (254)	Register of Deeds Automation (256)
\$ -	\$ 66,838	\$ 649,380	\$ 3,190	\$ 3,243	\$ 367,391
-	-	-	-	-	-
-	-	2,288	-	-	-
-	-	2,402	-	-	1,359
26,671	-	-	-	-	-
<u>\$ 26,671</u>	<u>\$ 66,838</u>	<u>\$ 654,070</u>	<u>\$ 3,190</u>	<u>\$ 3,243</u>	<u>\$ 368,750</u>
\$ -	\$ -	\$ 1,997	\$ -	\$ -	\$ -
-	-	2,358	-	-	-
14,159	-	-	-	-	-
-	-	-	-	-	-
<u>14,159</u>	<u>-</u>	<u>4,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
12,512	66,838	649,715	3,190	3,243	368,750
-	-	-	-	-	-
<u>12,512</u>	<u>66,838</u>	<u>649,715</u>	<u>3,190</u>	<u>3,243</u>	<u>368,750</u>
<u>\$ 26,671</u>	<u>\$ 66,838</u>	<u>\$ 654,070</u>	<u>\$ 3,190</u>	<u>\$ 3,243</u>	<u>\$ 368,750</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Combining Balance Sheet**

Nonmajor Governmental Funds

December 31, 2020

	Special Revenue					
	D.A.R.E. Program (258)	Concealed Pistol Licensing (259)	Michigan Indigent Defense Commission (260)	Township Law Enforcement (261)	Corrections Officer Training (262)	K-9 (263)
<b>Assets</b>						
Cash and pooled investments	\$ 19,233	\$ 102,202	\$ 130,163	\$ 13,156	\$ 64,562	\$ 3,066
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Interest receivable	71	378	482	-	-	-
Due from other governments	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 19,304</u>	<u>\$ 102,580</u>	<u>\$ 130,645</u>	<u>\$ 13,156</u>	<u>\$ 64,562</u>	<u>\$ 3,066</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 5,960	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	124,685	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>130,645</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Taxes levied for subsequent year	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	19,304	102,580	-	-	64,562	3,066
Committed	-	-	-	13,156	-	-
<b>Total fund balances</b>	<u>19,304</u>	<u>102,580</u>	<u>-</u>	<u>13,156</u>	<u>64,562</u>	<u>3,066</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 19,304</u>	<u>\$ 102,580</u>	<u>\$ 130,645</u>	<u>\$ 13,156</u>	<u>\$ 64,562</u>	<u>\$ 3,066</u>

Special Revenue					
Jail Maintenance (264)	Drug Law Enforcement (265)	Dive Team (266)	Community Corrections Program (267)	Crime Victims' Rights (268)	Law Library (269)
\$ 78,823	\$ 26,964	\$ 8,956	\$ 248,788	\$ 34,298	\$ 4,712
-	-	-	-	-	-
-	-	-	-	-	-
-	100	-	-	-	-
508	-	-	-	920	-
<u>\$ 79,331</u>	<u>\$ 27,064</u>	<u>\$ 8,956</u>	<u>\$ 248,788</u>	<u>\$ 35,218</u>	<u>\$ 4,712</u>
\$ 289	\$ -	\$ -	\$ 6,498	\$ 594	\$ 2,340
-	-	-	1,536	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>289</u>	<u>-</u>	<u>-</u>	<u>8,034</u>	<u>594</u>	<u>2,340</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	27,064	-	240,754	-	-
<u>79,042</u>	<u>-</u>	<u>8,956</u>	<u>-</u>	<u>34,624</u>	<u>2,372</u>
<u>79,042</u>	<u>27,064</u>	<u>8,956</u>	<u>240,754</u>	<u>34,624</u>	<u>2,372</u>
<u>\$ 79,331</u>	<u>\$ 27,064</u>	<u>\$ 8,956</u>	<u>\$ 248,788</u>	<u>\$ 35,218</u>	<u>\$ 4,712</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Combining Balance Sheet**

Nonmajor Governmental Funds

December 31, 2020

	Special Revenue					Capital Projects
	Commission on Aging Meals (273)	911 State Service Charge (280)	Law Enforcement Training (287)	Secondary Road Patrol (289)	Child Care (292)	Building Improvement (402)
<b>Assets</b>						
Cash and pooled investments	\$ 328,816	\$ -	\$ 1,308	\$ 45,785	\$ 195,917	\$ 202,527
Investments	-	-	-	-	-	-
Accounts receivable	593	-	-	-	-	-
Interest receivable	1,216	-	-	-	-	-
Due from other governments	16,776	50,889	-	12,153	28,294	-
<b>Total assets</b>	<u>\$ 347,401</u>	<u>\$ 50,889</u>	<u>\$ 1,308</u>	<u>\$ 57,938</u>	<u>\$ 224,211</u>	<u>\$ 202,527</u>
<b>Liabilities</b>						
Accounts payable	\$ 4,255	\$ 50,889	\$ -	\$ 333	\$ 12,681	\$ -
Accrued liabilities	2,426	-	-	1,448	1,589	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>6,681</u>	<u>50,889</u>	<u>-</u>	<u>1,781</u>	<u>14,270</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Taxes levied for subsequent year	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	302,269	-	1,308	-	-	-
Committed	38,451	-	-	56,157	209,941	202,527
<b>Total fund balances</b>	<u>340,720</u>	<u>-</u>	<u>1,308</u>	<u>56,157</u>	<u>209,941</u>	<u>202,527</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 347,401</u>	<u>\$ 50,889</u>	<u>\$ 1,308</u>	<u>\$ 57,938</u>	<u>\$ 224,211</u>	<u>\$ 202,527</u>



Capital Projects	Permanent	
Capital Equipment (405)	Broomfield Trust (757)	Total
\$ 189,895	\$ 1,647	\$ 3,180,041
-	36,541	36,541
-	-	12,377
-	-	6,045
8,347	-	216,216
<u>\$ 198,242</u>	<u>\$ 38,188</u>	<u>\$ 3,451,220</u>
\$ 1,217	\$ -	\$ 111,392
-	-	15,701
-	-	60,029
-	-	124,685
<u>1,217</u>	<u>-</u>	<u>311,807</u>
<u>-</u>	<u>-</u>	<u>143,218</u>
-	30,535	30,535
-	7,653	2,104,228
197,025	-	861,432
<u>197,025</u>	<u>38,188</u>	<u>2,996,195</u>
<u>\$ 198,242</u>	<u>\$ 38,188</u>	<u>\$ 3,451,220</u>

concluded

## COUNTY OF MECOSTA, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue					
	CMET Public Safety (205)	Medical First Responders (211)	Sobriety Court (214)	Friend of the Court (215)	Prosecutor's Drug Forfeitures (216)	Family Counseling (217)
<b>Revenues</b>						
Taxes	\$ -	\$ 138,657	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal	88,768	-	-	307,909	399	-
State	-	-	85,553	35,585	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	26,476	100,251	-	2,985
Fines and forfeitures	-	-	-	-	-	-
Interest	162	-	-	-	197	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>88,930</u>	<u>138,657</u>	<u>112,029</u>	<u>443,745</u>	<u>596</u>	<u>2,985</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	116,580	485,016	-	-
Public safety	89,854	-	-	-	982	-
Health and welfare	-	138,500	-	-	-	900
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>89,854</u>	<u>138,500</u>	<u>116,580</u>	<u>485,016</u>	<u>982</u>	<u>900</u>
Revenues over (under) expenditures	(924)	157	(4,551)	(41,271)	(386)	2,085
<b>Other financing sources</b>						
Transfers in	-	-	8,509	30,000	-	-
<b>Net change in fund balances before special item</b>	(924)	157	3,958	(11,271)	(386)	2,085
Special item	(132,570)	-	-	-	-	-
<b>Net change in fund balances</b>	(133,494)	157	3,958	(11,271)	(386)	2,085
Fund balances, beginning of year	<u>133,494</u>	<u>527</u>	<u>116,421</u>	<u>21,943</u>	<u>10,792</u>	<u>106,375</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ 120,379</u>	<u>\$ 10,672</u>	<u>\$ 10,406</u>	<u>\$ 108,460</u>

Special Revenue					
Remonu- mentation Grant (232)	County Housing Rehab Program (234)	Building Department (249)	Drunk Driving (250)	Emergency Planning Committee (254)	Register of Deeds Automation (256)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	369,055	-	-	-
-	-	-	-	9,364	-
44,980	-	-	-	-	-
-	-	-	-	-	-
-	-	43,561	-	-	49,650
-	-	-	-	-	-
-	-	10,730	-	-	6,847
-	(17,278)	-	-	-	-
44,980	(17,278)	423,346	-	9,364	56,497
44,980	-	-	-	-	25,812
-	-	-	-	-	-
-	-	321,488	-	-	-
-	-	-	-	-	-
-	47,463	-	-	-	-
-	-	-	-	9,364	-
44,980	47,463	321,488	-	9,364	25,812
-	(64,741)	101,858	-	-	30,685
-	-	-	-	-	-
-	(64,741)	101,858	-	-	30,685
-	-	-	-	-	-
-	(64,741)	101,858	-	-	30,685
12,512	131,579	547,857	3,190	3,243	338,065
\$ 12,512	\$ 66,838	\$ 649,715	\$ 3,190	\$ 3,243	\$ 368,750

continued...



## COUNTY OF MECOSTA, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue					
	D.A.R.E. Program (258)	Concealed Pistol Licensing (259)	Michigan Indigent Defense Commission (260)	Township Law Enforcement (261)	Corrections Officer Training (262)	K-9 (263)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	214,222	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	33,398	-	-	10,430	-
Fines and forfeitures	-	-	-	-	-	-
Interest	362	1,774	2,195	-	-	-
Other revenues	-	-	-	-	-	1,000
<b>Total revenues</b>	<u>362</u>	<u>35,172</u>	<u>216,417</u>	<u>-</u>	<u>10,430</u>	<u>1,000</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	383,327	-	-	-
Public safety	85	9,548	-	-	6,783	1,469
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>85</u>	<u>9,548</u>	<u>383,327</u>	<u>-</u>	<u>6,783</u>	<u>1,469</u>
Revenues over (under) expenditures	277	25,624	(166,910)	-	3,647	(469)
<b>Other financing sources</b>						
Transfers in	-	-	166,910	-	-	-
<b>Net change in fund balances before special item</b>	277	25,624	-	-	3,647	(469)
Special item	-	-	-	-	-	-
<b>Net change in fund balances</b>	277	25,624	-	-	3,647	(469)
Fund balances, beginning of year	19,027	76,956	-	13,156	60,915	3,535
<b>Fund balances, end of year</b>	<u>\$ 19,304</u>	<u>\$ 102,580</u>	<u>\$ -</u>	<u>\$ 13,156</u>	<u>\$ 64,562</u>	<u>\$ 3,066</u>

Special Revenue					
Jail Maintenance (264)	Drug Law Enforcement (265)	Dive Team (266)	Community Corrections Program (267)	Crime Victims' Rights (268)	Law Library (269)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
508	-	-	-	-	-
-	-	25	-	-	-
-	-	3,000	-	-	-
83,714	5,514	-	224,656	11,026	-
-	-	-	-	-	14,232
-	481	-	-	-	-
-	-	150	-	-	-
84,222	5,995	3,175	224,656	11,026	14,232
-	-	-	-	-	-
-	-	-	-	-	26,796
117,283	-	716	214,977	11,131	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,926	-	-	-
117,283	-	8,642	214,977	11,131	26,796
(33,061)	5,995	(5,467)	9,679	(105)	(12,564)
-	-	-	-	-	12,000
(33,061)	5,995	(5,467)	9,679	(105)	(564)
-	-	-	-	-	-
(33,061)	5,995	(5,467)	9,679	(105)	(564)
112,103	21,069	14,423	231,075	34,729	2,936
\$ 79,042	\$ 27,064	\$ 8,956	\$ 240,754	\$ 34,624	\$ 2,372

continued...

## COUNTY OF MECOSTA, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue					Capital Projects
	Commission on Aging Meals (273)	911 State Service Charge (280)	Law Enforcement Training (287)	Secondary Road Patrol (289)	Child Care (292)	Building Improvement (402)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal	220,668	-	-	-	-	-
State	70,000	177,799	2,684	41,840	182,675	-
Local	-	-	-	-	-	-
Charges for services	5,430	-	550	-	18,732	-
Fines and forfeitures	-	-	-	-	-	-
Interest	4,810	-	-	-	-	-
Other revenues	80,723	-	-	-	-	-
<b>Total revenues</b>	<u>381,631</u>	<u>177,799</u>	<u>3,234</u>	<u>41,840</u>	<u>201,407</u>	<u>-</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	177,799	3,406	39,700	-	-
Health and welfare	352,332	-	-	-	487,300	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	165,370
<b>Total expenditures</b>	<u>352,332</u>	<u>177,799</u>	<u>3,406</u>	<u>39,700</u>	<u>487,300</u>	<u>165,370</u>
Revenues over (under) expenditures	29,299	-	(172)	2,140	(285,893)	(165,370)
<b>Other financing sources</b>						
Transfers in	38,451	-	-	30,000	350,000	150,000
<b>Net change in fund balances before special item</b>	67,750	-	(172)	32,140	64,107	(15,370)
Special item	-	-	-	-	-	-
<b>Net change in fund balances</b>	67,750	-	(172)	32,140	64,107	(15,370)
Fund balances, beginning of year	272,970	-	1,480	24,017	145,834	217,897
<b>Fund balances, end of year</b>	<u>\$ 340,720</u>	<u>\$ -</u>	<u>\$ 1,308</u>	<u>\$ 56,157</u>	<u>\$ 209,941</u>	<u>\$ 202,527</u>



Capital Projects	Permanent	
Capital Equipment (405)	Broomfield Trust (757)	Total
\$ -	\$ -	\$ 138,657
-	-	369,055
8,347	-	635,963
-	-	855,363
-	-	3,000
-	-	616,373
-	-	14,232
-	116	27,674
-	-	64,595
8,347	116	2,724,912
-	20,889	91,681
-	-	1,011,719
-	-	995,221
-	-	979,032
-	-	47,463
142,251	-	324,911
142,251	20,889	3,450,027
(133,904)	(20,773)	(725,115)
150,000	-	935,870
16,096	(20,773)	210,755
-	-	(132,570)
16,096	(20,773)	78,185
180,929	58,961	2,918,010
\$ 197,025	\$ 38,188	\$ 2,996,195

concluded

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual  
For the Year Ended December 31, 2020

	CMET Public Safety (205)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	140,000	140,000	88,768	(51,232)
State	-	-	-	-
Local	14,500	14,500	-	(14,500)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	500	500	162	(338)
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>155,000</u>	<u>155,000</u>	<u>88,930</u>	<u>(66,070)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	155,000	155,000	89,854	(65,146)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>155,000</u>	<u>155,000</u>	<u>89,854</u>	<u>(65,146)</u>
Revenues over (under) expenditures	-	-	(924)	(924)
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	-	-	(924)	(924)
Special item	-	-	(132,570)	132,570
<b>Net change in fund balances</b>	-	-	(133,494)	(133,494)
Fund balances, beginning of year	<u>133,494</u>	<u>133,494</u>	<u>133,494</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 133,494</u>	<u>\$ 133,494</u>	<u>\$ -</u>	<u>\$ (133,494)</u>

Medical First Responders (211)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ 133,117	\$ 138,617	\$ 138,657	\$ 40
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
133,117	138,617	138,657	40
-	-	-	-
-	-	-	-
-	-	-	-
133,000	138,500	138,500	-
-	-	-	-
-	-	-	-
133,000	138,500	138,500	-
117	117	157	40
-	-	-	-
117	117	157	40
-	-	-	-
117	117	157	40
527	527	527	-
\$ 644	\$ 644	\$ 684	\$ 40

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Sobriety Court (214)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	99,000	99,000	85,553	(13,447)
Local	-	-	-	-
Charges for services	32,264	32,264	26,476	(5,788)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>131,264</u>	<u>131,264</u>	<u>112,029</u>	<u>(19,235)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	139,773	139,773	116,580	(23,193)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>139,773</u>	<u>139,773</u>	<u>116,580</u>	<u>(23,193)</u>
Revenues over (under) expenditures	(8,509)	(8,509)	(4,551)	3,958
<b>Other financing sources</b>				
Transfers in	<u>8,509</u>	<u>8,509</u>	<u>8,509</u>	<u>-</u>
<b>Net change in fund balances before special item</b>	-	-	3,958	3,958
Special item	-	-	-	-
<b>Net change in fund balances</b>	-	-	3,958	3,958
Fund balances, beginning of year	<u>116,421</u>	<u>116,421</u>	<u>116,421</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 116,421</u>	<u>\$ 116,421</u>	<u>\$ 120,379</u>	<u>\$ 3,958</u>

Friend of the Court (215)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
339,000	339,000	307,909	(31,091)
38,000	38,000	35,585	(2,415)
-	-	-	-
112,900	112,900	100,251	(12,649)
-	-	-	-
-	-	-	-
-	-	-	-
489,900	489,900	443,745	(46,155)
-	-	-	-
530,953	530,953	485,016	(45,937)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
530,953	530,953	485,016	(45,937)
(41,053)	(41,053)	(41,271)	(218)
30,000	30,000	30,000	-
(11,053)	(11,053)	(11,271)	(218)
-	-	-	-
(11,053)	(11,053)	(11,271)	(218)
21,943	21,943	21,943	-
\$ 10,890	\$ 10,890	\$ 10,672	\$ (218)

continued...



## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Prosecutor's Drug Forfeitures (216)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	399	399
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	50	50	197	147
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>50</u>	<u>50</u>	<u>596</u>	<u>546</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	7,700	7,700	982	(6,718)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>7,700</u>	<u>7,700</u>	<u>982</u>	<u>(6,718)</u>
Revenues over (under) expenditures	(7,650)	(7,650)	(386)	7,264
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(7,650)</u>	<u>(7,650)</u>	<u>(386)</u>	<u>7,264</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(7,650)</u>	<u>(7,650)</u>	<u>(386)</u>	<u>7,264</u>
Fund balances, beginning of year	<u>10,792</u>	<u>10,792</u>	<u>10,792</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,142</u>	<u>\$ 3,142</u>	<u>\$ 10,406</u>	<u>\$ 7,264</u>



Family Counseling (217)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
3,000	3,000	2,985	(15)
-	-	-	-
-	-	-	-
-	-	-	-
3,000	3,000	2,985	(15)
-	-	-	-
-	-	-	-
-	-	-	-
2,000	2,000	900	(1,100)
-	-	-	-
-	-	-	-
2,000	2,000	900	(1,100)
1,000	1,000	2,085	1,085
-	-	-	-
1,000	1,000	2,085	1,085
-	-	-	-
1,000	1,000	2,085	1,085
106,375	106,375	106,375	-
\$ 107,375	\$ 107,375	\$ 108,460	\$ 1,085

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

 Nonmajor Special Revenue Funds - Budget and Actual  
 For the Year Ended December 31, 2020

	Remonumentation Grant (232)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	47,344	47,344	44,980	(2,364)
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>47,344</u>	<u>47,344</u>	<u>44,980</u>	<u>(2,364)</u>
<b>Expenditures</b>				
Current:				
General government	47,344	47,344	44,980	(2,364)
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>47,344</u>	<u>47,344</u>	<u>44,980</u>	<u>(2,364)</u>
Revenues over (under) expenditures	-	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	-	-	-	-
Special item	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balances, beginning of year	<u>12,512</u>	<u>12,512</u>	<u>12,512</u>	-
<b>Fund balances, end of year</b>	<u>\$ 12,512</u>	<u>\$ 12,512</u>	<u>\$ 12,512</u>	<u>\$ -</u>



County Housing Rehab Program (234)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
105,781	-	(17,278)	(17,278)
105,781	-	(17,278)	(17,278)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
66,181	66,181	47,463	(18,718)
-	-	-	-
66,181	66,181	47,463	(18,718)
39,600	(66,181)	(64,741)	1,440
-	-	-	-
39,600	(66,181)	(64,741)	1,440
-	-	-	-
39,600	(66,181)	(64,741)	1,440
131,579	131,579	131,579	-
\$ 171,179	\$ 65,398	\$ 66,838	\$ 1,440

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

 Nonmajor Special Revenue Funds - Budget and Actual  
 For the Year Ended December 31, 2020

	Building Department (249)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	270,000	355,000	369,055	14,055
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	42,000	42,000	43,561	1,561
Fines and forfeitures	-	-	-	-
Interest	7,500	7,500	10,730	3,230
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>319,500</u>	<u>404,500</u>	<u>423,346</u>	<u>18,846</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	337,351	344,351	321,488	(22,863)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>337,351</u>	<u>344,351</u>	<u>321,488</u>	<u>(22,863)</u>
Revenues over (under) expenditures	(17,851)	60,149	101,858	41,709
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(17,851)</u>	<u>60,149</u>	<u>101,858</u>	<u>41,709</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(17,851)</u>	<u>60,149</u>	<u>101,858</u>	<u>41,709</u>
Fund balances, beginning of year	<u>547,857</u>	<u>547,857</u>	<u>547,857</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 530,006</u>	<u>\$ 608,006</u>	<u>\$ 649,715</u>	<u>\$ 41,709</u>

[illegible]

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## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual  
For the Year Ended December 31, 2020

	Emergency Planning Committee (254)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	28,000	28,000	9,364	(18,636)
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>28,000</u>	<u>28,000</u>	<u>9,364</u>	<u>(18,636)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	5,000	5,000	-	(5,000)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	23,000	23,000	9,364	(13,636)
<b>Total expenditures</b>	<u>28,000</u>	<u>28,000</u>	<u>9,364</u>	<u>(18,636)</u>
Revenues over (under) expenditures	-	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	-	-	-	-
Special item	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balances, beginning of year	3,243	3,243	3,243	-
<b>Fund balances, end of year</b>	<u>\$ 3,243</u>	<u>\$ 3,243</u>	<u>\$ 3,243</u>	<u>\$ -</u>



Register of Deeds Automation (256)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
47,000	47,000	49,650	2,650
-	-	-	-
3,000	3,000	6,847	3,847
-	-	-	-
50,000	50,000	56,497	6,497
13,500	29,200	25,812	(3,388)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
13,500	29,200	25,812	(3,388)
36,500	20,800	30,685	9,885
-	-	-	-
36,500	20,800	30,685	9,885
-	-	-	-
36,500	20,800	30,685	9,885
338,065	338,065	338,065	-
\$ 374,565	\$ 358,865	\$ 368,750	\$ 9,885

continued...



## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

 Nonmajor Special Revenue Funds - Budget and Actual  
 For the Year Ended December 31, 2020

	D.A.R.E. Program (258)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	125	125	362	237
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>125</u>	<u>125</u>	<u>362</u>	<u>237</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	3,300	3,300	85	(3,215)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>3,300</u>	<u>3,300</u>	<u>85</u>	<u>(3,215)</u>
Revenues over (under) expenditures	(3,175)	(3,175)	277	3,452
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(3,175)</u>	<u>(3,175)</u>	<u>277</u>	<u>3,452</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(3,175)</u>	<u>(3,175)</u>	<u>277</u>	<u>3,452</u>
Fund balances, beginning of year	<u>19,027</u>	<u>19,027</u>	<u>19,027</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 15,852</u>	<u>\$ 15,852</u>	<u>\$ 19,304</u>	<u>\$ 3,452</u>



Concealed Pistol Licensing (259)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
20,000	20,000	33,398	13,398
-	-	-	-
500	500	1,774	1,274
-	-	-	-
20,500	20,500	35,172	14,672
-	-	-	-
-	-	-	-
10,300	10,300	9,548	(752)
-	-	-	-
-	-	-	-
-	-	-	-
10,300	10,300	9,548	(752)
10,200	10,200	25,624	15,424
-	-	-	-
10,200	10,200	25,624	15,424
-	-	-	-
10,200	10,200	25,624	15,424
76,956	76,956	76,956	-
\$ 87,156	\$ 87,156	\$ 102,580	\$ 15,424

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

 Nonmajor Special Revenue Funds - Budget and Actual  
 For the Year Ended December 31, 2020

	Michigan Indigent Defense Commission (260)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	288,289	288,289	214,222	(74,067)
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	1,750	1,750	2,195	445
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>290,039</u>	<u>290,039</u>	<u>216,417</u>	<u>(73,622)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	455,199	455,199	383,327	(71,872)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>455,199</u>	<u>455,199</u>	<u>383,327</u>	<u>(71,872)</u>
Revenues over (under) expenditures	(165,160)	(165,160)	(166,910)	(1,750)
<b>Other financing sources</b>				
Transfers in	<u>166,910</u>	<u>166,910</u>	<u>166,910</u>	-
<b>Net change in fund balances before special item</b>	1,750	1,750	-	(1,750)
Special item	-	-	-	-
<b>Net change in fund balances</b>	1,750	1,750	-	(1,750)
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ (1,750)</u>

Township Law Enforcement (261)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
3,000	3,000	-	(3,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,000	3,000	-	(3,000)
-	-	-	-
-	-	-	-
3,183	3,183	-	(3,183)
-	-	-	-
-	-	-	-
-	-	-	-
3,183	3,183	-	(3,183)
(183)	(183)	-	183
-	-	-	-
(183)	(183)	-	183
-	-	-	-
(183)	(183)	-	183
13,156	13,156	13,156	-
\$ 12,973	\$ 12,973	\$ 13,156	\$ 183

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Corrections Officer Training (262)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	15,000	15,000	10,430	(4,570)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>15,000</u>	<u>15,000</u>	<u>10,430</u>	<u>(4,570)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	38,100	38,100	6,783	(31,317)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>38,100</u>	<u>38,100</u>	<u>6,783</u>	<u>(31,317)</u>
Revenues over (under) expenditures	(23,100)	(23,100)	3,647	26,747
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(23,100)</u>	<u>(23,100)</u>	<u>3,647</u>	<u>26,747</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(23,100)</u>	<u>(23,100)</u>	<u>3,647</u>	<u>26,747</u>
Fund balances, beginning of year	<u>60,915</u>	<u>60,915</u>	<u>60,915</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 37,815</u>	<u>\$ 37,815</u>	<u>\$ 64,562</u>	<u>\$ 26,747</u>

K-9 (263)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
500	500	1,000	500
500	500	1,000	500
-	-	-	-
-	-	-	-
3,300	3,300	1,469	(1,831)
-	-	-	-
-	-	-	-
-	-	-	-
3,300	3,300	1,469	(1,831)
(2,800)	(2,800)	(469)	2,331
-	-	-	-
(2,800)	(2,800)	(469)	2,331
-	-	-	-
(2,800)	(2,800)	(469)	2,331
3,535	3,535	3,535	-
\$ 735	\$ 735	\$ 3,066	\$ 2,331

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Jail Maintenance (264)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	508	508
State	-	-	-	-
Local	-	-	-	-
Charges for services	57,500	80,750	83,714	2,964
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>57,500</u>	<u>80,750</u>	<u>84,222</u>	<u>3,472</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	91,250	118,250	117,283	(967)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>91,250</u>	<u>118,250</u>	<u>117,283</u>	<u>(967)</u>
Revenues over (under) expenditures	(33,750)	(37,500)	(33,061)	4,439
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(33,750)</u>	<u>(37,500)</u>	<u>(33,061)</u>	<u>4,439</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(33,750)</u>	<u>(37,500)</u>	<u>(33,061)</u>	<u>4,439</u>
Fund balances, beginning of year	<u>112,103</u>	<u>112,103</u>	<u>112,103</u>	-
<b>Fund balances, end of year</b>	<u>\$ 78,353</u>	<u>\$ 74,603</u>	<u>\$ 79,042</u>	<u>\$ 4,439</u>

Drug Law Enforcement (265)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	5,514	5,514
-	-	-	-
200	200	481	281
-	-	-	-
200	200	5,995	5,795
-	-	-	-
-	-	-	-
3,300	3,300	-	(3,300)
-	-	-	-
-	-	-	-
-	-	-	-
3,300	3,300	-	(3,300)
(3,100)	(3,100)	5,995	9,095
-	-	-	-
(3,100)	(3,100)	5,995	9,095
-	-	-	-
(3,100)	(3,100)	5,995	9,095
21,069	21,069	21,069	-
\$ 17,969	\$ 17,969	\$ 27,064	\$ 9,095

continued...



## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Dive Team (266)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	25	25
Local	3,000	3,000	3,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	150	150
<b>Total revenues</b>	<u>3,000</u>	<u>3,000</u>	<u>3,175</u>	<u>175</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	4,500	716	716	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	500	7,926	7,926	-
<b>Total expenditures</b>	<u>5,000</u>	<u>8,642</u>	<u>8,642</u>	<u>-</u>
Revenues over (under) expenditures	(2,000)	(5,642)	(5,467)	175
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	(2,000)	(5,642)	(5,467)	175
Special item	-	-	-	-
<b>Net change in fund balances</b>	(2,000)	(5,642)	(5,467)	175
Fund balances, beginning of year	14,423	14,423	14,423	-
<b>Fund balances, end of year</b>	<u>\$ 12,423</u>	<u>\$ 8,781</u>	<u>\$ 8,956</u>	<u>\$ 175</u>

Community Corrections Program (267)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
243,500	243,500	224,656	(18,844)
-	-	-	-
-	-	-	-
-	-	-	-
243,500	243,500	224,656	(18,844)
-	-	-	-
-	-	-	-
226,121	226,121	214,977	(11,144)
-	-	-	-
-	-	-	-
-	-	-	-
226,121	226,121	214,977	(11,144)
17,379	17,379	9,679	(7,700)
-	-	-	-
17,379	17,379	9,679	(7,700)
-	-	-	-
17,379	17,379	9,679	(7,700)
231,075	231,075	231,075	-
\$ 248,454	\$ 248,454	\$ 240,754	\$ (7,700)

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual

For the Year Ended December 31, 2020

	Crime Victims' Rights (268)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	3,999	7,723	11,026	3,303
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>3,999</u>	<u>7,723</u>	<u>11,026</u>	<u>3,303</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	10,399	14,123	11,131	(2,992)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>10,399</u>	<u>14,123</u>	<u>11,131</u>	<u>(2,992)</u>
Revenues over (under) expenditures	(6,400)	(6,400)	(105)	6,295
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(6,400)</u>	<u>(6,400)</u>	<u>(105)</u>	<u>6,295</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(6,400)</u>	<u>(6,400)</u>	<u>(105)</u>	<u>6,295</u>
Fund balances, beginning of year	<u>34,729</u>	<u>34,729</u>	<u>34,729</u>	-
<b>Fund balances, end of year</b>	<u>\$ 28,329</u>	<u>\$ 28,329</u>	<u>\$ 34,624</u>	<u>\$ 6,295</u>

Law Library (269)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
13,250	13,250	14,232	982
-	-	-	-
-	-	-	-
13,250	13,250	14,232	982
-	-	-	-
27,500	27,500	26,796	(704)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
27,500	27,500	26,796	(704)
(14,250)	(14,250)	(12,564)	1,686
12,000	12,000	12,000	-
(2,250)	(2,250)	(564)	1,686
-	-	-	-
(2,250)	(2,250)	(564)	1,686
2,936	2,936	2,936	-
\$ 686	\$ 686	\$ 2,372	\$ 1,686

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

 Nonmajor Special Revenue Funds - Budget and Actual  
 For the Year Ended December 31, 2020

	Commission on Aging Meals (273)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	129,567	159,567	220,668	61,101
State	70,000	70,000	70,000	-
Local	-	-	-	-
Charges for services	16,000	3,760	5,430	1,670
Fines and forfeitures	-	-	-	-
Interest	1,250	1,250	4,810	3,560
Other revenues	96,000	91,000	80,723	(10,277)
<b>Total revenues</b>	<u>312,817</u>	<u>325,577</u>	<u>381,631</u>	<u>56,054</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	353,202	367,202	352,332	(14,870)
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>353,202</u>	<u>367,202</u>	<u>352,332</u>	<u>(14,870)</u>
Revenues over (under) expenditures	(40,385)	(41,625)	29,299	70,924
<b>Other financing sources</b>				
Transfers in	38,451	38,451	38,451	-
<b>Net change in fund balances before special item</b>	(1,934)	(3,174)	67,750	70,924
Special item	-	-	-	-
<b>Net change in fund balances</b>	(1,934)	(3,174)	67,750	70,924
Fund balances, beginning of year	272,970	272,970	272,970	-
<b>Fund balances, end of year</b>	<u>\$ 271,036</u>	<u>\$ 269,796</u>	<u>\$ 340,720</u>	<u>\$ 70,924</u>



911 State Service Charge (280)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
225,000	225,000	177,799	(47,201)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>225,000</u>	<u>225,000</u>	<u>177,799</u>	<u>(47,201)</u>
-	-	-	-
-	-	-	-
225,000	225,000	177,799	(47,201)
-	-	-	-
-	-	-	-
-	-	-	-
<u>225,000</u>	<u>225,000</u>	<u>177,799</u>	<u>(47,201)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual  
For the Year Ended December 31, 2020

	Law Enforcement Training (287)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	3,750	2,750	2,684	(66)
Local	-	-	-	-
Charges for services	-	550	550	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>3,750</u>	<u>3,300</u>	<u>3,234</u>	<u>(66)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	6,000	4,000	3,406	(594)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>6,000</u>	<u>4,000</u>	<u>3,406</u>	<u>(594)</u>
Revenues over (under) expenditures	(2,250)	(700)	(172)	528
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances before special item</b>	<u>(2,250)</u>	<u>(700)</u>	<u>(172)</u>	<u>528</u>
Special item	-	-	-	-
<b>Net change in fund balances</b>	<u>(2,250)</u>	<u>(700)</u>	<u>(172)</u>	<u>528</u>
Fund balances, beginning of year	<u>1,480</u>	<u>1,480</u>	<u>1,480</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (770)</u>	<u>\$ 780</u>	<u>\$ 1,308</u>	<u>\$ 528</u>

Secondary Road Patrol (289)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
50,745	50,745	41,840	(8,905)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
50,745	50,745	41,840	(8,905)
-	-	-	-
-	-	-	-
97,400	97,400	39,700	(57,700)
-	-	-	-
-	-	-	-
-	-	-	-
97,400	97,400	39,700	(57,700)
(46,655)	(46,655)	2,140	48,795
30,000	30,000	30,000	-
(16,655)	(16,655)	32,140	48,795
-	-	-	-
(16,655)	(16,655)	32,140	48,795
24,017	24,017	24,017	-
\$ 7,362	\$ 7,362	\$ 56,157	\$ 48,795

continued...



## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Special Revenue Funds - Budget and Actual  
For the Year Ended December 31, 2020

	Child Care (292)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	157,000	157,000	182,675	25,675
Local	-	-	-	-
Charges for services	31,000	31,000	18,732	(12,268)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>188,000</u>	<u>188,000</u>	<u>201,407</u>	<u>13,407</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	698,897	698,897	487,300	(211,597)
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>698,897</u>	<u>698,897</u>	<u>487,300</u>	<u>(211,597)</u>
Revenues over (under) expenditures	(510,897)	(510,897)	(285,893)	225,004
<b>Other financing sources</b>				
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>350,000</u>	<u>(50,000)</u>
<b>Net change in fund balances before special item</b>	(110,897)	(110,897)	64,107	175,004
Special item	-	-	-	-
<b>Net change in fund balances</b>	(110,897)	(110,897)	64,107	175,004
Fund balances, beginning of year	<u>145,834</u>	<u>145,834</u>	<u>145,834</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 34,937</u>	<u>\$ 34,937</u>	<u>\$ 209,941</u>	<u>\$ 175,004</u>

concluded

## **NONMAJOR ENTERPRISE FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Net Position**

Nonmajor Enterprise Funds

December 31, 2020

	Plat Review (506)	Principal Residence Exemption Audit (517)	Jail Commissary (595)	Public Works (641)	Totals
<b>Current assets</b>					
Cash and pooled investments	\$ 10,848	\$ 75,133	\$ 36,250	\$ 540	\$ 122,771
Taxes receivable	-	14,509	-	-	14,509
<b>Total assets</b>	10,848	89,642	36,250	540	137,280
<b>Current liabilities</b>					
Due to other governments	-	56,993	-	-	56,993
<b>Net position</b>					
Unrestricted	<u>\$ 10,848</u>	<u>\$ 32,649</u>	<u>\$ 36,250</u>	<u>\$ 540</u>	<u>\$ 80,287</u>

## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**

Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Plat Review (506)	Principal Residence Exemption Audit (517)	Jail Commissary (595)	Public Works (641)	Totals
<b>Operating revenues</b>					
Charges for services	\$ 200	\$ -	\$ 24,557	\$ -	\$ 24,757
Interest and penalties on delinquent taxes	-	4,154	-	-	4,154
<b>Total operating revenues</b>	<u>200</u>	<u>4,154</u>	<u>24,557</u>	<u>-</u>	<u>28,911</u>
<b>Operating expenses</b>					
Personnel services	-	732	-	-	732
Supplies	-	1,047	-	-	1,047
Postage	-	40	-	-	40
Other services and charges	-	-	21,177	-	21,177
<b>Total operating expenses</b>	<u>-</u>	<u>1,819</u>	<u>21,177</u>	<u>-</u>	<u>22,996</u>
<b>Changes in net position</b>	200	2,335	3,380	-	5,915
Net position, beginning of year	<u>10,648</u>	<u>30,314</u>	<u>32,870</u>	<u>540</u>	<u>74,372</u>
<b>Net position, end of year</b>	<u>\$ 10,848</u>	<u>\$ 32,649</u>	<u>\$ 36,250</u>	<u>\$ 540</u>	<u>\$ 80,287</u>

## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Plat Review (506)	Principal Residence Exemption Audit (517)	Jail Commissary (595)	Public Works (641)	Total
<b>Cash flows from operating activities</b>					
Receipts from customers and users	\$ 200	\$ -	\$ 24,557	\$ -	\$ 24,757
Payments to suppliers	-	(59,838)	(21,177)	-	(81,015)
Payments to employees	-	(732)	-	-	(732)
<b>Net cash provided by (used in) operating activities / change in cash and pooled investments</b>	200	(60,570)	3,380	-	(56,990)
Cash and pooled investments, beginning of year	10,648	135,703	32,870	540	179,761
<b>Cash and pooled investments, end of year</b>	<u>\$ 10,848</u>	<u>\$ 75,133</u>	<u>\$ 36,250</u>	<u>\$ 540</u>	<u>\$ 122,771</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>					
Operating income	\$ 200	\$ 2,335	\$ 3,380	\$ -	\$ 5,915
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Change in operating assets and liabilities that provided (used) cash:					
Taxes receivable	-	(14,509)	-	-	(14,509)
Due to other governments	-	(48,396)	-	-	(48,396)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 200</u>	<u>\$ (60,570)</u>	<u>\$ 3,380</u>	<u>\$ -</u>	<u>\$ (56,990)</u>

## **INTERNAL SERVICE FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

December 31, 2020

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Current assets</b>				
Cash and pooled investments	\$ 66,647	\$ 3,018	\$ 4,320	\$ 73,985
Due from other funds	-	1,220	-	1,220
<b>Total assets</b>	66,647	4,238	4,320	75,205
<b>Current liabilities</b>				
Accounts payable	6	-	-	6
<b>Net position</b>				
Unrestricted	\$ 66,641	\$ 4,238	\$ 4,320	\$ 75,199

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2020

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Operating revenues</b>				
Charges for services	\$ 41,137	\$ 18,185	\$ 2,184,660	\$ 2,243,982
<b>Operating expenses</b>				
Supplies	898	-	-	898
Postage	20,212	17,420	-	37,632
Other services and charges	24,929	-	2,184,790	2,209,719
<b>Total operating expenses</b>	46,039	17,420	2,184,790	2,248,249
<b>Change in net position</b>	(4,902)	765	(130)	(4,267)
Net position, beginning of year	71,543	3,473	4,450	79,466
<b>Net position, end of year</b>	\$ 66,641	\$ 4,238	\$ 4,320	\$ 75,199



## COUNTY OF MECOSTA, MICHIGAN

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended December 31, 2020

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ 41,137	\$ 18,185	\$ 2,184,660	\$ 2,243,982
Payments to suppliers	(46,557)	(16,879)	(2,184,790)	(2,248,226)
<b>Net cash provided by (used in) operating activities / change in cash and pooled investments</b>	(5,420)	1,306	(130)	(4,244)
Cash and pooled investments, beginning of year	72,067	1,712	4,450	78,229
<b>Cash and pooled investments, end of year</b>	<u>\$ 66,647</u>	<u>\$ 3,018</u>	<u>\$ 4,320</u>	<u>\$ 73,985</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (4,902)	\$ 765	\$ (130)	\$ (4,267)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in operating assets and liabilities that provided (used) cash:				
Due from other funds	-	541	-	541
Accounts payable	(518)	-	-	(518)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (5,420)</u>	<u>\$ 1,306</u>	<u>\$ (130)</u>	<u>\$ (4,244)</u>

## **CUSTODIAL FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2020

	Trust and Agency (701)	Library Penal Fine (721)	Inmate Trust (764)	Total
<b>Assets</b>				
Cash and pooled investments	\$ 262,396	\$ 80,344	\$ 15,664	\$ 358,404
<b>Liabilities</b>				
Undistributed receipts	<u>262,396</u>	<u>80,344</u>	<u>-</u>	<u>342,740</u>
<b>Net position</b>				
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,664</u>	<u>\$ 15,664</u>

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2020

	Trust and Agency (701)	Library Penal Fine (721)	Inmate Trust (764)	Total
<b>Additions</b>				
Taxes collected for other governments	\$ 8,143,043	\$ -	\$ -	\$ 8,143,043
Inmate trust collections	-	-	434,286	434,286
Other additions	2,355,053	-	-	2,355,053
<b>Total additions</b>	<u>10,498,096</u>	<u>-</u>	<u>434,286</u>	<u>10,932,382</u>
<b>Deductions</b>				
Payments of taxes to other governments	8,143,043	-	-	8,143,043
Inmate trust distributions	-	-	431,677	431,677
Other deductions	2,355,053	-	-	2,355,053
<b>Total deductions</b>	<u>10,498,096</u>	<u>-</u>	<u>431,677</u>	<u>10,929,773</u>
<b>Change in net position</b>	-	-	2,609	2,609
Net position, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>13,055</u>	<u>13,055</u>
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,664</u>	<u>\$ 15,664</u>

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**DRAIN COMMISSION  
COMPONENT UNIT**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Balance Sheet / Statement of Net Position

Drain Commission Component Unit

December 31, 2020

	Governmental Funds		
	Drain (801)	Revolving Drain (802)	Total
<b>Assets</b>			
Cash and pooled investments	\$ 651,294	\$ 44,375	\$ 695,669
Special assessments receivable	766,943	-	766,943
Interest receivable	2,409	164	2,573
Due from other funds	-	9,057	9,057
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<u>\$ 1,420,646</u>	<u>\$ 53,596</u>	<u>\$ 1,474,242</u>
<b>Liabilities</b>			
Accounts payable	\$ 37,074	\$ -	\$ 37,074
Due to other funds	9,057	-	9,057
Advance from primary government	49,983	30,000	79,983
Long-term debt:			
Due within one year	-	-	-
Due in more than one year	-	-	-
<b>Total liabilities</b>	96,114	30,000	126,114
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	706,728	-	706,728
<b>Fund balances</b>			
Restricted for capital projects	416,266	-	416,266
Unassigned	201,538	23,596	225,134
<b>Total fund balances</b>	<u>617,804</u>	<u>23,596</u>	<u>641,400</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,420,646</u>	<u>\$ 53,596</u>	<u>\$ 1,474,242</u>
<b>Net position</b>			
Net investment in capital assets			
Unrestricted			
<b>Total net position</b>			



Adjustments	Statement of Net Position
\$ -	\$ 695,669
-	766,943
-	2,573
(9,057)	-
217,174	217,174
754,603	754,603
<u>962,720</u>	<u>2,436,962</u>
-	37,074
(9,057)	-
-	79,983
441,972	441,972
780,156	780,156
<u>1,213,071</u>	<u>1,339,185</u>
(706,728)	-
(416,266)	
<u>(225,134)</u>	
<u>(641,400)</u>	
165,915	165,915
931,862	931,862
<u>\$ 1,097,777</u>	<u>\$ 1,097,777</u>



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## COUNTY OF MECOSTA, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
Drain Commission Component Unit  
December 31, 2020

<b>Fund balances - total governmental funds</b>	\$ 641,400
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	217,174
Capital assets being depreciated, net	754,603

Certain assets, such as assessments receivable from local units, are not due and receivable in the current period and therefore are offset with deferred inflows of resources in the fund statement.

Deferred inflows of resources - special assessments receivable	706,728
--	---------

Certain liabilities such as notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Notes payable	(1,222,128)
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<b>Net position of governmental activities</b>	<u><u>\$ 1,097,777</u></u>
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## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances /

Statement of Activities

Drain Commission Component Unit

For the Year Ended December 31, 2020

	Governmental Funds		
	Drain (801)	Revolving Drain (802)	Total
<b>Revenues</b>			
Charges for services	\$ 4,154	\$ -	\$ 4,154
Capital grants and contributions	208,430	-	208,430
Interest	30,842	382	31,224
<b>Total revenues</b>	<u>243,426</u>	<u>382</u>	<u>243,808</u>
<b>Expenditures / expenses</b>			
Public works	584,019	-	584,019
Depreciation	-	-	-
Debt service:			
Principal	23,639	-	23,639
Interest	21,817	-	21,817
<b>Total expenditures / expenses</b>	<u>629,475</u>	<u>-</u>	<u>629,475</u>
Revenues over (under) expenditures	(386,049)	382	(385,667)
<b>Other financing sources</b>			
Issuance of long-term debt	565,000	-	565,000
<b>Change in fund balances / net position</b>	178,951	382	179,333
<b>Fund balances / net position</b>			
Beginning of year	438,853	23,214	462,067
<b>End of year</b>	<u>\$ 617,804</u>	<u>\$ 23,596</u>	<u>\$ 641,400</u>



Adjustments	Statement of Activities
\$ -	\$ 4,154
155,712	364,142
-	31,224
<u>155,712</u>	<u>399,520</u>
(235,918)	348,101
68,787	68,787
(23,639)	-
-	21,817
<u>(190,770)</u>	<u>438,705</u>
346,482	(39,185)
<u>(565,000)</u>	<u>-</u>
(218,518)	(39,185)
<u>674,895</u>	<u>1,136,962</u>
<u>\$ 456,377</u>	<u>\$ 1,097,777</u>

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## COUNTY OF MECOSTA, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Drain Commission Component Unit  
For the Year Ended December 31, 2020

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 179,333</b>
---	-------------------

Amounts reported for *governmental activities* in the statement of activities are different because:

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.

Depreciation expense	(68,787)
Capital assets purchased/constructed	235,918

Assessments receivable are long-term in nature and are collectable over several years. However, the current receipts are reflected as revenues on the fund statements.

Change in deferred inflows of resources - special assessments receivable	155,712
--	---------

Note proceeds provide current financial resources to governmental funds in the period issued, but issuing notes increases long-term liabilities in the statement of net position. Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on notes payable	23,639
Issuance of long-term debt	(565,000)

<b>Change in net position of governmental activities</b>	<b>\$ (39,185)</b>
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## **SINGLE AUDIT ACT COMPLIANCE**



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**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

May 25, 2021

Board of Commissioners  
County of Mecosta  
Big Rapids, 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 the **County of Mecosta, Michigan** (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 25, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Rehmann Lobson LLC*

Rehmann is an independent member of Nexia International.



## COUNTY OF MECOSTA, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Forest Service Schools and Roads Cluster:					
National Forest Revenue	10.665	MDNR	-n/a-	\$ 4,865	\$ 4,865
<b>U.S. Department of the Interior</b>					
Payments in Lieu of Taxes	15.226	Direct	-n/a-	-	3,160
<b>U.S. Department of Justice</b>					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	Direct	2020-VD-BX-0726	-	31,924
Byrne Memorial Formula Grant Program 2020	16.738	MSP	2019-MU-BX-0061	88,768	88,768
<b>Total U.S. Department of Justice</b>				88,768	120,692
<b>U.S. Department of Treasury</b>					
COVID-19 - Coronavirus Relief Fund:					
Coronavirus Relief Local Government Grant	21.019	MDT	54-0000-CRLGG	-	323,944
First Responder Hazard Pay Premiums Program	21.019	MDT	-n/a-	-	71,000
Public Safety/Public Health Payroll Reimbursement	21.019	MDT	-n/a-	-	408,369
<b>Total U.S. Department of Treasury</b>				-	803,313
<b>U.S. Department of Transportation</b>					
Transit Services Programs Cluster - Enhanced Mobility of Seniors Program	20.513	MDOT	2017-0093	-	122,698
<b>U.S. Department of Health and Human Services</b>					
Title IIID Health 2019/20	93.043	AAAWM	61.72	-	2,190
Aging Cluster:					
Senior Center Staffing Title IIIB 2019/20	93.044	AAAWM	61.72	-	11,065
Senior Center Staffing Title IIIB 2020/21	93.044	AAAWM	61.72	-	4,072
Assisted Transportation Title IIIB (AAA) 2019/20	93.044	AAAWM	61.72	-	14,455
Assisted Transportation Title IIIB (AAA) 2020/21	93.044	AAAWM	61.72	-	3,662
COVID-19 - CARES Act for Supportive Services Title IIIB 2019/20 Produce Boxes	93.044	AAAWM	61.72	-	10,976
COVID-19 - CARES Act for Supportive Services Title IIIB 2020/21 Produce Boxes	93.044	AAAWM	61.72	-	1,144
COVID-19 - CARES Act for Supportive Services Title IIIB 2019/20 Generator	93.044	AAAWM	61.72	-	12,991
Homemaker Aide Title IIIB 2019/20	93.044	AAAWM	61.72	-	5,713
Homemaker Aide Title IIIB 2020/21	93.044	AAAWM	61.72	-	1,908
				-	65,986
Congregate Meals Title IIIC-1 2019/20	93.045	AAAWM	61.72	-	4,412
Congregate Meals Title IIIC-1 2020/21	93.045	AAAWM	61.72	-	399
Home Delivered Meals Title IIIC-2 2019/20	93.045	AAAWM	61.72	-	130,331
Home Delivered Meals Title IIIC-2 2020/21	93.045	AAAWM	61.72	-	19,016
				-	154,158
NSIP 2019/20	93.053	AAAWM	61.72	-	31,388
NSIP 2020/21	93.053	AAAWM	61.72	-	10,011
				-	41,399
<b>Total Aging Cluster</b>				-	261,543
Federal Respite IIIE 2019/20	93.052	AAAWM	61.72	-	3,000
Federal Respite IIIE 2019/20 Stimulus	93.052	AAAWM	61.72	-	2,686
				-	5,686
COVID-19 - Cares Provider Relief Fund	93.498	Direct	-n/a-	-	66,760

continued...

## COUNTY OF MECOSTA, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Health and Human Services (concluded)</b>					
Title IV-D Cooperative Reimbursement Program:					
Friend of the Court	93.563	MDHHS	CSFOC-17-54001	\$ -	\$ 253,992
Prosecuting Attorney	93.563	MDHHS	CSPA-17-54002	-	60,473
Federal Incentive Payments	93.563	MDHHS	-n/a-	-	53,917
				-	368,382
Foster Care Title IV-E Program	93.658	MDHHS	E20203656-00	-	2,298
Foster Care Title IV-E Program	93.658	MDHHS	E20212853-001	-	1,221
				-	3,519
<b>Total U.S. Department of Health and Human Services</b>				-	708,080
<b>U.S. Department of Homeland Security</b>					
Marine Safety Program	97.012	MDNR	-n/a-	-	11,200
Emergency Management Performance Grant	97.042	MSP	EMC-2020-EP-00005	-	26,672
2017 Homeland Security Grant Program	97.067	WMSRDC	EMW-2017-SS-00013	-	9,364
2017 Homeland Security Grant Program (non-cash)	97.067	WMSRDC	EMW-2017-SS-00013	-	24,606
				-	33,970
<b>Total U.S. Department of Homeland Security</b>				-	71,842
<b>Total Expenditures of Federal Awards</b>				\$ 93,633	\$ 1,834,650
concluded					

See notes to schedule of expenditures of federal awards.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Schedule of Expenditures of Federal Awards

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the **County of Mecosta, Michigan** (the "County") under programs of the federal government for the year ended December 31, 2020. 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 Financial Statements. The County's financial statements include the operations of the Mecosta County Road Commission, which received federal awards that are not included in the Schedule for the year ended December 31, 2020, as this entity was separately audited.

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 or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

#### 2. DE MINIMIS COST RATE

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.

#### 3. RECONCILIATION OF FEDERAL REVENUE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Below is a reconciliation of federal revenues as reported in the County's financial statements and federal expenditures as reported in the County's Schedule of Expenditures of Federal Awards.

Federal revenue as reported in the governmental fund financial statements	\$ 1,810,044
Add: Equipment (non-cash assistance) provided directly by pass-through agencies (amounts individually below the County's capitalization threshold)	<u>24,606</u>
<b>Federal expenditures as reported in the schedule of expenditures of federal awards</b>	<u><u>\$ 1,834,650</u></u>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Schedule of Expenditures of Federal Awards

#### 4. PASS-THROUGH GRANTOR AGENCIES

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

Pass-through Agency Abbreviation	Pass-through Agency Name
AAAWM	Area Agency on Aging of Western Michigan, Inc.
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MDT	Michigan Department of Treasury
MSP	Michigan State Police
WMSRDC	West Michigan Shoreline Regional Development Commission

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**INDEPENDENT AUDITORS' 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***

May 25, 2021

Board of Commissioners  
County of Mecosta  
Big Rapids, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Mecosta, Michigan** (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the Mecosta County Road Commission as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2020-001 that we consider to be a material weakness.

### **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*.

### **Mecosta County's Response to Finding**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

May 25, 2021

Board of Commissioners  
County of Mecosta  
Big Rapids, Michigan

**Report on Compliance for the Major Federal Program**

We have audited the compliance of the **County of Mecosta, Michigan** (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2020. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Mecosta County Road Commission which received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the Mecosta County Road Commission because it arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

***Management's Responsibility***

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

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2330 E. Paris Ave SE, Grand Rapids, MI 49546 616.975.4100

***Independent Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

***Purpose of this Report***

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

*Rehmann Loborn LLC*

## COUNTY OF MECOSTA, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2020

#### SECTION I - SUMMARY OF AUDITORS RESULTS

##### Financial Statements

Type of auditors' report issued:

Unmodified

Internal controls over financial reporting:

Material weakness(es) identified?       X       yes                      no

Significant deficiency(ies) identified?                      yes       X       none reported

Noncompliance material to financial statements noted?                      yes       X       no

##### ***Federal Awards***

Internal control over major programs:

Material weakness(es) identified?                      yes       X       no

Significant deficiency(ies) identified?                      yes       X       none reported

Type of auditors' report issued on compliance for major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      yes       X       no

##### ***Identification of the Major Program***

##### CFDA Number

##### Name of Federal Program or Cluster

21.019

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?       X       yes                      no

## COUNTY OF MECOSTA, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2020

#### SECTION II - FINANCIAL STATEMENT FINDINGS

##### 2020-001 - Material Audit Adjustments / Internal Controls over Delinquent Tax Administration and Accounting

**Finding Type.** Material Weakness in Internal Control over Financial Reporting.

**Criteria.** Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP). In addition, in order to determine whether balances recorded in the general ledger are accurate, the County should perform periodic reconciliations of subsidiary ledgers to the underlying general ledger accounts.

**Condition.** We identified and proposed certain material adjustments (which were approved and posted by management) to adjust the County's general ledger to the appropriate balances. These entries related to special assessments receivable and revenue, along with various adjustments to delinquent taxes receivable, revenue, and deferred inflows.

We further noted certain delinquent tax accounting errors, including (1) due to and due from accounts that are used to accumulate adjustments and chargebacks throughout the year that did not clear out after the annual settlement; (2) certain liability accounts with debit balances which remain unreconciled from prior years; and (3) that settlement entries were not recorded in the general ledger until several months after the settlement had taken place.

**Cause.** This condition was caused by various oversights in recording adjustments by the Treasurer for those areas noted above, as well as the result of the Treasurer not fully reconciling all of the County's tax-related accounts concurrently with the annual settlement.

**Effect.** As a result of this condition, the County's accounting records were initially misstated by amounts material to the financial statements, and the County was exposed to an increased risk that misstatements (whether caused by error or fraud) may occur and not be detected by management on a timely basis.

**Recommendation.** The related correcting entries have been reviewed and approved by management. We recommend the County reconcile all balance sheet accounts to subsidiary detail at least quarterly, and follow-up on any variances in a timely manner.

**View of Responsible Officials.** The Controller/Administrator concurs with the Auditor's recommendation and will encourage the Treasurer to reconcile all applicable balance sheet accounts to the subsidiary detail at least quarterly and follow-up on any variances in a timely manner. Reconciliations should be attached to supporting general ledger and/or delinquent tax reports and initialed and dated quarterly for evidence that the Controller/Administrator could review.

## COUNTY OF MECOSTA, MICHIGAN

### **Schedule of Findings and Questioned Costs**

For the Year Ended December 31, 2020

#### **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

## COUNTY OF MECOSTA, MICHIGAN

### Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2020

No matters were reported.

■ ■ ■ ■ ■





# COUNTY OF MECOSTA

## BOARD OF COMMISSIONERS

400 ELM STREET, BIG RAPIDS, MI 49307  
Phone (231) 796-2505 Fax (231) 592-0121  
www.mecostacounty.org

### Corrective Action Plan

Pursuant to federal regulations, Uniform Administrative Requirements Section 200.511, the following are the findings as noted in the County of Mecosta, Michigan's Single Audit report for the year ended December 31, 2020, and corrective actions to be completed.

#### 2020-001 – Material Audit Adjustments / Internal Controls over Delinquent Tax

##### Administration and Accounting

**Auditor Description of Condition and Effect.** We identified and proposed certain material adjustments (which were approved and posted by management) to adjust the County's general ledger to the appropriate balances. These entries related to special assessments receivable and revenue, along with various adjustments to delinquent taxes receivable, revenue, and deferred inflows.

We further noted certain delinquent tax accounting errors, including (1) due to and due from accounts that are used to accumulate adjustments and chargebacks throughout the year that did not clear out after the annual settlement; (2) certain liability accounts with debit balances which remain unreconciled from prior years; and (3) that settlement entries were not recorded in the general ledger until several months after the settlement had taken place.

As a result of this condition, the County's accounting records were initially misstated by amounts material to the financial statements, and the County was exposed to an increased risk that misstatements (whether caused by error or fraud) may occur and not be detected by management on a timely basis.

**Auditor Recommendation.** The related correcting entries have been reviewed and approved by management, and no further corrective action is required at this time.

**Corrective Action.** The Controller/Administrator concurs with the Auditor's recommendation and will encourage the Treasurer to reconcile all applicable balance sheet accounts to the subsidiary detail at least quarterly and follow-up on any variances in a timely manner. Reconciliations should be attached to supporting general ledger and/or delinquent tax reports and initialed and dated quarterly for evidence that the Controller/Administrator could review.

**Responsible Person.** Sherry Earnest, Treasurer

**Anticipated Completion Date:** December 31, 2021

Marilynn Bradstrom  
District #1

Jerrilynn Strong  
District #2

Linda Howard  
District #3

Raymond Steinke  
District #4

Thomas O'Neil  
District #5

Wendy Nystrom  
District #6

William Routley  
District #7

Paul E. Bullock  
Controller/Administrator

## INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

May 25, 2021

To the Board of Commissioners  
County of Mecosta  
Big Rapids, 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 the **County of Mecosta, Michigan** (the "County") as of and for the year ended December 31, 2020, and have issued our report thereon dated May 25, 2021. We did not audit the financial statements of the Mecosta County Road Commission. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements and this report, insofar as they relate to the Mecosta County Road Commission, are based solely on the report of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 7, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

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We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated May 25, 2021. In addition, we noted certain other matters which are included in Attachment A to this letter.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on April 29, 2021.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the County's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements.

As described in Note 18 to the financial statements, the County changed accounting policies related to fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*. The cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Changes in Fiduciary Net Position.

No matters have come to our attention that would require us, under professional standards, to inform you about the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

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

- Management's estimate that the implicit rate subsidy for retiree health insurance (other postemployment benefits) is immaterial to the financial statements taken as a whole is based on current participation rate by existing retirees.

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. In addition, the financial statements include a net pension asset and other pension-related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards, but are not within the control of management.

#### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in the Schedule of Findings and Questioned Costs issued in connection with the Single Audit.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment C to this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. 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.

**Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

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

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

**COUNTY OF MECOSTA, MICHIGAN****Attachment A – Comments and Recommendations**

For the December 31, 2020 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the County's internal control over financial reporting is described in our report, dated May 25, 2021 issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated May 25, 2021, on the financial statements of the County of Mecosta, Michigan.

*Reconciliation and Timely Remittance of Title Search Fees (Repeat Comment)*

The County is responsible for collecting a variety of payments on behalf of the State of Michigan. An appropriate process should be in place to identify balances due to the State and provide for timely remittance of these funds in accordance with State statutes. We noted that the County is, at times, collecting partial payments for title search fees which are not being remitted to the State of Michigan until the fees for a given parcel have been collected in full. This process does not appear to be in compliance with State regulations which require that all collections on hand at month-end be remitted to the State by the fifteenth day of the subsequent month. In addition, we noted that the County is unable to provide a detail of which parcels comprise the ending liability at year-end. We recommend that the County reconcile this liability account monthly and develop procedures to ensure that collections are being remitted to the State in full and in a timely manner.

*Reporting and Review of Amounts Held for Others (Repeat Comment)*

The County is responsible for collecting, accounting for, and ultimately disbursing, certain funds. These amounts include State fees and taxes, court-related costs, restitutions, etc. At any given time, the County should be able to provide a detail of the amounts due to others by recipient. For certain collections, detail is maintained in manual ledgers that provide a running total of the liability over many years. In addition to limiting the ability to generate a complete list of the balances by individual, this type of record-keeping might be more efficiently maintained in a computerized format. Regardless of the format of the records, a detail listing of amounts held for others should be reconciled to the general ledger periodically and reviewed by an independent individual.

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## COUNTY OF MECOSTA, MICHIGAN

### Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2020 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

#### **GASB 87 ■ Leases**

*Effective 06/15/2022 (your FY 2022)*

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

#### **GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period**

*Effective 12/15/2021 (your FY 2021)*

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the County.

#### **GASB 91 ■ Conduit Debt Obligations**

*Effective 12/15/2022 (your FY 2022)*

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is *more likely than not* that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the County.

#### **GASB 92 ■ Omnibus 2020**

*Effective 06/15/2022 (your FY 2022)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the County.

#### **GASB 93 ■ Replacement of Interbank Offered Rates**

*Effective 06/15/2022 (your FY 2022)*

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the County.

**COUNTY OF MECOSTA, MICHIGAN****Attachment B – Upcoming Changes in Accounting Standards / Regulations**

For the December 31, 2020 Audit

**GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements***Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the County.

**GASB 96 ■ Subscription-Based Information Technology Arrangements***Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

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## COUNTY OF MECOSTA, MICHIGAN

### Attachment C – Management Representations

For the December 31, 2020 Audit

The following pages contain the written representations that we requested from management.



**COUNTY OF MECOSTA**  
**BOARD OF COMMISSIONERS**  
400 ELM STREET, BIG RAPIDS, MI 49307  
Phone (231) 796-2505 Fax (231) 592-0121  
www.mecostacounty.org

May 25, 2021

Rehmann Robson  
2330 East Paris Ave. SE  
Grand Rapids, MI 49546

Marilynn Bradstrom  
*District #1*

Jerrilynn Strong  
*District #2*

Linda Howard  
*District #3*

Raymond Steinke  
*District #4*

Thomas O'Neil  
*District #5*

Wendy Nystrom  
*District #6*

William Routley  
*District #7*

Paul E. Bullock  
*Controller/Administrator*

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Mecosta, Michigan** (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 25, 2021:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 7, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;

- c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility 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.
  6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
  7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
  8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
  9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
  10. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
  11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
  12. With regard to items reported at fair value:
    - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
  13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
  14. All funds and activities are properly classified.
  15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
  16. All components of net position and fund balance classifications have been properly reported.
  17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.



18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. We believe that the actuarial assumptions and methods used to measure pension assets/liabilities and costs for financial accounting purposes are appropriate in the circumstances.
25. We are responsible for the fair presentation of the County's net pension asset as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the County's participation in the plan, and have reviewed the information provided by MERS for inclusion in the County's financial statements.
26. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the County's normal activities. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the government's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

#### Information Provided

27. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or

- c. Others where the fraud could have a material effect on the financial statements.
- 31. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
- 32. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 33. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 34. We have a process to track the status of audit findings and recommendations.
- 35. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 36. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 37. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- 38. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 39. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 40. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 41. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
- 42. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 43. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
- 44. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.



45. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
46. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

47. With respect to the supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Required Supplementary Information**

48. With respect to the required supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Uniform Guidance (2 CFR 200)**

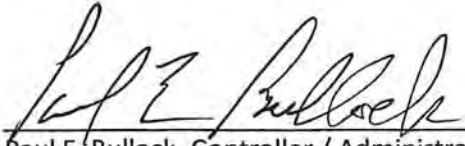
49. With respect to federal awards, we represent the following to you:
  - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.

- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.



- p. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- q. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- r. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- s. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- t. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- u. We have monitored subrecipients to determine if they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- v. We have issued management decisions timely after the receipt of subrecipients' auditor reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that the subrecipients have taken the appropriate and timely corrective action on findings.
- w. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- z. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- aa. The reporting package does not contain protected personally identifiable information.
- bb. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- cc. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- dd. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



A handwritten signature in black ink, appearing to read "Paul E. Bullock", written over a horizontal line.

Paul E. Bullock, Controller / Administrator

A handwritten signature in blue ink, appearing to read "Mindy Taylor", written over a horizontal line.

Mindy Taylor, Finance Officer

## COUNTY OF MECOSTA, MICHIGAN

**Schedule of Adjustments Passed (SOAP)**

For the December 31, 2020 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/Expenditures
<b>Drain Commission Component Unit</b>					
Unrecorded accrued interest on drain notes	\$ -	\$ (30,366)	\$ -	\$ -	\$ (30,366)
Unreconciled difference in special assessment receivables	(26,480)	-	(27,201)	-	(721)
<b>Total Drain Commission Component Unit</b>	<u>\$ (26,480)</u>	<u>\$ (30,366)</u>	<u>\$ (27,201)</u>	<u>\$ -</u>	<u>\$ (31,087)</u>
<b>Misstatement as a percentage of total assets and deferred outflows - discretely presented component units</b>	-0.06%	-0.06%	-0.06%	0.00%	-0.06%