

County of Mecosta,  
Michigan



Year Ended  
December 31, 2022

Financial  
Statements and  
Single Audit Act  
Compliance

**Rehmann**

# COUNTY OF MECOSTA, MICHIGAN

## Table of Contents

### Page

#### **INTRODUCTORY SECTION**

1

Elected Officers

2

Index of Funds

3

#### **FINANCIAL SECTION**

Independent Auditors' Report

7

Management's Discussion and Analysis

11

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position

22

Statement of Activities

23

Fund Financial Statements:

Balance Sheet – Governmental Funds

26

Reconciliation of Fund Balances for Governmental Funds to Net Position  
of Governmental Activities

29

Statement of Revenues, Expenditures and Change in Fund Balances –  
Governmental Funds

30

Reconciliation of Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities

33

Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual:

General Fund

34

Emergency Medical Services Special Revenue Fund

37

Commission on Aging Special Revenue Fund

38

Statement of Net Position – Proprietary Funds

39

Statement of Revenues, Expenses and Changes in

Fund Net Position – Proprietary Funds

40

Statement of Cash Flows – Proprietary Funds

41

Statement of Fiduciary Net Position – Fiduciary Funds

43

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

44

Combining Statement of Net Position – Discretely Presented Component Units

45

Combining Statement of Activities – Discretely Presented Component Units

46

Notes to Financial Statements

47

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan – Primary Government:

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

76

Schedule of Contributions

78

Notes to Required Supplementary Information

79

# COUNTY OF MECOSTA, MICHIGAN

## Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
General Fund:	
Combining Balance Sheet – by Activity	84
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – by Activity	85
Nonmajor Governmental Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	100
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	130
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	131
Combining Statement of Cash Flows	132
Internal Service Funds:	
Combining Statement of Net Position	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	135
Combining Statement of Cash Flows	136
Custodial Funds:	
Combining Statement of Fiduciary Net Position	138
Combining Statement of Changes in Fiduciary Net Position	139
Drain Commission Component Unit:	
Combining Balance Sheet / Statement of Net Position	142
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	145
Combining Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities	146
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	149

## SINGLE AUDIT ACT COMPLIANCE

Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	153
Schedule of Expenditures of Federal Awards	154
Notes to Schedule of Expenditures of Federal Awards	156
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 <i>Government Auditing Standards</i>	159
Independent Auditors' Report on Compliance for the Major Federal Program and Internal Control over Compliance Required by the Uniform Guidance	161
Schedule of Findings and Questioned Costs	164
Summary Schedule of Prior Audit Findings	167



## **INTRODUCTORY SECTION**

# COUNTY OF MECOSTA, MICHIGAN

## ELECTED OFFICERS

**For the Year Ended December 31, 2022**

### 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***

Jonathan Peterson  
***Prosecuting Attorney***

# COUNTY OF MECOSTA, MICHIGAN

## Index of Funds

Fund Name and Number	Balance Sheet Page	Income Statement Page
<b>Governmental Funds</b>		
General Fund (101, 257, 293)	26	30
<b>Special Revenue Funds</b>		
Emergency Medical Services (210)	26	30
Medical First Responders (211)	88	94
Sobriety Court (214)	88	94
Friend of the Court (215)	88	94
Prosecutor's Drug Forfeitures (216)	88	94
Family Counseling (217)	88	94
Remonumentation Grant (232)	89	95
County Housing Rehab Program (234)	89	95
Building Department (249)	89	95
Drunk Driving (250)	89	95
Emergency Planning Committee (254)	89	95
Register of Deeds Automation (256)	89	95
D.A.R.E. Program (258)	90	96
Concealed Pistol Licensing (259)	90	96
Michigan Indigent Defense Commission (260)	90	96
Township Law Enforcement (261)	90	96
Corrections Officer Training (262)	90	96
K-9 (263)	91	97
Jail Maintenance (264)	91	97
Drug Law Enforcement (265)	91	97
Dive Team (266)	91	97
Community Corrections Program (267)	91	97
Crime Victims' Rights (268)	91	97
Law Library (269)	91	97
Commission on Aging Meals (273)	92	98
Commission on Aging (274)	26	30
911 State Service Charge (280)	92	98
Opioid Settlement (284)	92	98
Law Enforcement Training (287)	92	98
Secondary Road Patrol (289)	92	98
Child Care (292)	92	98
<b>Capital Projects Funds</b>		
Building Improvement (402)	93	99
Capital Equipment (405)	93	99

## COUNTY OF MECOSTA, MICHIGAN

### Index of Funds

Fund Name and Number	Balance Sheet Page	Income Statement Page
<b>Permanent Fund</b>		
Broomfield Trust (757)	93	99
<b>Enterprise Funds</b>		
Plat Review (506)	130	131
Park Commission (508)	39	40
Delinquent Tax Revolving (516)	39	40
Principal Residence Exemption Audit (517)	130	131
Jail Commissary (595)	130	131
Public Works (641)	130	131
<b>Internal Service Funds</b>		
Equalization Revolving (646)	134	135
Mailing Department (653)	134	135
Health Insurance (677)	134	135
<b>Custodial Funds</b>		
Trust and Agency (701)	138	139
Library Penal Fine (721)	138	139
Inmate Trust (764)	139	139
<b>Component Units</b>		
Road Commission (201)	45	46
Brownfield Redevelopment Authority (242-244)	45	46
Drain Commission (801-802)	45	46
<b>Drain Commission</b>		
Drain (801)	142	146
Revolving Drain (802)	142	146

## **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

June 2, 2023

Board of Commissioners  
County of Mecosta  
Big Rapids, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparisons 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.

We did not audit the financial statements of the Mecosta County Road Commission discretely presented component unit, which represented 94.7%, 98.1%, and 99.1%, 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 thereon was 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.

#### *Basis for Opinions*

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



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

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

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

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and 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 June 2, 2023, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson 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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

#### Financial Highlights

Key metrics and financial highlights of the County for the year ended December 31, 2022 are as follows:

Total net position	\$ 48,205,784
Unrestricted net position	32,302,457
Change in net position	8,150,527
Fund balances, governmental funds	29,310,878
Change in fund balances, governmental funds	8,570,231
Fund balance, general fund	19,336,013
(as percentage of general fund expenditures and transfers out)	134.4%
Unassigned fund balance, general fund	18,791,597
(as percentage of general fund expenditures and transfers out)	130.6%
Change in fund balance, general fund	8,354,669

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 business-type activities of the County include the operations of the parks commission, delinquent tax collection and administration, and other activities.

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, commission on aging special revenue fund, and Opioid settlement 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 \$48,205,784 at the close of the most recent fiscal year. A large portion of the County's net position (14.2%) 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 20.3%, or \$8,150,527 from \$40,055,257 to \$48,205,784 for the year ended December 31, 2022.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 33,529,544	\$ 33,023,117	\$ 11,160,968	\$ 10,672,327	\$ 44,690,512	\$ 43,695,444
Capital assets, net	5,646,139	5,712,181	1,198,589	1,234,715	6,844,728	6,946,896
<b>Total assets</b>	<b>39,175,683</b>	<b>38,735,298</b>	<b>12,359,557</b>	<b>11,907,042</b>	<b>51,535,240</b>	<b>50,642,340</b>
<b>Deferred outflows of resources</b>	<b>3,663,946</b>	<b>-</b>	<b>113,318</b>	<b>-</b>	<b>3,777,264</b>	<b>-</b>
<b>Liabilities</b>						
Other liabilities	879,858	4,537,922	324,711	240,604	1,204,569	4,778,526
Long-term liabilities	3,571,025	1,063,383	89,761	7,851	3,660,786	1,071,234
<b>Total liabilities</b>	<b>4,450,883</b>	<b>5,601,305</b>	<b>414,472</b>	<b>248,455</b>	<b>4,865,355</b>	<b>5,849,760</b>
<b>Deferred inflows of resources</b>	<b>2,241,365</b>	<b>4,639,715</b>	<b>-</b>	<b>97,608</b>	<b>2,241,365</b>	<b>4,737,323</b>
<b>Net position</b>						
Investment in capital assets	5,646,139	5,712,181	1,198,589	1,234,715	6,844,728	6,946,896
Restricted	9,058,599	10,785,507	-	59,927	9,058,599	10,845,434
Unrestricted	21,442,643	11,996,590	10,859,814	10,266,337	32,302,457	22,262,927
<b>Total net position</b>	<b>\$ 36,147,381</b>	<b>\$ 28,494,278</b>	<b>\$ 12,058,403</b>	<b>\$ 11,560,979</b>	<b>\$ 48,205,784</b>	<b>\$ 40,055,257</b>

The primary reason for the decrease in the governmental activities other liabilities is due to the expenditure of CSLFRF grant funds in 2022. The primary reason for the increase in the governmental activities long-term liabilities is due to an increase in the net pension liability in 2022, which was a net pension asset at the end of 2021.

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 5,760,276	\$ 6,394,678	\$ 2,502,221	\$ 2,575,342	\$ 8,262,497	\$ 8,970,020
Operating grants and contributions	2,491,871	3,697,188	11,445	11,797	2,503,316	3,708,985
Capital grants and contributions	23,405	27,262	-	-	23,405	27,262
General revenues:						
Property taxes	11,337,995	10,928,748	-	-	11,337,995	10,928,748
Unrestricted grants and contributions	8,689,920	1,570,456	-	-	8,689,920	1,570,456
Unrestricted investment earnings	267,285	157,034	-	-	267,285	157,034
Gain on sale of capital assets	57,017	-	-	9,000	57,017	9,000
Other revenues	612,231	113,090	-	-	612,231	113,090
<b>Total revenues</b>	<b>29,240,000</b>	<b>22,888,456</b>	<b>2,513,666</b>	<b>2,596,139</b>	<b>31,753,666</b>	<b>25,484,595</b>
<b>Expenses</b>						
General government	3,177,638	3,490,046	-	-	3,177,638	3,490,046
Legislative	608,609	461,519	-	-	608,609	461,519
Judicial	3,487,227	3,271,441	-	-	3,487,227	3,271,441
Public safety	6,945,407	6,660,606	-	-	6,945,407	6,660,606
Public works	6,150	2,026	-	-	6,150	2,026
Health and welfare	6,212,600	5,752,847	-	-	6,212,600	5,752,847
Community and economic development	924,266	190,446	-	-	924,266	190,446
Park Commission	-	-	2,180,085	2,029,503	2,180,085	2,029,503
Delinquent tax collection and administration	-	-	21,504	21,371	21,504	21,371
Other activities	-	-	39,653	23,089	39,653	23,089
<b>Total expenses</b>	<b>21,361,897</b>	<b>19,828,931</b>	<b>2,241,242</b>	<b>2,073,963</b>	<b>23,603,139</b>	<b>21,902,894</b>
<b>Change in net position</b>	<b>7,653,103</b>	<b>3,059,525</b>	<b>497,424</b>	<b>522,176</b>	<b>8,150,527</b>	<b>3,581,701</b>
Net position, beginning of year	28,494,278	25,434,753	11,560,979	11,038,803	40,055,257	36,473,556
<b>Net position, end of year</b>	<b>\$ 36,147,381</b>	<b>\$ 28,494,278</b>	<b>\$ 12,058,403</b>	<b>\$ 11,560,979</b>	<b>\$ 48,205,784</b>	<b>\$ 40,055,257</b>

Overall, governmental activities revenues increased from the prior year by \$6,351,544, or 27.7%. This was primarily due to an increase in unrestricted grants and contributions from an allocation of ARPA money for lost revenue and also an increase in property taxes. In addition, other revenues increased primarily due to the recognition of Opioid settlement funds. Overall, governmental activities expenses increased from the prior year by \$1,532,966, or 7.7%, due primarily to increases in personnel costs.

Overall, business-type activity revenues decreased by \$82,473. This was primarily due to a decrease in charges for services. Overall, business-type activity expenses increased by \$167,279 due to primarily an increase in parks commission expenses related to the Dragon Trail.

## COUNTY OF MECOSTA, MICHIGAN

### Management's Discussion and Analysis

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

Governmental activities increased the County's net position by \$7,653,103 compared to an increase in fund balance of governmental funds of \$8,570,231. 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, and County corrections services.
- Public works activities – expenses related to the County drain commissioner.
- Health and welfare – expenses related to veterans' service, emergency medical services, 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 \$497,424 compared to a prior year increase of \$522,176.

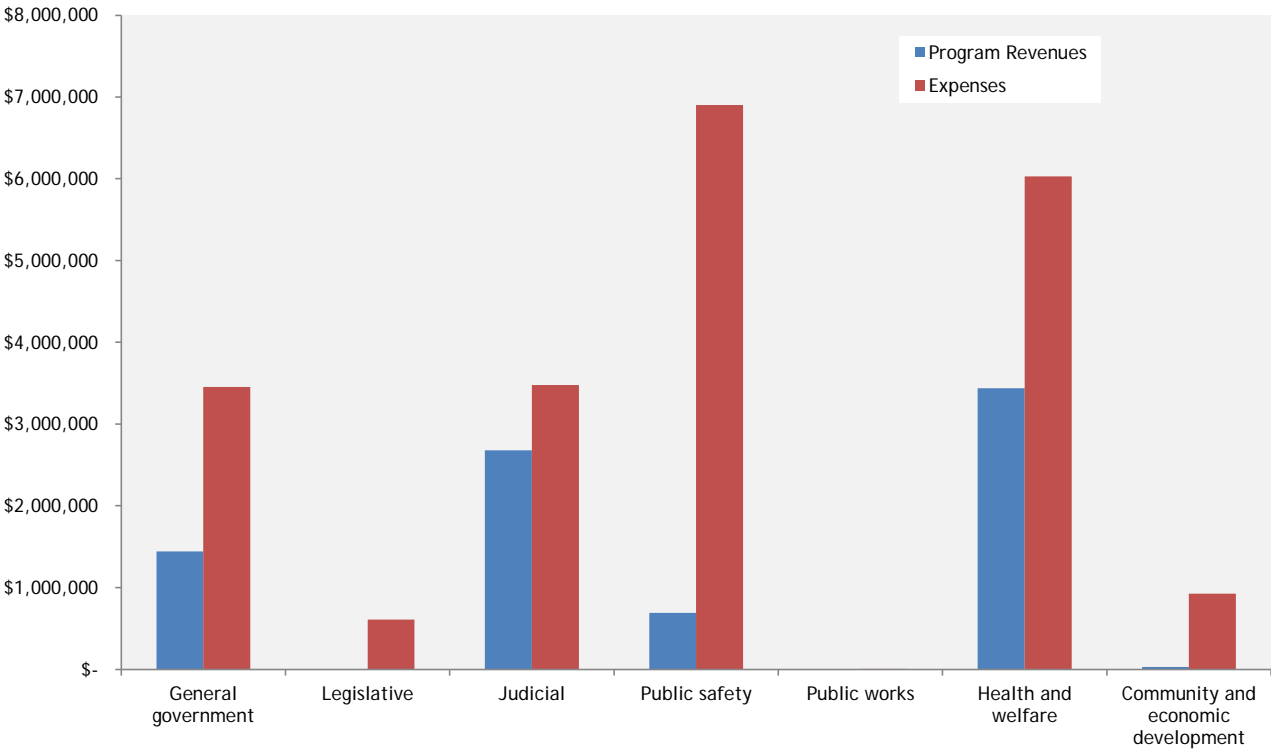
Business-type activities include:

- 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.

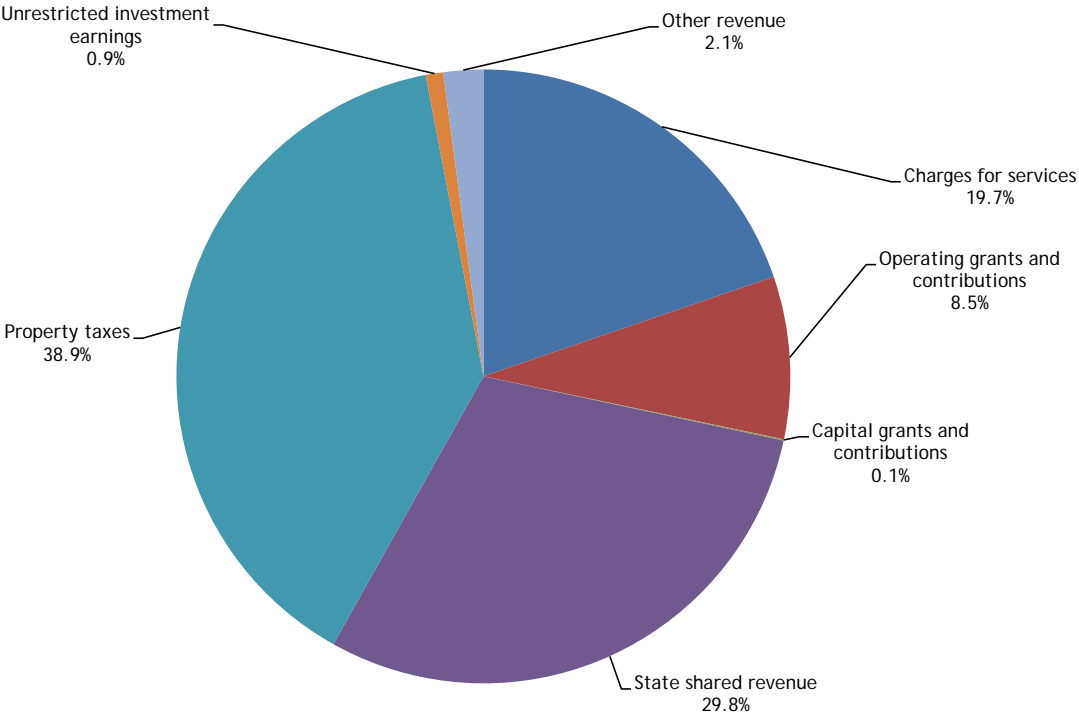
COUNTY OF MECOSTA, MICHIGAN

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 increased by \$8,354,669 from \$10,981,344 to \$19,336,013. This is primarily attributable to an increase in federal revenues due to the recognition of CSLFRF grant funds.

The fund balance of the emergency medical services fund decreased \$90,967 from \$5,807,633 to \$4,996,666. This was primarily the result of a decrease in charges for services from a lower volume of calls.

The fund balance of the commission on aging fund increased \$148,069 from \$1,316,417 to \$1,464,486. 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 part-time wage expenses.

The opioid settlement fund accounts for current and future payments to be received from various Opioid settlements. The full amount of the receivables are deferred at the fund level.

**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 appropriations to make additional payments for contracts with the road commission and townships to improve roads, the parks for generators, county enhancement projects with nonprofits, the COA to repave a parking lot and marine patrol to purchase a new boat.
- Amendments and supplemental appropriations to reflect the actual beginning account balances and prevention of budget overruns from increasing per diem rates and insurance opt out amounts in the first time in many years along with covering the rising costs of fuel, inmate medical, nuisance abatement, contract prices increasing, and autopsies. Budget amendments were also approved to cover long time employees retiring and receiving their sick leave payout upon leaving.

After all adjustments, the County's 2022 actual general fund revenues came in 54.0% above budget and actual expenditures were well below final budget amounts by 11.6%. Expenditures were primarily under budget estimates due to budgeted contingency funds 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, when applicable, 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 one ambulance chassis, several vehicles, a boat, repaving the COA parking lot, two ventilator devices, a heat/AC unit with electrical upgrade, evidence room video and lockers, a trunarc unit, and a variety of park and drain improvements.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 314,537	\$ 314,537	\$ -	\$ -	\$ 314,537	\$ 314,537
Construction in progress	-	103,822	114,360	44,427	114,360	148,249
Land improvements	-	-	576,922	634,475	576,922	634,475
Buildings and improvements	3,753,010	3,867,255	400,622	453,422	4,153,632	4,320,677
Equipment and furniture	534,603	509,907	30,427	31,357	565,030	541,264
Vehicles	1,043,989	916,660	76,258	71,034	1,120,247	987,694
<b>Total</b>	<b>\$ 5,646,139</b>	<b>\$ 5,712,181</b>	<b>\$ 1,198,589</b>	<b>\$ 1,234,715</b>	<b>\$ 6,844,728</b>	<b>\$ 6,946,896</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 2023 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 2023 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 2022. As we prepare for the 2023 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 2023 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 2022 and 2023 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 28,838,188	\$ 9,777,221	\$ 38,615,409	\$ 1,430,627
Investments	20,371	-	20,371	-
Receivables	4,212,723	1,383,747	5,596,470	2,430,500
Prepays and other assets	458,262	-	458,262	839,096
Capital assets not being depreciated	314,537	114,360	428,897	11,904,403
Capital assets being depreciated, net	5,331,602	1,084,229	6,415,831	34,792,790
<b>Total assets</b>	<b>39,175,683</b>	<b>12,359,557</b>	<b>51,535,240</b>	<b>51,397,416</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	3,663,946	113,318	3,777,264	432,756
<b>Liabilities</b>				
Accounts payable and accrued liabilities	829,858	188,046	1,017,904	683,117
Unearned revenue	50,000	136,665	186,665	-
Long-term debt:				
Due within one year	769,695	8,232	777,927	701,725
Due in more than one year	165,217	-	165,217	1,438,316
Net pension liability (due in more than one year)	2,636,113	81,529	2,717,642	618,160
Net other postemployment benefits liability (due in more than one year)	-	-	-	649,415
<b>Total liabilities</b>	<b>4,450,883</b>	<b>414,472</b>	<b>4,865,355</b>	<b>4,090,733</b>
<b>Deferred inflows of resources</b>				
Taxes levied for subsequent year	2,241,365	-	2,241,365	-
Deferred pension amounts	-	-	-	390,341
<b>Total deferred inflows of resources</b>	<b>2,241,365</b>	<b>-</b>	<b>2,241,365</b>	<b>390,341</b>
<b>Net position</b>				
Net investment in capital assets	5,646,139	1,198,589	6,844,728	44,993,010
Restricted for:				
Health and welfare programs	7,411,671	-	7,411,671	-
Public safety programs	1,070,929	-	1,070,929	-
Judicial programs	146,201	-	146,201	-
Housing rehabilitation	92,666	-	92,666	-
Permanent fund nonexpendable	14,108	-	14,108	-
Permanent fund expendable	7,910	-	7,910	-
Register of Deeds automation	302,602	-	302,602	-
Other state mandated programs	12,512	-	12,512	-
Unrestricted	21,442,643	10,859,814	32,302,457	2,356,088
<b>Total net position</b>	<b>\$ 36,147,381</b>	<b>\$ 12,058,403</b>	<b>\$ 48,205,784</b>	<b>\$ 47,349,098</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, 2022

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	\$ 3,451,521	\$ (273,883)	\$ 789,881	\$ 653,421	\$ -	\$ (1,734,336)
Legislative	608,609	-	-	-	-	(608,609)
Judicial	3,474,866	12,361	1,318,852	1,357,670	-	(810,705)
Public safety	6,899,499	45,908	989,526	(322,161)	23,405	(6,254,637)
Public works	6,150	-	-	-	-	(6,150)
Health and welfare	6,026,318	186,282	2,634,007	802,941	-	(2,775,652)
Community and economic development	924,266	-	28,010	-	-	(896,256)
Total governmental activities	21,391,229	(29,332)	5,760,276	2,491,871	23,405	(13,086,345)
Business-type activities:						
Park Commission	2,151,573	28,512	2,071,473	11,445	-	(97,167)
Delinquent tax collection and administration	20,684	820	407,579	-	-	386,075
Other activities	39,653	-	23,169	-	-	(16,484)
Total business-type activities	2,211,910	29,332	2,502,221	11,445	-	272,424
Total primary government	\$ 23,603,139	\$ -	\$ 8,262,497	\$ 2,503,316	\$ 23,405	\$ (12,813,921)
Component units						
Road Commission	\$ 9,106,181	\$ -	\$ 57,114	\$ 1,028,326	\$ 12,862,527	\$ 4,841,786
Drain Commission	236,224	-	7,183	29,846	84,192	(115,003)
Total component units	\$ 9,342,405	\$ -	\$ 64,297	\$ 1,058,172	\$ 12,946,719	\$ 4,726,783

continued...

## COUNTY OF MECOSTA, MICHIGAN

### Statement of Activities

For the Year Ended December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Change in net position</b>				
Net (expense) revenue	\$ (13,086,345)	\$ 272,424	\$ (12,813,921)	\$ 4,726,783
General revenues:				
Property taxes	11,337,995	-	11,337,995	-
Unrestricted grants and contributions	8,689,920	-	8,689,920	-
Unrestricted investment earnings	267,285	-	267,285	12,147
Gain on sale of capital assets	57,017	-	57,017	52,197
Other revenues	612,231	-	612,231	-
Transfers - internal activities	(225,000)	225,000	-	-
Total general revenues	20,739,448	225,000	20,964,448	64,344
<b>Change in net position</b>	7,653,103	497,424	8,150,527	4,791,127
Net position, beginning of year	28,494,278	11,560,979	40,055,257	42,557,971
<b>Net position, end of year</b>	<u>\$ 36,147,381</u>	<u>\$ 12,058,403</u>	<u>\$ 48,205,784</u>	<u>\$ 47,349,098</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, 2022

	General Fund (101/257/293)	Emergency Medical Services (210)	Commission on Aging (274)
<b>Assets</b>			
Cash and pooled investments	\$ 18,814,217	\$ 5,135,983	\$ 1,449,640
Investments	-	-	-
Accounts receivable, net	38,847	139,386	22,960
Taxes receivable	732,659	1,113,881	673,584
Interest receivable	103,696	9,278	3,045
Due from other governments	153,923	-	118,992
Advance to component units	80,000	-	-
Prepays	458,262	-	-
<b>Total assets</b>	<b>\$ 20,381,604</b>	<b>\$ 6,398,528</b>	<b>\$ 2,268,221</b>
<b>Liabilities</b>			
Accounts payable	\$ 316,603	\$ 40,891	\$ 15,859
Accrued liabilities	152,133	52,618	11,175
Unearned revenue	50,000	-	-
<b>Total liabilities</b>	<b>518,736</b>	<b>93,509</b>	<b>27,034</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	526,855	-	-
Taxes levied for subsequent year	-	1,308,353	776,701
<b>Total deferred inflows of resources</b>	<b>526,855</b>	<b>1,308,353</b>	<b>776,701</b>
<b>Fund balances</b>			
Nonspendable	538,262	-	-
Restricted	-	4,996,666	1,464,486
Committed	-	-	-
Assigned	6,154	-	-
Unassigned	18,791,597	-	-
<b>Total fund balances</b>	<b>19,336,013</b>	<b>4,996,666</b>	<b>1,464,486</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 20,381,604</b>	<b>\$ 6,398,528</b>	<b>\$ 2,268,221</b>

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



Opioid Settlement (284)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 3,356,946	\$ 28,756,786
-	20,371	20,371
498,010	50,089	749,292
-	156,311	2,676,435
-	3,510	119,529
-	310,433	583,348
-	-	80,000
-	-	458,262
<u>\$ 498,010</u>	<u>\$ 3,897,660</u>	<u>\$ 33,444,023</u>
\$ -	\$ 205,645	\$ 578,998
-	21,991	237,917
-	-	50,000
<u>-</u>	<u>-</u>	<u>-</u>
-	227,636	866,915
498,010	-	1,024,865
-	156,311	2,241,365
<u>-</u>	<u>-</u>	<u>-</u>
498,010	156,311	3,266,230
-	14,108	552,370
-	2,085,329	8,546,481
-	1,414,276	1,414,276
-	-	6,154
-	-	18,791,597
<u>-</u>	<u>-</u>	<u>-</u>
-	3,513,713	29,310,878
<u>\$ 498,010</u>	<u>\$ 3,897,660</u>	<u>\$ 33,444,023</u>

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## COUNTY OF MECOSTA, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2022

<b>Fund balances - total governmental funds</b>	<b>\$ 29,310,878</b>
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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 statements.

Capital assets not being depreciated	314,537
Capital assets being depreciated, net	5,331,602

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 revenues	1,024,865
----------------------	-----------

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	76,973
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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	(934,912)
Estimated claims liability	(4,395)

Certain pension-related amounts, such as the net pension liability 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 liability	(2,636,113)
Deferred outflows related to the net pension liability	3,663,946

<b>Net position of governmental activities</b>	<b><u>\$ 36,147,381</u></b>
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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, 2022

	General Fund (101/257/293)	Emergency Medical Services (210)	Commission on Aging (274)
<b>Revenues</b>			
Taxes	\$ 9,866,334	\$ 590,027	\$ 732,690
Licenses and permits	51,322	-	-
Intergovernmental:			
Federal	7,845,329	-	102,567
State	2,160,545	40,014	173,831
Local	238,719	-	-
Charges for services	1,334,278	2,256,284	24,235
Fines and forfeitures	808,974	-	-
Interest	267,285	45,011	14,187
Other revenues	135,087	52,869	72,526
<b>Total revenues</b>	<b>22,707,873</b>	<b>2,984,205</b>	<b>1,120,036</b>
<b>Expenditures</b>			
Current:			
General government	2,684,116	-	-
Legislative	567,058	-	-
Judicial	1,700,340	-	-
Public safety	4,476,665	-	-
Health and welfare	378,720	3,032,779	885,630
Community and economic development	121,568	-	-
Other expenditures	2,974,887	-	-
Capital outlay	-	42,393	51,886
<b>Total expenditures</b>	<b>12,903,354</b>	<b>3,075,172</b>	<b>937,516</b>
Revenues over (under) expenditures	9,804,519	(90,967)	182,520
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(1,486,367)	-	(34,451)
Proceeds from sale of capital assets	36,517	-	-
<b>Total other financing sources (uses)</b>	<b>(1,449,850)</b>	<b>-</b>	<b>(34,451)</b>
<b>Net change in fund balances</b>	<b>8,354,669</b>	<b>(90,967)</b>	<b>148,069</b>
Fund balances, beginning of year	10,981,344	5,087,633	1,316,417
<b>Fund balances, end of year</b>	<b>\$ 19,336,013</b>	<b>\$ 4,996,666</b>	<b>\$ 1,464,486</b>

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



Opioid Settlement (284)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 148,286	\$ 11,337,337
-	379,925	431,247
-	550,444	8,498,340
-	1,022,711	3,397,101
-	5,640	244,359
-	584,805	4,199,602
-	14,998	823,972
-	14,856	341,339
-	135,439	395,921
-	2,857,104	29,669,218
-	212,124	2,896,240
-	-	567,058
-	1,189,270	2,889,610
-	930,568	5,407,233
-	1,079,313	5,376,442
-	7,738	129,306
-	-	2,974,887
-	613,449	707,728
-	4,032,462	20,948,504
-	(1,175,358)	8,720,714
-	1,295,818	1,295,818
-	-	(1,520,818)
-	38,000	74,517
-	1,333,818	(150,483)
-	158,460	8,570,231
-	3,355,253	20,740,647
\$ -	\$ 3,513,713	\$ 29,310,878

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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, 2022

**Net change in fund balances - total governmental funds** \$ 8,570,231

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	635,483
Depreciation expense	(684,025)
Proceeds from sale of capital assets	(74,517)
Gain on sale of capital assets	57,017

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 revenues	(236,415)
------------------------------------	-----------

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	128,471
Change in estimated liability for claims	177,105
Change in net pension asset/liability and related deferred amounts	(909,827)

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	(11,078)
--	----------

**Change in net position of governmental activities** \$ 7,653,103

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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 8,841,858	\$ 9,268,327	\$ 9,866,334	\$ 598,007
Licenses and permits	47,600	47,600	51,322	3,722
Intergovernmental:				
Federal	133,777	1,042,330	7,845,329	6,802,999
State	1,881,873	1,881,873	2,160,545	278,672
Local	222,500	222,500	238,719	16,219
Charges for services	1,197,313	1,197,313	1,334,278	136,965
Fines and forfeitures	865,970	865,970	808,974	(56,996)
Interest	130,000	130,000	267,285	137,285
Other revenues	88,281	88,281	135,087	46,806
<b>Total revenues</b>	<b>13,409,172</b>	<b>14,744,194</b>	<b>22,707,873</b>	<b>7,963,679</b>
<b>Expenditures</b>				
General government:				
Elections	29,900	29,900	23,654	(6,246)
County clerk	338,978	338,978	309,144	(29,834)
Register of deeds	254,678	254,678	232,077	(22,601)
Drain commission	160,087	160,087	149,922	(10,165)
Equalization	265,927	265,927	263,881	(2,046)
County treasurer	192,481	197,544	195,798	(1,746)
Cooperative education	125,998	125,998	125,675	(323)
Central services	340,396	340,396	248,756	(91,640)
Mimeo and photocopy	18,000	18,000	12,174	(5,826)
Courthouse building and grounds	636,404	636,404	586,311	(50,093)
Prosecuting attorney	623,337	623,337	489,751	(133,586)
Corporate counsel	20,000	20,000	16,773	(3,227)
Audit	32,200	32,200	30,200	(2,000)
Total general government	3,038,386	3,043,449	2,684,116	(359,333)
Legislative:				
Board of Commissioners	530,995	569,345	567,058	(2,287)

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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Judicial:				
Circuit court - probation	\$ 3,500	\$ 3,500	\$ 2,248	\$ (1,252)
49th circuit court	479,847	479,847	403,408	(76,439)
77th district court	545,523	564,273	557,596	(6,677)
District court probation	157,810	171,510	168,625	(2,885)
Jury board	5,543	5,644	5,622	(22)
18th probate court	619,262	619,262	562,841	(56,421)
Total judicial	<u>1,811,485</u>	<u>1,844,036</u>	<u>1,700,340</u>	<u>(143,696)</u>
Public safety:				
Sheriff	2,501,563	2,551,620	2,428,935	(122,685)
Law enforcement/road patrol	1,813,439	1,833,439	1,810,180	(23,259)
Marine patrol	25,171	27,851	27,836	(15)
Civil defense	76,706	76,706	68,374	(8,332)
Animal shelter	71,750	72,500	72,500	-
Animal control	70,409	72,694	68,840	(3,854)
Total public safety	<u>4,559,038</u>	<u>4,634,810</u>	<u>4,476,665</u>	<u>(158,145)</u>
Health and welfare:				
Communicable diseases	4,000	4,000	90	(3,910)
Medical examiner	120,333	156,833	148,454	(8,379)
State institutions	166,912	166,912	166,912	-
Soldiers' and sailors relief	3,400	3,400	500	(2,900)
Veterans' burial services	15,000	15,000	6,000	(9,000)
Veterans' affairs	57,764	57,764	56,764	(1,000)
Total health and welfare	<u>367,409</u>	<u>403,909</u>	<u>378,720</u>	<u>(25,189)</u>
Community and economic development:				
Planning and zoning	97,125	117,125	115,943	(1,182)
Plat board	161	161	-	(161)
National forest revenue distribution	<u>5,000</u>	<u>5,626</u>	<u>5,625</u>	<u>(1)</u>
Total community and economic development	<u>102,286</u>	<u>122,912</u>	<u>121,568</u>	<u>(1,344)</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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Other expenditures:				
Appropriations	\$ 467,138	\$ 1,346,903	\$ 1,177,763	\$ (169,140)
Bonds, insurance and pension	2,174,832	2,174,832	1,797,124	(377,708)
Contingencies	500,000	453,558	-	(453,558)
Total other expenditures	<u>3,141,970</u>	<u>3,975,293</u>	<u>2,974,887</u>	<u>(1,000,406)</u>
<b>Total expenditures</b>	<u>13,551,569</u>	<u>14,593,754</u>	<u>12,903,354</u>	<u>(1,690,400)</u>
Revenues over (under) expenditures	<u>(142,397)</u>	<u>150,440</u>	<u>9,804,519</u>	<u>9,654,079</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,222,595)	(1,659,045)	(1,486,367)	(172,678)
Proceeds from sale of capital assets	10,000	10,000	36,517	26,517
<b>Total other financing sources (uses)</b>	<u>(1,212,595)</u>	<u>(1,649,045)</u>	<u>(1,449,850)</u>	<u>199,195</u>
<b>Net change in fund balance</b>	<u>(1,354,992)</u>	<u>(1,498,605)</u>	<u>8,354,669</u>	<u>9,853,274</u>
Fund balance, beginning of year	<u>10,981,344</u>	<u>10,981,344</u>	<u>10,981,344</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,626,352</u>	<u>\$ 9,482,739</u>	<u>\$ 19,336,013</u>	<u>\$ 9,853,274</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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 594,292	\$ 594,292	\$ 590,027	\$ (4,265)
Intergovernmental:				
State	42,500	42,500	40,014	(2,486)
Charges for services	1,851,250	1,851,250	2,256,284	405,034
Interest	37,500	37,500	45,011	7,511
Other revenues	6,500	6,500	52,869	46,369
<b>Total revenues</b>	<u>2,532,042</u>	<u>2,532,042</u>	<u>2,984,205</u>	<u>452,163</u>
<b>Expenditures</b>				
Current - health and welfare:				
Emergency medical services	3,217,628	3,217,628	3,032,779	(184,849)
Capital outlay	100,000	100,000	42,393	(57,607)
<b>Total expenditures</b>	<u>3,317,628</u>	<u>3,317,628</u>	<u>3,075,172</u>	<u>(242,456)</u>
<b>Net change in fund balance</b>	(785,586)	(785,586)	(90,967)	694,619
Fund balance, beginning of year	5,087,633	5,087,633	5,087,633	-
<b>Fund balance, end of year</b>	<u>\$ 4,302,047</u>	<u>\$ 4,302,047</u>	<u>\$ 4,996,666</u>	<u>\$ 694,619</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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 736,000	\$ 736,000	\$ 732,690	\$ (3,310)
Intergovernmental:				
Federal	51,077	51,077	102,567	51,490
State	141,431	141,431	173,831	32,400
Charges for services	15,000	15,000	24,235	9,235
Interest	15,000	15,000	14,187	(813)
Other revenues	75,000	75,000	72,526	(2,474)
<b>Total revenues</b>	<u>1,033,508</u>	<u>1,033,508</u>	<u>1,120,036</u>	<u>86,528</u>
<b>Expenditures</b>				
Current - health and welfare	1,019,894	977,708	885,630	(92,078)
Capital outlay	10,000	52,186	51,886	(300)
<b>Total expenditures</b>	<u>1,029,894</u>	<u>1,029,894</u>	<u>937,516</u>	<u>(92,378)</u>
Revenues over expenditures	3,614	3,614	182,520	178,906
<b>Other financing uses</b>				
Transfers out	(34,451)	(34,451)	(34,451)	-
<b>Net change in fund balance</b>	<u>(30,837)</u>	<u>(30,837)</u>	<u>148,069</u>	<u>178,906</u>
Fund balance, beginning of year	<u>1,316,417</u>	<u>1,316,417</u>	<u>1,316,417</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,285,580</u>	<u>\$ 1,285,580</u>	<u>\$ 1,464,486</u>	<u>\$ 178,906</u>

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

# COUNTY OF MECOSTA, MICHIGAN

## Statement of Net Position

Proprietary Funds  
December 31, 2022

	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	\$ 1,281,639	\$ 8,385,067	\$ 110,515	\$ 9,777,221	\$ 81,402
Accounts receivable	492	2,280	-	2,772	4,119
Taxes receivable	-	1,256,581	2,582	1,259,163	-
Interest receivable	1,820	19,850	-	21,670	-
Due from other governments	-	100,142	-	100,142	-
Total current assets	1,283,951	9,763,920	113,097	11,160,968	85,521
Noncurrent assets:					
Capital assets not being depreciated	114,360	-	-	114,360	-
Capital assets being depreciated, net	1,084,229	-	-	1,084,229	-
Total noncurrent assets	1,198,589	-	-	1,198,589	-
<b>Total assets</b>	2,482,540	9,763,920	113,097	12,359,557	85,521
<b>Deferred outflows of resources</b>					
Deferred pension amounts	113,318	-	-	113,318	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	144,618	540	61	145,219	8,548
Accrued liabilities	5,012	-	-	5,012	-
Due to other governments	-	2,401	35,414	37,815	-
Unearned revenue	136,665	-	-	136,665	-
Compensated absences payable	8,232	-	-	8,232	-
Total current liabilities	294,527	2,941	35,475	332,943	8,548
Noncurrent liabilities:					
Net pension liability	81,529	-	-	81,529	-
<b>Total liabilities</b>	376,056	2,941	35,475	414,472	8,548
<b>Net position</b>					
Investment in capital assets	1,198,589	-	-	1,198,589	-
Unrestricted	1,021,213	9,760,979	77,622	10,859,814	76,973
<b>Total net position</b>	\$ 2,219,802	\$ 9,760,979	\$ 77,622	\$ 12,058,403	\$ 76,973

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, 2022

	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	\$ 2,071,473	\$ 24,792	\$ 23,369	\$ 2,119,634	\$ 2,295,962
Interest and penalties on delinquent taxes	-	370,848	2,422	373,270	-
Auction sales proceeds, net	-	9,317	-	9,317	-
<b>Total operating revenues</b>	<b>2,071,473</b>	<b>404,957</b>	<b>25,791</b>	<b>2,502,221</b>	<b>2,295,962</b>
<b>Operating expenses</b>					
Personnel services	1,096,859	-	820	1,097,679	-
Supplies	120,331	5,235	1,071	126,637	1,893
Postage	747	10,343	119	11,209	54,936
Other services and charges	829,285	3,893	39,676	872,854	2,250,211
Depreciation	132,863	-	-	132,863	-
<b>Total operating expenses</b>	<b>2,180,085</b>	<b>19,471</b>	<b>41,686</b>	<b>2,241,242</b>	<b>2,307,040</b>
Operating income (loss)	(108,612)	385,486	(15,895)	260,979	(11,078)
<b>Nonoperating revenues</b>					
Interest income	11,445	-	-	11,445	-
Income (loss) before transfers	(97,167)	385,486	(15,895)	272,424	(11,078)
<b>Transfers</b>					
Transfers in	225,000	-	-	225,000	-
<b>Change in net position</b>	<b>127,833</b>	<b>385,486</b>	<b>(15,895)</b>	<b>497,424</b>	<b>(11,078)</b>
Net position, beginning of year	2,091,969	9,375,493	93,517	11,560,979	88,051
<b>Net position, end of year</b>	<b>\$ 2,219,802</b>	<b>\$ 9,760,979</b>	<b>\$ 77,622</b>	<b>\$ 12,058,403</b>	<b>\$ 76,973</b>

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, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ 2,291,843
Receipts from customers and users	2,177,111	2,963,541	23,387	5,164,039	-
Payments to suppliers	(828,269)	(18,931)	(40,866)	(888,066)	(2,297,014)
Payments to employees	(1,068,970)	-	(820)	(1,069,790)	-
Payments for delinquent tax rolls	-	(2,528,359)	-	(2,528,359)	-
<b>Net cash provided by (used in) operating activities</b>	279,872	416,251	(18,299)	677,824	(5,171)
<b>Cash flows from noncapital financing activities</b>					
Transfers in	225,000	-	-	225,000	-
<b>Cash flows from capital and related financing activities</b>					
Purchases of capital assets	(96,737)	-	-	(96,737)	-
<b>Cash flows from investing activities</b>					
Interest income received	11,445	-	-	11,445	-
<b>Net change in cash and pooled investments</b>	419,580	416,251	(18,299)	817,532	(5,171)
Cash and pooled investments, beginning of year	862,059	7,968,816	128,814	8,959,689	86,573
<b>Cash and pooled investments, end of year</b>	<u>\$ 1,281,639</u>	<u>\$ 8,385,067</u>	<u>\$ 110,515</u>	<u>\$ 9,777,221</u>	<u>\$ 81,402</u>

continued...

# COUNTY OF MECOSTA, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	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)	\$ (108,612)	\$ 385,486	\$ (15,895)	\$ 260,979	\$ (11,078)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	132,863	-	-	132,863	-
Change in operating assets and liabilities that provided (used) cash:					
Accounts receivable	104,073	4,526	-	108,599	(4,119)
Taxes receivable	-	11,719	15,771	27,490	-
Interest receivable	(1,325)	-	-	(1,325)	-
Due from other governments	-	(53,487)	-	(53,487)	-
Due from other funds	-	90,079	-	90,079	1,478
Accounts payable	122,094	540	-	122,634	8,548
Accrued liabilities	(630)	-	-	(630)	-
Due to other governments	-	(22,612)	(18,175)	(40,787)	-
Unearned revenue	2,890	-	-	2,890	-
Net pension asset	157,535	-	-	157,535	-
Net pension liability	81,529	-	-	81,529	-
Deferred outflows - pension	(113,318)	-	-	(113,318)	-
Deferred inflows - pension	(97,608)	-	-	(97,608)	-
Compensated absences payable	381	-	-	381	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 279,872</u>	<u>\$ 416,251</u>	<u>\$ (18,299)</u>	<u>\$ 677,824</u>	<u>\$ (5,171)</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, 2022

	Custodial Funds
<b>Assets</b>	
Cash and pooled investments	\$ 372,205
<b>Liabilities</b>	
Undistributed receipts	<u>355,998</u>
<b>Net position</b>	
Restricted for individuals, organizations and other governments	<u>\$ 16,207</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, 2022

	Custodial Funds
<b>Additions</b>	
Taxes collected for other governments	\$ 9,058,374
Library collections	171,394
Inmate trust collections	390,757
Other additions	<u>3,281,621</u>
<b>Total additions</b>	<u>12,902,146</u>
<b>Deductions</b>	
Payments of taxes to other governments	9,058,374
Library distributions	171,394
Inmate trust distributions	390,353
Other deductions	<u>3,281,621</u>
<b>Total deductions</b>	<u>12,901,742</u>
<b>Change in net position</b>	404
Net position, beginning of year	<u>15,803</u>
<b>Net position, end of year</b>	<u><u>\$ 16,207</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, 2022

	Road Commission (201)	Brownfield Redevelopment Authority (242-244)	Drain Commission (801-802)	Total
<b>Assets</b>				
Cash and pooled investments	\$ 841,315	\$ 1,211	\$ 588,101	\$ 1,430,627
Receivables	1,703,602	-	726,898	2,430,500
Inventory	839,096	-	-	839,096
Capital assets not being depreciated	11,607,472	-	296,931	11,904,403
Capital assets being depreciated, net	33,664,963	-	1,127,827	34,792,790
<b>Total assets</b>	<b>48,656,448</b>	<b>1,211</b>	<b>2,739,757</b>	<b>51,397,416</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	432,756	-	-	432,756
<b>Liabilities</b>				
Accounts payable and accrued liabilities	578,449	-	24,668	603,117
Advance from primary government	-	-	80,000	80,000
Long-term debt:				
Due within one year	48,753	-	652,972	701,725
Due in more than one year	341,104	-	1,097,212	1,438,316
Net pension liability (due in more than one year)	618,160	-	-	618,160
Net other postemployment benefits liability (due in more than one year)	649,415	-	-	649,415
<b>Total liabilities</b>	<b>2,235,881</b>	<b>-</b>	<b>1,854,852</b>	<b>4,090,733</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	390,341	-	-	390,341
<b>Net position</b>				
Net investment in capital assets	45,124,447	-	(131,437)	44,993,010
Unrestricted	1,338,535	1,211	1,016,342	2,356,088
<b>Total net position</b>	<b>\$ 46,462,982</b>	<b>\$ 1,211</b>	<b>\$ 884,905</b>	<b>\$ 47,349,098</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, 2022

	Road Commission (201)	Brownfield Redevelopment Authority (242-244)	Drain Commission (801-802)	Total
<b>Expenses</b>				
Road Commission	\$ 9,106,181	\$ -	\$ -	\$ 9,106,181
Drain Commission	-	-	236,224	236,224
<b>Total expenses</b>	<u>9,106,181</u>	<u>-</u>	<u>236,224</u>	<u>9,342,405</u>
<b>Program revenues</b>				
Charges for services	57,114	-	7,183	64,297
Operating grants and contributions	1,028,326	-	29,846	1,058,172
Capital grants and contributions	<u>12,862,527</u>	<u>-</u>	<u>84,192</u>	<u>12,946,719</u>
<b>Total program revenues</b>	<u>13,947,967</u>	<u>-</u>	<u>121,221</u>	<u>14,069,188</u>
Net revenue (expense)	4,841,786	-	(115,003)	4,726,783
<b>General revenues</b>				
Investment earnings	12,147	-	-	12,147
Gain on sale of capital assets	<u>52,197</u>	<u>-</u>	<u>-</u>	<u>52,197</u>
<b>Total general revenues</b>	<u>64,344</u>	<u>-</u>	<u>-</u>	<u>64,344</u>
<b>Change in net position</b>	4,906,130	-	(115,003)	4,791,127
Net position, beginning of year	<u>41,556,852</u>	<u>1,211</u>	<u>999,908</u>	<u>42,557,971</u>
<b>Net position, end of year</b>	<u>\$ 46,462,982</u>	<u>\$ 1,211</u>	<u>\$ 884,905</u>	<u>\$ 47,349,098</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 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. The 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, 2022 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. The Commission provides camping, cabins, park access, picnic facilities, youth camps, and boat ramp access to the public. The 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 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 are not prepared.

**Drain Commission** – Each individual drainage 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 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.

#### *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 \$84,840 for the year ended December 31, 2022.

**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 by Missaukee County. The County appropriated \$254,970 to the Health Department for the year ended December 31, 2022.

**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, 2022.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

**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, 2022, this amounted to \$174,290.

### ***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.

### ***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. 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.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

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 *opioid settlement fund* accounts for current and future payments to be received from various Opioid settlements.

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.

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.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

*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.
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.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

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. Certificates of deposit are carried at cost.

### ***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.

### ***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 the 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.



COUNTY OF MECOSTA, MICHIGAN

Notes to Financial Statements

Prepaids

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.

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 assets 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 related to its pension plan.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### ***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.

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 assets 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. 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. Finally, the County reports deferred inflows of resources related to its pension plan.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### *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.

### *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.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to 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, 2022, 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	\$ 38,615,409	\$ 1,430,627	\$ 372,205	\$ 40,418,241
Investments	20,371	-	-	20,371
<b>Total</b>	<b>\$ 38,635,780</b>	<b>\$ 1,430,627</b>	<b>\$ 372,205</b>	<b>\$ 40,438,612</b>

Cash and investments consist of the following at December 31, 2022:

Petty cash	\$ 1,490
Checking / savings accounts	6,402,361
Certificates of deposit (due within one year)	18,949,390
Certificates of deposit (due in one to five years)	15,065,000
Investments	20,371
<b>Total</b>	<b>\$ 40,438,612</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, \$33,246,147 of the County's bank balance of \$39,997,504 was exposed to custodial credit risk because it was uninsured and uncollateralized.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

#### *Investments*

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

	Carrying Value	Credit Rating
Oppenheimer Money Market Fund	<u>\$ 20,371</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.

*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, 2022, 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.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

- 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.

At December 31, 2022 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)	\$ 2,676,435	\$ -	\$ -
Taxes (delinquent)	-	1,259,163	-
Accounts	885,289	2,772	43,476
Allowance for uncollectibles	(131,878)	-	-
Interest	119,529	21,670	2,207
Special assessments	-	-	724,691
Advances to component unit (Note 6)	80,000	-	-
Due from other governments	583,348	100,142	1,660,126
<b>Total</b>	<b>\$ 4,212,723</b>	<b>\$ 1,383,747</b>	<b>\$ 2,430,500</b>

Of the amounts reported above, the balance due from component unit of \$80,000 and special assessments receivable of approximately \$666,000 in the drain commission component unit are not expected to be collected within one year.

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

*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 \$690,000, 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.

	Unavailable	Subsequent Years' Resources	Total
<b>Governmental funds</b>			
Property taxes receivable	\$ 526,855	\$ -	\$ 526,855
Opioid settlement receivable	498,010	-	498,010
Property taxes levied to finance subsequent year	-	2,241,365	2,241,365
<b>Total</b>	<u>\$ 1,024,865</u>	<u>\$ 2,241,365</u>	<u>\$ 3,266,230</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	\$ 587,546	\$ 145,219	\$ 291,115
Accrued liabilities	242,312	5,012	43,088
Due to other governments	-	37,815	2,973
Advance from State of Michigan	-	-	265,941
Advances from primary government (Note 6)	-	-	80,000
<b>Total</b>	<u>\$ 829,858</u>	<u>\$ 188,046</u>	<u>\$ 683,117</u>

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Advance from Primary Government to Component Unit	
	Advance to Component Unit	Advance from Primary Government
General fund	\$ 80,000	\$ -
Drain commission component unit	-	80,000
<b>Total</b>	<u>\$ 80,000</u>	<u>\$ 80,000</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	\$ -	\$ 44,038
Revolving drain fund	44,038	-
<b>Total</b>	<u>\$ 44,038</u>	<u>\$ 44,038</u>

For the year ended December 31, 2022, interfund transfers consisted of the following:

Transfers Out	Transfers in		
	Nonmajor Governmental Funds	Parks Commission	Total
General fund	\$ 1,261,367	\$ 225,000	\$ 1,486,367
Commission on Aging	34,451	-	34,451
<b>Total</b>	<u>\$ 1,295,818</u>	<u>\$ 225,000</u>	<u>\$ 1,520,818</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, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 314,537	\$ -	\$ -	\$ -	\$ 314,537
Construction in progress	103,822	-	-	(103,822)	-
	<u>418,359</u>	<u>-</u>	<u>-</u>	<u>(103,822)</u>	<u>314,537</u>
Capital assets, being depreciated:					
Buildings and improvements	11,129,044	197,791	-	-	11,326,835
Equipment and furniture	2,288,996	67,138	-	-	2,356,134
Vehicles	2,430,213	370,554	(275,065)	103,822	2,629,524
	<u>15,848,253</u>	<u>635,483</u>	<u>(275,065)</u>	<u>103,822</u>	<u>16,312,493</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,261,789)	(312,036)	-	-	(7,573,825)
Equipment and furniture	(1,779,089)	(42,442)	-	-	(1,821,531)
Vehicles	(1,513,553)	(329,547)	257,565	-	(1,585,535)
	<u>(10,554,431)</u>	<u>(684,025)</u>	<u>257,565</u>	<u>-</u>	<u>(10,980,891)</u>
Total capital assets, being depreciated, net	<u>5,293,822</u>	<u>(48,542)</u>	<u>(17,500)</u>	<u>103,822</u>	<u>5,331,602</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 5,712,181</u>	<u>\$ (48,542)</u>	<u>\$ (17,500)</u>	<u>\$ -</u>	<u>\$ 5,646,139</u>

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

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

General government	\$ 158,169
Public safety	268,819
Health and welfare	<u>257,037</u>
<b>Total</b>	<u>\$ 684,025</u>

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 44,427	\$ 69,933	\$ -	\$ -	\$ 114,360
Capital assets, being depreciated:					
Land improvements	1,973,569	-	-	-	1,973,569
Buildings and improvements	1,324,537	-	-	-	1,324,537
Equipment and furniture	127,127	6,286	-	-	133,413
Vehicles	281,522	20,518	-	-	302,040
	<u>3,706,755</u>	<u>26,804</u>	<u>-</u>	<u>-</u>	<u>3,733,559</u>
Less accumulated depreciation for:					
Land improvements	(1,339,094)	(57,553)	-	-	(1,396,647)
Buildings and improvements	(871,115)	(52,800)	-	-	(923,915)
Equipment and furniture	(95,770)	(7,216)	-	-	(102,986)
Vehicles	(210,488)	(15,294)	-	-	(225,782)
	<u>(2,516,467)</u>	<u>(132,863)</u>	<u>-</u>	<u>-</u>	<u>(2,649,330)</u>
Total capital assets being depreciated, net	<u>1,190,288</u>	<u>(106,059)</u>	<u>-</u>	<u>-</u>	<u>1,084,229</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 1,234,715</u>	<u>\$ (36,126)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,198,589</u>

Depreciation expense of \$132,863 was recorded in the Park Commission enterprise fund.

Capital assets activity for the Drain Commission component unit for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Drain Commission Component Unit</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 296,931	\$ -	\$ -	\$ 296,931
Capital assets, being depreciated:					
Infrastructure	4,122,976	142,094	-	-	4,265,070
Less accumulated depreciation for:					
Infrastructure	(3,036,841)	(100,402)	-	-	(3,137,243)
Total capital assets being depreciated, net	<u>1,086,135</u>	<u>41,692</u>	<u>-</u>	<u>-</u>	<u>1,127,827</u>
<b>Drain Commission capital assets, net</b>	<u>\$ 1,086,135</u>	<u>\$ 338,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,424,758</u>

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 8. LONG-TERM DEBT

The following is a summary of long-term debt for the year ended December 31, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 1,063,383	\$ 622,451	\$ (750,922)	\$ 934,912	\$ 769,695

Accrued compensated absences for governmental activities are generally liquidated by the general fund.

<b>Business-type Activities</b>					
Compensated absences	\$ 7,851	\$ 20,559	\$ (20,178)	\$ 8,232	\$ 8,232

#### Drain Commission Component Unit

Notes from direct borrowings and direct placements	\$ 1,803,156	\$ -	\$ (52,972)	\$ 1,750,184	\$ 652,972
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#### 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	\$ 106,131
\$155,579 2017 Snow Drain Note, due in annual installments of \$10,370 plus interest of 2.95%, payable annually through May 1, 2032	103,719
\$275,000 2020 Ford Drain Note, due in annual installments of \$18,333 plus interest of 1.65%, due August 1, 2035	238,334
\$600,000 2021 Tonkin Drain Note, due in a single installment of \$600,000 plus interest of 1.45%, due June 1, 2023	600,000
\$600,000 2021 Ives Drain Note, due in a single installment of \$600,000 plus interest of 1.63%, due April 1, 2024	600,000
\$113,000 2021 Brady Lake Bonds, due in annual installments ranging from \$11,000 to \$12,000 plus interest of 1.69%, due June 1, 2031	102,000
<b>Total notes payable</b>	<b>\$ 1,750,184</b>

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

The following is a schedule of future principal and interest payments at December 31, 2022:

Year Ended December 31,	Principal	Interest
2023	\$ 652,972	\$ 32,981
2024	652,972	37,741
2025	52,972	12,540
2026	52,972	11,044
2027	52,972	9,548
2028-2032	230,320	25,672
2033-2035	55,004	3,256
<b>Total</b>	<b>\$ 1,750,184</b>	<b>\$ 132,782</b>

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 9. FUND BALANCES - 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	\$ 458,262	\$ -	\$ -	\$ -	\$ 458,262
Long-term advances	80,000	-	-	-	80,000
Broomfield trust fund corpus	-	-	-	14,108	14,108
	<u>538,262</u>	<u>-</u>	<u>-</u>	<u>14,108</u>	<u>552,370</u>
<b>Restricted</b>					
Emergency medical services	-	4,996,666	-	-	4,996,666
Senior programs	-	-	1,464,486	335,596	1,800,082
Sobriety court	-	-	-	137,235	137,235
Drug prevention and law enforcement	-	-	-	52,045	52,045
Secondary road patrol	-	-	-	54,225	54,225
Housing rehabilitation program	-	-	-	92,666	92,666
Emergency planning	-	-	-	3,243	3,243
Register of deeds automation	-	-	-	302,602	302,602
Public safety training	-	-	-	202,653	202,653
K-9 services	-	-	-	1,709	1,709
Remonumentation	-	-	-	12,512	12,512
Building department	-	-	-	766,020	766,020
Human services programs	-	-	-	116,913	116,913
Broomfield trust	-	-	-	7,910	7,910
	<u>-</u>	<u>4,996,666</u>	<u>1,464,486</u>	<u>2,085,329</u>	<u>8,546,481</u>
<b>Committed</b>					
Sobriety court	-	-	-	17,318	17,318
Senior programs	-	-	-	38,451	38,451
Drug prevention and law enforcement	-	-	-	307,057	307,057
Human services programs	-	-	-	289,742	289,742
Township law enforcement	-	-	-	13,675	13,675
Jail maintenance	-	-	-	64,240	64,240
Dive team	-	-	-	11,926	11,926
Law library materials	-	-	-	701	701
Crime victims' rights	-	-	-	34,727	34,727
Capital improvements	-	-	-	636,439	636,439
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,414,276</u>	<u>1,414,276</u>
<b>Assigned</b>					
Soldiers' and sailors' assistance	6,154	-	-	-	6,154
<b>Unassigned</b>	<u>18,791,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,791,597</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 19,336,013</u>	<u>\$ 4,996,666</u>	<u>\$ 1,464,486</u>	<u>\$ 3,513,713</u>	<u>\$ 29,310,878</u>

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 10. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2022, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 314,537	\$ 114,360	\$ 11,904,403
Capital assets being depreciated, net	5,331,602	1,084,229	34,792,790
	5,646,139	1,198,589	46,697,193
Related debt:			
Total installment purchases and notes payable	-	-	1,898,172
Less unexpended debt proceeds	-	-	(193,989)
	-	-	1,704,183
<b>Net investment in capital assets</b>	<b>\$ 5,646,139</b>	<b>\$ 1,198,589</b>	<b>\$ 44,993,010</b>

### 11. 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, 2021 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	41
Active employees	26
<b>Total membership</b>	<b>195</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 \$13,105, while member contributions range from 0% to 3.39%. There were no open divisions as of December 31, 2022.

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

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

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

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

## 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%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
<b>Investment rate of return</b>			<u><u>7.25%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2022 was 7.25% (down from 7.60% at December 31, 2021). 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, 2021	\$ 41,805,534	\$ 47,056,705	\$ (5,251,171)
Changes for the year:			
Service cost	156,119	-	156,119
Interest	2,941,314	-	2,941,314
Differences between expected and actual experience	(775,619)	-	(775,619)
Changes in assumptions	1,396,776		1,396,776
Employer contributions	-	736,120	(736,120)
Employee contributions	-	12,035	(12,035)
Net investment loss	-	(4,872,916)	4,872,916
Benefit payments, including refunds of employee contributions	(2,627,498)	(2,627,498)	-
Administrative expense	-	(85,600)	85,600
Other changes	39,862	-	39,862
Net changes	1,130,954	(6,837,859)	7,968,813
<b>Balances at December 31, 2022</b>	<b>\$ 42,936,488</b>	<b>\$ 40,218,846</b>	<b>\$ 2,717,642</b>

*Changes in assumptions.* In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

*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 7.25%, 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 (6.25%) or 1% higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's net pension liability (asset)	\$ 7,176,151	\$ 2,717,642	\$ (1,077,085)

## COUNTY OF MECOSTA, MICHIGAN

### Notes to Financial Statements

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

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

For the year ended December 31, 2022, the County recognized pension expense of \$1,674,085. The County reported pension-related deferred outflows of resources of \$3,777,264 for the net difference between projected and actual earnings on pension plan investments.

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

Year Ended, December 31,	Amount
2023	\$ 321,541
2024	704,287
2025	1,108,775
2026	<u>1,642,661</u>
<b>Total</b>	<b><u>\$ 3,777,264</u></b>

*Payable to the Pension Plan.* At December 31, 2022, the County had no amounts payable for contributions to the pension plan.

#### **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 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 \$629,012 to the plan during the year ended December 31, 2022, and employee contributions totaled \$235,238.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 12. OTHER POSTEMPLOYMENT BENEFITS

#### *County General Employees*

In addition to the pension benefits described in Note 11, 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.

### 13. DEFERRED COMPENSATION PLAN

The County 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.

### 14. RISK MANAGEMENT

#### *Primary Government*

The 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. The 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
2021	\$ 25,000	\$ 196,091	\$ (39,591)	\$ 181,500
2022	181,500	(90,266)	(86,839)	4,395

### 15. OPIOID SETTLEMENT

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the County expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 in the amount of \$28,907 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 in the amount of \$85,770 and the remaining installments expected to be made annually beginning in 2026. The County is currently allocated approximately 0.192% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$498,523 and \$114,585 from the Distributors and Janssen, respectively.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the Distributor and Janssen settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of December 31, 2022 is \$498,010.

Additional settlements with pharmacies and manufacturers were entered into during 2022, including CVS, Walgreens, Walmart, Allergan and Teva. However, as of December 31, 2022, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

### 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, 2022.

# COUNTY OF MECOSTA, MICHIGAN

## Notes to Financial Statements

### 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 2022 amounted to approximately \$8,600.

### 18. CORONAVIRUS

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County to provide services to its patrons, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the County has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$7,793,000 was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the County.

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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

	Year Ended December 31,			
	2022	2021	2020	2019
<b>Total pension liability</b>				
Service cost	\$ 156,119	\$ 182,743	\$ 190,931	\$ 197,250
Interest	2,941,314	2,901,157	2,778,442	2,861,324
Differences between expected and actual experience	(775,619)	368,598	(190,330)	142,195
Changes of assumptions	1,396,776	1,629,911	1,233,941	-
Benefit payments, including refunds of employee contributions	(2,627,498)	(2,470,037)	(2,284,824)	(2,218,349)
Other changes	39,862	(123,605)	(16,791)	(154,116)
<b>Net change in total pension liability</b>	<u>1,130,954</u>	<u>2,488,767</u>	<u>1,711,369</u>	<u>828,304</u>
Total pension liability, beginning of year	<u>41,805,534</u>	<u>39,316,767</u>	<u>37,605,398</u>	<u>36,777,094</u>
<b>Total pension liability, end of year</b>	<u>42,936,488</u>	<u>41,805,534</u>	<u>39,316,767</u>	<u>37,605,398</u>
<b>Plan fiduciary net position</b>				
Employer contributions	736,120	1,896,886	2,296,057	689,131
Employee contributions	12,035	14,139	15,861	16,363
Net investment income (loss)	(4,872,916)	5,826,675	4,837,650	4,576,577
Benefit payments, including refunds of employee contributions	(2,627,498)	(2,470,037)	(2,284,824)	(2,218,349)
Administrative expense	(85,600)	(66,812)	(75,096)	(78,817)
<b>Net change in plan fiduciary net position</b>	<u>(6,837,859)</u>	<u>5,200,851</u>	<u>4,789,648</u>	<u>2,984,905</u>
Plan fiduciary net position, beginning of year	<u>47,056,705</u>	<u>41,855,854</u>	<u>37,066,206</u>	<u>34,081,301</u>
<b>Plan fiduciary net position, end of year</b>	<u>40,218,846</u>	<u>47,056,705</u>	<u>41,855,854</u>	<u>37,066,206</u>
<b>County's net pension liability (asset)</b>	<u>\$ 2,717,642</u>	<u>\$ (5,251,171)</u>	<u>\$ (2,539,087)</u>	<u>\$ 539,192</u>
Plan fiduciary net position as a percentage of total pension liability	93.7%	112.6%	106.5%	98.6%
Covered payroll	<u>\$ 1,501,247</u>	<u>\$ 1,658,917</u>	<u>\$ 1,881,064</u>	<u>\$ 1,865,245</u>
County's net pension liability (asset) as a percentage of covered payroll	181.0%	-316.5%	-135.0%	28.9%

See notes to required supplementary information.



Year Ended December 31,			
2018	2017	2016	2015
\$ 199,032	\$ 209,608	\$ 202,437	\$ 211,770
2,806,343	2,746,212	2,605,589	2,539,073
(43,850)	(45,938)	109,831	-
-	-	1,896,455	-
(2,106,028)	(1,968,289)	(1,928,226)	(1,898,418)
(111,190)	(115,791)	(124,894)	(26,601)
744,307	825,802	2,761,192	825,824
36,032,787	35,206,985	32,445,793	31,619,969
36,777,094	36,032,787	35,206,985	32,445,793
981,272	1,466,932	2,514,266	1,334,865
18,365	18,349	20,309	20,559
(1,417,554)	4,321,035	3,263,899	(433,694)
(2,106,028)	(1,968,289)	(1,928,226)	(1,898,418)
(70,549)	(68,454)	(64,578)	(65,189)
(2,594,494)	3,769,573	3,805,670	(1,041,877)
36,675,795	32,906,222	29,100,552	30,142,429
34,081,301	36,675,795	32,906,222	29,100,552
\$ 2,695,793	\$ (643,008)	\$ 2,300,763	\$ 3,345,241
92.7%	101.8%	93.5%	89.7%
\$ 1,905,214	\$ 1,871,843	\$ 1,966,035	\$ 1,933,937
141.5%	-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
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%
2021	478,956	1,896,886	(1,417,930)	1,658,917	114.3%
2022	368,532	736,120	(367,588)	1,501,247	49.0%

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%.

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

#### **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.
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Methods and assumptions used to determine contribution rates (2022, based on the 12/31/2020 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	3.00% in the long-term
Investment rate of return	7.35%, 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, 2022

	General Fund (101)	Budget Stabilization (257)	Soldiers' and Sailors' Relief (293)	Total
<b>Assets</b>				
Cash and pooled investments	\$ 17,094,063	\$ 1,714,000	\$ 6,154	\$ 18,814,217
Accounts receivable	38,847	-	-	38,847
Taxes receivable	732,659	-	-	732,659
Interest receivable	103,696	-	-	103,696
Due from other governments	153,923	-	-	153,923
Advance to component units	80,000	-	-	80,000
Prepays	458,262	-	-	458,262
<b>Total assets</b>	<u>\$ 18,661,450</u>	<u>\$ 1,714,000</u>	<u>\$ 6,154</u>	<u>\$ 20,381,604</u>
<b>Liabilities</b>				
Accounts payable	\$ 316,603	\$ -	\$ -	\$ 316,603
Accrued liabilities	152,133	-	-	152,133
Unearned revenue	50,000	-	-	50,000
<b>Total liabilities</b>	<u>518,736</u>	<u>-</u>	<u>-</u>	<u>518,736</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	526,855	-	-	526,855
<b>Fund balance</b>				
Nonspendable	538,262	-	-	538,262
Assigned	-	-	6,154	6,154
Unassigned	17,077,597	1,714,000	-	18,791,597
<b>Total fund balance</b>	<u>17,615,859</u>	<u>1,714,000</u>	<u>6,154</u>	<u>19,336,013</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 18,661,450</u>	<u>\$ 1,714,000</u>	<u>\$ 6,154</u>	<u>\$ 20,381,604</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, 2022

	General Fund (101)	Budget Stabilization (257)	Soldiers' and Sailors' Relief (293)	Total
<b>Revenues</b>				
Taxes	\$ 9,866,334	\$ -	\$ -	\$ 9,866,334
Licenses and permits	51,322	-	-	51,322
Intergovernmental:				
Federal	7,845,329	-	-	7,845,329
State	2,160,545	-	-	2,160,545
Local	238,719	-	-	238,719
Charges for services	1,334,278	-	-	1,334,278
Fines and forfeitures	808,974	-	-	808,974
Interest	267,285	-	-	267,285
Other revenues	134,817	-	270	135,087
<b>Total revenues</b>	<u>22,707,603</u>	<u>-</u>	<u>270</u>	<u>22,707,873</u>
<b>Expenditures</b>				
Current:				
General government	2,684,116	-	-	2,684,116
Legislative	567,058	-	-	567,058
Judicial	1,700,340	-	-	1,700,340
Public safety	4,476,665	-	-	4,476,665
Health and welfare	378,220	-	500	378,720
Community and economic development	121,568	-	-	121,568
Other expenditures	2,974,887	-	-	2,974,887
<b>Total expenditures</b>	<u>12,902,854</u>	<u>-</u>	<u>500</u>	<u>12,903,354</u>
Revenues over (under) expenditures	<u>9,804,749</u>	<u>-</u>	<u>(230)</u>	<u>9,804,519</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,486,367)	-	-	(1,486,367)
Proceeds from sale of capital assets	36,517	-	-	36,517
<b>Total other financing sources (uses)</b>	<u>(1,449,850)</u>	<u>-</u>	<u>-</u>	<u>(1,449,850)</u>
<b>Net change in fund balance</b>	<u>8,354,899</u>	<u>-</u>	<u>(230)</u>	<u>8,354,669</u>
Fund balance, beginning of year	<u>9,260,960</u>	<u>1,714,000</u>	<u>6,384</u>	<u>10,981,344</u>
<b>Fund balance, end of year</b>	<u>\$ 17,615,859</u>	<u>\$ 1,714,000</u>	<u>\$ 6,154</u>	<u>\$ 19,336,013</u>



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## **NONMAJOR GOVERNMENTAL FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Special Revenue				
	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	\$ 46,468	\$ 134,901	\$ (50,204)	\$ 8,986	\$ 115,195
Investments	-	-	-	-	-
Accounts receivable	-	1,078	29,918	-	-
Taxes receivable	156,311	-	-	-	-
Interest receivable	-	-	-	21	-
Due from other governments	-	20,346	100,886	-	-
<b>Total assets</b>	<u>\$ 202,779</u>	<u>\$ 156,325</u>	<u>\$ 80,600</u>	<u>\$ 9,007</u>	<u>\$ 115,195</u>
<b>Liabilities</b>					
Accounts payable	\$ 44,750	\$ 602	\$ 519	\$ 41	\$ -
Accrued liabilities	-	1,170	7,705	-	-
<b>Total liabilities</b>	<u>44,750</u>	<u>1,772</u>	<u>8,224</u>	<u>41</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Taxes levied for subsequent year	<u>156,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	1,718	137,235	-	8,966	115,195
Committed	-	17,318	72,376	-	-
<b>Total fund balances</b>	<u>1,718</u>	<u>154,553</u>	<u>72,376</u>	<u>8,966</u>	<u>115,195</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 202,779</u>	<u>\$ 156,325</u>	<u>\$ 80,600</u>	<u>\$ 9,007</u>	<u>\$ 115,195</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)
\$ (8,287)	\$ 92,666	\$ 764,592	\$ 3,190	\$ 3,243	\$ 302,720
-	-	-	-	-	-
-	-	4,609	-	-	-
-	-	-	-	-	-
-	-	1,502	-	-	882
22,699	-	-	-	-	-
<u>\$ 14,412</u>	<u>\$ 92,666</u>	<u>\$ 770,703</u>	<u>\$ 3,190</u>	<u>\$ 3,243</u>	<u>\$ 303,602</u>
\$ 1,900	\$ -	\$ 1,725	\$ -	\$ -	\$ 1,000
-	-	2,958	-	-	-
1,900	-	4,683	-	-	1,000
-	-	-	-	-	-
-	-	-	-	-	-
12,512	92,666	766,020	3,190	3,243	302,602
-	-	-	-	-	-
12,512	92,666	766,020	3,190	3,243	302,602
<u>\$ 14,412</u>	<u>\$ 92,666</u>	<u>\$ 770,703</u>	<u>\$ 3,190</u>	<u>\$ 3,243</u>	<u>\$ 303,602</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	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)
<b>Assets</b>					
Cash and pooled investments	\$ 17,625	\$ 144,223	\$ 17,841	\$ 13,675	\$ 57,211
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Interest receivable	39	263	19	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<u>\$ 17,664</u>	<u>\$ 144,486</u>	<u>\$ 17,860</u>	<u>\$ 13,675</u>	<u>\$ 57,211</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 126	\$ 17,860	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>126</u>	<u>17,860</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Taxes levied for subsequent year	-	-	-	-	-
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	17,664	144,360	-	-	57,211
Committed	-	-	-	13,675	-
<b>Total fund balances</b>	<u>17,664</u>	<u>144,360</u>	<u>-</u>	<u>13,675</u>	<u>57,211</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 17,664</u>	<u>\$ 144,486</u>	<u>\$ 17,860</u>	<u>\$ 13,675</u>	<u>\$ 57,211</u>

Special Revenue						
K-9 (263)	Jail Maintenance (264)	Drug Law Enforcement (265)	Dive Team (266)	Community Corrections Program (267)	Crime Victims' Rights (268)	Law Library (269)
\$ 1,709	\$ 66,065	\$ 23,596	\$ 11,926	\$ 318,848	\$ 34,339	\$ 3,469
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	63	-	-	-	-
-	-	-	-	-	469	-
<u>\$ 1,709</u>	<u>\$ 66,065</u>	<u>\$ 23,659</u>	<u>\$ 11,926</u>	<u>\$ 318,848</u>	<u>\$ 34,808</u>	<u>\$ 3,469</u>
\$ -	\$ 1,825	\$ 1,434	\$ -	\$ 9,496	\$ 81	\$ 2,768
-	-	-	-	2,295	-	-
-	1,825	1,434	-	11,791	81	2,768
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,709	-	22,225	-	-	-	-
-	64,240	-	11,926	307,057	34,727	701
<u>1,709</u>	<u>64,240</u>	<u>22,225</u>	<u>11,926</u>	<u>307,057</u>	<u>34,727</u>	<u>701</u>
<u>\$ 1,709</u>	<u>\$ 66,065</u>	<u>\$ 23,659</u>	<u>\$ 11,926</u>	<u>\$ 318,848</u>	<u>\$ 34,808</u>	<u>\$ 3,469</u>

continued...

## COUNTY OF MECOSTA, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Special Revenue				
	Commission on Aging Meals (273)	911 State Service Charge (280)	Law Enforcement Training (287)	Secondary Road Patrol (289)	Child Care (292)
<b>Assets</b>					
Cash and pooled investments	\$ 299,968	\$ -	\$ 1,082	\$ 31,904	\$ 224,751
Investments	-	-	-	-	-
Accounts receivable	14,484	-	-	-	-
Taxes receivable	-	-	-	-	-
Interest receivable	721	-	-	-	-
Due from other governments	67,580	50,283	-	24,323	23,847
<b>Total assets</b>	<u>\$ 382,753</u>	<u>\$ 50,283</u>	<u>\$ 1,082</u>	<u>\$ 56,227</u>	<u>\$ 248,598</u>
<b>Liabilities</b>					
Accounts payable	\$ 4,527	\$ 50,283	\$ -	\$ 520	\$ 29,030
Accrued liabilities	4,179	-	-	1,482	2,202
<b>Total liabilities</b>	<u>8,706</u>	<u>50,283</u>	<u>-</u>	<u>2,002</u>	<u>31,232</u>
<b>Deferred inflows of resources</b>					
Taxes levied for subsequent year	-	-	-	-	-
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	335,596	-	1,082	54,225	-
Committed	38,451	-	-	-	217,366
<b>Total fund balances</b>	<u>374,047</u>	<u>-</u>	<u>1,082</u>	<u>54,225</u>	<u>217,366</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 382,753</u>	<u>\$ 50,283</u>	<u>\$ 1,082</u>	<u>\$ 56,227</u>	<u>\$ 248,598</u>



Capital Projects		Permanent	
Building Improvement (402)	Capital Equipment (405)	Broomfield Trust (757)	Total
\$ 428,645	\$ 244,952	\$ 1,647	\$ 3,356,946
-	-	20,371	20,371
-	-	-	50,089
-	-	-	156,311
-	-	-	3,510
-	-	-	310,433
<u>\$ 428,645</u>	<u>\$ 244,952</u>	<u>\$ 22,018</u>	<u>\$ 3,897,660</u>
\$ 208	\$ 36,950	\$ -	\$ 205,645
-	-	-	21,991
208	36,950	-	227,636
-	-	-	156,311
-	-	14,108	14,108
-	-	7,910	2,085,329
428,437	208,002	-	1,414,276
428,437	208,002	22,018	3,513,713
<u>\$ 428,645</u>	<u>\$ 244,952</u>	<u>\$ 22,018</u>	<u>\$ 3,897,660</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, 2022

	Special Revenue				
	Medical First Responders (211)	Sobriety Court (214)	Friend of the Court (215)	Prosecutor's Drug Forfeitures (216)	Family Counseling (217)
<b>Revenues</b>					
Taxes	\$ 148,286	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	400,285	-	-
State	-	80,162	34,465	-	-
Local	-	-	-	-	-
Charges for services	-	28,634	90,195	-	3,555
Fines and forfeitures	-	-	-	600	-
Interest	-	-	-	83	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<u>148,286</u>	<u>108,796</u>	<u>524,945</u>	<u>683</u>	<u>3,555</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Judicial	-	114,289	537,593	-	-
Public safety	-	-	-	1,695	-
Health and welfare	148,500	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>148,500</u>	<u>114,289</u>	<u>537,593</u>	<u>1,695</u>	<u>-</u>
Revenues over (under) expenditures	<u>(214)</u>	<u>(5,493)</u>	<u>(12,648)</u>	<u>(1,012)</u>	<u>3,555</u>
<b>Other financing sources</b>					
Transfers in	-	17,318	75,000	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>17,318</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(214)</u>	<u>11,825</u>	<u>62,352</u>	<u>(1,012)</u>	<u>3,555</u>
Fund balances, beginning of year	<u>1,932</u>	<u>142,728</u>	<u>10,024</u>	<u>9,978</u>	<u>111,640</u>
<b>Fund balances, end of year</b>	<u>\$ 1,718</u>	<u>\$ 154,553</u>	<u>\$ 72,376</u>	<u>\$ 8,966</u>	<u>\$ 115,195</u>

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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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	379,925	-	-	-
-	-	-	-	-	-
41,871	-	-	-	-	-
-	-	-	-	-	-
-	-	1,079	-	-	48,025
-	-	-	-	-	-
-	-	6,548	-	-	3,117
-	4,970	-	-	-	-
41,871	4,970	387,552	-	-	51,142
41,871	-	-	-	-	164,540
-	-	-	-	-	-
-	-	338,948	-	-	-
-	-	-	-	-	-
-	7,738	-	-	-	-
-	-	-	-	-	-
41,871	7,738	338,948	-	-	164,540
-	(2,768)	48,604	-	-	(113,398)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(2,768)	48,604	-	-	(113,398)
12,512	95,434	717,416	3,190	3,243	416,000
\$ 12,512	\$ 92,666	\$ 766,020	\$ 3,190	\$ 3,243	\$ 302,602

continued...

# COUNTY OF MECOSTA, MICHIGAN

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2022

	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)
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	343,538	-	-
Local	-	-	-	2,640	-
Charges for services	1,700	29,422	-	-	8,660
Fines and forfeitures	-	-	-	-	-
Interest	161	1,213	499	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<u>1,861</u>	<u>30,635</u>	<u>344,037</u>	<u>2,640</u>	<u>8,660</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Judicial	-	-	509,319	-	-
Public safety	2,663	10,568	-	2,121	10,701
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>2,663</u>	<u>10,568</u>	<u>509,319</u>	<u>2,121</u>	<u>10,701</u>
Revenues over (under) expenditures	<u>(802)</u>	<u>20,067</u>	<u>(165,282)</u>	<u>519</u>	<u>(2,041)</u>
<b>Other financing sources</b>					
Transfers in	-	-	165,277	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>165,277</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(802)</u>	<u>20,067</u>	<u>(5)</u>	<u>519</u>	<u>(2,041)</u>
Fund balances, beginning of year	<u>18,466</u>	<u>124,293</u>	<u>5</u>	<u>13,156</u>	<u>59,252</u>
<b>Fund balances, end of year</b>	<u>\$ 17,664</u>	<u>\$ 144,360</u>	<u>\$ -</u>	<u>\$ 13,675</u>	<u>\$ 57,211</u>

Special Revenue						
K-9 (263)	Jail Maintenance (264)	Drug Law Enforcement (265)	Dive Team (266)	Community Corrections Program (267)	Crime Victims' Rights (268)	Law Library (269)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,000	-	-	-
-	79,020	8,061	-	241,540	10,717	-
-	-	-	-	-	-	14,398
-	-	214	-	-	-	-
1,000	5,000	-	-	-	-	-
1,000	84,020	8,275	3,000	241,540	10,717	14,398
-	-	-	-	-	-	-
-	-	-	-	-	-	28,069
3,296	71,047	15,981	1,498	222,479	13,364	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,296	71,047	15,981	1,498	222,479	13,364	28,069
(2,296)	12,973	(7,706)	1,502	19,061	(2,647)	(13,671)
-	-	-	-	-	-	12,272
-	-	-	-	-	-	-
-	-	-	-	-	-	12,272
(2,296)	12,973	(7,706)	1,502	19,061	(2,647)	(1,399)
4,005	51,267	29,931	10,424	287,996	37,374	2,100
\$ 1,709	\$ 64,240	\$ 22,225	\$ 11,926	\$ 307,057	\$ 34,727	\$ 701

continued...

## COUNTY OF MECOSTA, MICHIGAN

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2022

	Special Revenue				
	Commission on Aging Meals (273)	911 State Service Charge (280)	Law Enforcement Training (287)	Secondary Road Patrol (289)	Child Care (292)
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal	149,791	-	-	-	-
State	73,831	174,290	2,710	57,206	214,638
Local	-	-	-	-	-
Charges for services	14,724	-	-	-	19,473
Fines and forfeitures	-	-	-	-	-
Interest	2,766	-	-	-	-
Other revenues	124,469	-	-	-	-
<b>Total revenues</b>	<u>365,581</u>	<u>174,290</u>	<u>2,710</u>	<u>57,206</u>	<u>234,111</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	174,290	3,999	57,918	-
Health and welfare	411,598	-	-	-	519,215
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>411,598</u>	<u>174,290</u>	<u>3,999</u>	<u>57,918</u>	<u>519,215</u>
Revenues over (under) expenditures	<u>(46,017)</u>	<u>-</u>	<u>(1,289)</u>	<u>(712)</u>	<u>(285,104)</u>
<b>Other financing sources</b>					
Transfers in	38,451	-	-	-	200,000
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources</b>	<u>38,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
<b>Net change in fund balances</b>	<u>(7,566)</u>	<u>-</u>	<u>(1,289)</u>	<u>(712)</u>	<u>(85,104)</u>
Fund balances, beginning of year	<u>381,613</u>	<u>-</u>	<u>2,371</u>	<u>54,937</u>	<u>302,470</u>
<b>Fund balances, end of year</b>	<u>\$ 374,047</u>	<u>\$ -</u>	<u>\$ 1,082</u>	<u>\$ 54,225</u>	<u>\$ 217,366</u>



Capital Projects		Permanent	
Building Improvement (402)	Capital Equipment (405)	Broomfield Trust (757)	Total
\$ -	\$ -	\$ -	\$ 148,286
-	-	-	379,925
-	368	-	550,444
-	-	-	1,022,711
-	-	-	5,640
-	-	-	584,805
-	-	-	14,998
-	-	255	14,856
-	-	-	135,439
-	368	255	2,857,104
-	-	5,713	212,124
-	-	-	1,189,270
-	-	-	930,568
-	-	-	1,079,313
-	-	-	7,738
234,696	378,753	-	613,449
234,696	378,753	5,713	4,032,462
(234,696)	(378,385)	(5,458)	(1,175,358)
325,000	462,500	-	1,295,818
-	38,000	-	38,000
325,000	500,500	-	1,333,818
90,304	122,115	(5,458)	158,460
338,133	85,887	27,476	3,355,253
\$ 428,437	\$ 208,002	\$ 22,018	\$ 3,513,713

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, 2022

	Medical First Responders (211)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 148,000	\$ 148,000	\$ 148,286	\$ 286
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>148,000</u>	<u>148,000</u>	<u>148,286</u>	<u>286</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	148,500	148,500	148,500	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>148,500</u>	<u>148,500</u>	<u>148,500</u>	<u>-</u>
Revenues over (under) expenditures	(500)	(500)	(214)	286
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	(500)	(500)	(214)	286
Fund balances, beginning of year	<u>1,932</u>	<u>1,932</u>	<u>1,932</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,432</u>	<u>\$ 1,432</u>	<u>\$ 1,718</u>	<u>\$ 286</u>



Sobriety Court (214)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
90,000	90,000	80,162	(9,838)
-	-	-	-
33,381	33,381	28,634	(4,747)
-	-	-	-
-	-	-	-
-	-	-	-
123,381	123,381	108,796	(14,585)
-	-	-	-
140,698	140,698	114,289	(26,409)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
140,698	140,698	114,289	(26,409)
(17,317)	(17,317)	(5,493)	11,824
17,318	17,318	17,318	-
1	1	11,825	11,824
142,728	142,728	142,728	-
\$ 142,729	\$ 142,729	\$ 154,553	\$ 11,824

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, 2022

	Friend of the Court (215)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	325,000	327,373	400,285	72,912
State	36,000	36,000	34,465	(1,535)
Local	-	-	-	-
Charges for services	100,100	100,100	90,195	(9,905)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>461,100</u>	<u>463,473</u>	<u>524,945</u>	<u>61,472</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	540,786	543,159	537,593	(5,566)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>540,786</u>	<u>543,159</u>	<u>537,593</u>	<u>(5,566)</u>
Revenues over (under) expenditures	(79,686)	(79,686)	(12,648)	67,038
<b>Other financing sources</b>				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Net change in fund balances</b>	(4,686)	(4,686)	62,352	67,038
Fund balances, beginning of year	<u>10,024</u>	<u>10,024</u>	<u>10,024</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 5,338</u>	<u>\$ 5,338</u>	<u>\$ 72,376</u>	<u>\$ 67,038</u>



Prosecutor's Drug Forfeitures (216)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	600	600
50	50	83	33
-	-	-	-
50	50	683	633
-	-	-	-
-	-	-	-
5,800	5,800	1,695	(4,105)
-	-	-	-
-	-	-	-
-	-	-	-
5,800	5,800	1,695	(4,105)
(5,750)	(5,750)	(1,012)	4,738
-	-	-	-
(5,750)	(5,750)	(1,012)	4,738
9,978	9,978	9,978	-
\$ 4,228	\$ 4,228	\$ 8,966	\$ 4,738

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, 2022

	Family Counseling (217)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	3,000	3,000	3,555	555
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>3,000</u>	<u>3,000</u>	<u>3,555</u>	<u>555</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	3,000	3,000	3,555	555
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<u>3,000</u>	<u>3,000</u>	<u>3,555</u>	<u>555</u>
Fund balances, beginning of year	<u>111,640</u>	<u>111,640</u>	<u>111,640</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 114,640</u>	<u>\$ 114,640</u>	<u>\$ 115,195</u>	<u>\$ 555</u>



Remonumentation Grant (232)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
47,929	47,929	41,871	(6,058)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<hr/>			
47,929	47,929	41,871	(6,058)
<hr/>			
47,929	47,929	41,871	(6,058)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<hr/>			
47,929	47,929	41,871	(6,058)
<hr/>			
-	-	-	-
<hr/>			
-	-	-	-
-	-	-	-
12,512	12,512	12,512	-
<hr/>			
\$ 12,512	\$ 12,512	\$ 12,512	\$ -
<hr/>			

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, 2022

	County Housing Rehab Program (234)			
	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	-	-	-	-
Other revenues	12,500	12,500	4,970	(7,530)
<b>Total revenues</b>	<u>12,500</u>	<u>12,500</u>	<u>4,970</u>	<u>(7,530)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	39,500	39,500	7,738	(31,762)
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>39,500</u>	<u>39,500</u>	<u>7,738</u>	<u>(31,762)</u>
Revenues over (under) expenditures	(27,000)	(27,000)	(2,768)	24,232
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	(27,000)	(27,000)	(2,768)	24,232
Fund balances, beginning of year	95,434	95,434	95,434	-
<b>Fund balances, end of year</b>	<u>\$ 68,434</u>	<u>\$ 68,434</u>	<u>\$ 92,666</u>	<u>\$ 24,232</u>



Building Department (249)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
270,000	270,000	379,925	109,925
-	-	-	-
-	-	-	-
-	-	-	-
1,000	1,000	1,079	79
-	-	-	-
5,000	5,000	6,548	1,548
-	-	-	-
276,000	276,000	387,552	111,552
-	-	-	-
-	-	-	-
347,607	347,607	338,948	(8,659)
-	-	-	-
-	-	-	-
-	-	-	-
347,607	347,607	338,948	(8,659)
(71,607)	(71,607)	48,604	120,211
-	-	-	-
(71,607)	(71,607)	48,604	120,211
717,416	717,416	717,416	-
\$ 645,809	\$ 645,809	\$ 766,020	\$ 120,211

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, 2022

	Drunk Driving (250)			
	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	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	-	-	-	-
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balances, beginning of year	3,190	3,190	3,190	-
<b>Fund balances, end of year</b>	<u>\$ 3,190</u>	<u>\$ 3,190</u>	<u>\$ 3,190</u>	<u>\$ -</u>



Emergency Planning Committee (254)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
25,000	25,000	-	(25,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
25,000	25,000	-	(25,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
25,000	25,000	-	(25,000)
25,000	25,000	-	(25,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,243	3,243	3,243	-
\$ 3,243	\$ 3,243	\$ 3,243	\$ -

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, 2022

	Register of Deeds Automation (256)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	50,000	50,000	48,025	(1,975)
Fines and forfeitures	-	-	-	-
Interest	2,500	2,500	3,117	617
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>52,500</u>	<u>52,500</u>	<u>51,142</u>	<u>(1,358)</u>
<b>Expenditures</b>				
Current:				
General government	12,000	164,540	164,540	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>12,000</u>	<u>164,540</u>	<u>164,540</u>	<u>-</u>
Revenues over (under) expenditures	40,500	(112,040)	(113,398)	(1,358)
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	40,500	(112,040)	(113,398)	(1,358)
Fund balances, beginning of year	<u>416,000</u>	<u>416,000</u>	<u>416,000</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 456,500</u>	<u>\$ 303,960</u>	<u>\$ 302,602</u>	<u>\$ (1,358)</u>



D.A.R.E. Program (258)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,700	1,700
-	-	-	-
180	180	161	(19)
-	-	-	-
180	180	1,861	1,681
-	-	-	-
-	-	-	-
3,300	3,300	2,663	(637)
-	-	-	-
-	-	-	-
-	-	-	-
3,300	3,300	2,663	(637)
(3,120)	(3,120)	(802)	2,318
-	-	-	-
(3,120)	(3,120)	(802)	2,318
18,466	18,466	18,466	-
\$ 15,346	\$ 15,346	\$ 17,664	\$ 2,318

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, 2022

	Concealed Pistol Licensing (259)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	25,000	25,000	29,422	4,422
Fines and forfeitures	-	-	-	-
Interest	-	-	1,213	1,213
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>30,635</u>	<u>5,635</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	11,250	11,250	10,568	(682)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>11,250</u>	<u>11,250</u>	<u>10,568</u>	<u>(682)</u>
Revenues over (under) expenditures	13,750	13,750	20,067	6,317
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	13,750	13,750	20,067	6,317
Fund balances, beginning of year	<u>124,293</u>	<u>124,293</u>	<u>124,293</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 138,043</u>	<u>\$ 138,043</u>	<u>\$ 144,360</u>	<u>\$ 6,317</u>



Michigan Indigent Defense Commission (260)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
310,235	366,235	343,538	(22,697)
-	-	-	-
-	-	-	-
-	-	-	-
125	325	499	174
-	-	-	-
310,360	366,560	344,037	(22,523)
-	-	-	-
475,512	531,712	509,319	(22,393)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
475,512	531,712	509,319	(22,393)
(165,152)	(165,152)	(165,282)	(130)
165,277	165,277	165,277	-
125	125	(5)	(130)
5	5	5	-
\$ 130	\$ 130	\$ -	\$ (130)

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, 2022

	Township Law Enforcement (261)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	3,000	3,000	2,640	(360)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>3,000</u>	<u>3,000</u>	<u>2,640</u>	<u>(360)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	3,415	3,415	2,121	(1,294)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>3,415</u>	<u>3,415</u>	<u>2,121</u>	<u>(1,294)</u>
Revenues over (under) expenditures	(415)	(415)	519	934
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	(415)	(415)	519	934
Fund balances, beginning of year	<u>13,156</u>	<u>13,156</u>	<u>13,156</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 12,741</u>	<u>\$ 12,741</u>	<u>\$ 13,675</u>	<u>\$ 934</u>



Corrections Officer Training (262)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
12,000	12,000	8,660	(3,340)
-	-	-	-
-	-	-	-
-	-	-	-
12,000	12,000	8,660	(3,340)
-	-	-	-
-	-	-	-
28,100	28,100	10,701	(17,399)
-	-	-	-
-	-	-	-
-	-	-	-
28,100	28,100	10,701	(17,399)
(16,100)	(16,100)	(2,041)	14,059
-	-	-	-
(16,100)	(16,100)	(2,041)	14,059
59,252	59,252	59,252	-
\$ 43,152	\$ 43,152	\$ 57,211	\$ 14,059

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, 2022

	K-9 (263)			
	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	-	-	-	-
Other revenues	500	1,000	1,000	-
<b>Total revenues</b>	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	2,000	3,600	3,296	(304)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>2,000</u>	<u>3,600</u>	<u>3,296</u>	<u>(304)</u>
Revenues over (under) expenditures	(1,500)	(2,600)	(2,296)	304
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<u>(1,500)</u>	<u>(2,600)</u>	<u>(2,296)</u>	<u>304</u>
Fund balances, beginning of year	<u>4,005</u>	<u>4,005</u>	<u>4,005</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,505</u>	<u>\$ 1,405</u>	<u>\$ 1,709</u>	<u>\$ 304</u>



Jail Maintenance (264)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
80,000	80,000	79,020	(980)
-	-	-	-
-	-	-	-
-	-	5,000	5,000
80,000	80,000	84,020	4,020
-	-	-	-
-	-	-	-
85,686	85,686	71,047	(14,639)
-	-	-	-
-	-	-	-
-	-	-	-
85,686	85,686	71,047	(14,639)
(5,686)	(5,686)	12,973	18,659
-	-	-	-
(5,686)	(5,686)	12,973	18,659
51,267	51,267	51,267	-
\$ 45,581	\$ 45,581	\$ 64,240	\$ 18,659

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, 2022

	Drug Law Enforcement (265)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	7,410	8,061	651
Fines and forfeitures	-	-	-	-
Interest	250	250	214	(36)
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>250</u>	<u>7,660</u>	<u>8,275</u>	<u>615</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	3,300	16,282	15,981	(301)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>3,300</u>	<u>16,282</u>	<u>15,981</u>	<u>(301)</u>
Revenues over (under) expenditures	(3,050)	(8,622)	(7,706)	916
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<u>(3,050)</u>	<u>(8,622)</u>	<u>(7,706)</u>	<u>916</u>
Fund balances, beginning of year	<u>29,931</u>	<u>29,931</u>	<u>29,931</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 26,881</u>	<u>\$ 21,309</u>	<u>\$ 22,225</u>	<u>\$ 916</u>



Dive Team (266)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
3,000	3,000	3,000	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<hr/>			
3,000	3,000	3,000	-
<hr/>			
-	-	-	-
-	-	-	-
4,500	4,500	1,498	(3,002)
-	-	-	-
-	-	-	-
500	500	-	(500)
<hr/>			
5,000	5,000	1,498	(3,502)
<hr/>			
(2,000)	(2,000)	1,502	3,502
<hr/>			
-	-	-	-
(2,000)	(2,000)	1,502	3,502
<hr/>			
10,424	10,424	10,424	-
<hr/>			
\$ 8,424	\$ 8,424	\$ 11,926	\$ 3,502
<hr/>			

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, 2022

	Community Corrections Program (267)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	232,900	232,900	241,540	8,640
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>232,900</u>	<u>232,900</u>	<u>241,540</u>	<u>8,640</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	233,430	233,430	222,479	(10,951)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>233,430</u>	<u>233,430</u>	<u>222,479</u>	<u>(10,951)</u>
Revenues over (under) expenditures	(530)	(530)	19,061	19,591
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	(530)	(530)	19,061	19,591
Fund balances, beginning of year	<u>287,996</u>	<u>287,996</u>	<u>287,996</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 287,466</u>	<u>\$ 287,466</u>	<u>\$ 307,057</u>	<u>\$ 19,591</u>



Crime Victims' Rights (268)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
5,100	9,425	10,717	1,292
-	-	-	-
-	-	-	-
-	-	-	-
<hr/>			
5,100	9,425	10,717	1,292
<hr/>			
-	-	-	-
-	-	-	-
10,480	16,305	13,364	(2,941)
-	-	-	-
-	-	-	-
-	-	-	-
<hr/>			
10,480	16,305	13,364	(2,941)
<hr/>			
(5,380)	(6,880)	(2,647)	4,233
-	-	-	-
<hr/>			
(5,380)	(6,880)	(2,647)	4,233
37,374	37,374	37,374	-
<hr/>			
\$ 31,994	\$ 30,494	\$ 34,727	\$ 4,233
<hr/>			

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, 2022

	Law Library (269)			
	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	14,447	14,447	14,398	(49)
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>14,447</u>	<u>14,447</u>	<u>14,398</u>	<u>(49)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	26,800	28,072	28,069	(3)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>26,800</u>	<u>28,072</u>	<u>28,069</u>	<u>(3)</u>
Revenues over (under) expenditures	(12,353)	(13,625)	(13,671)	(46)
<b>Other financing sources</b>				
Transfers in	<u>11,000</u>	<u>12,272</u>	<u>12,272</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(1,353)</u>	<u>(1,353)</u>	<u>(1,399)</u>	<u>(46)</u>
Fund balances, beginning of year	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 747</u>	<u>\$ 747</u>	<u>\$ 701</u>	<u>\$ (46)</u>



Commission on Aging Meals (273)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
125,369	135,369	149,791	14,422
70,000	70,000	73,831	3,831
-	-	-	-
8,500	14,768	14,724	(44)
-	-	-	-
2,000	2,000	2,766	766
116,000	131,112	124,469	(6,643)
321,869	353,249	365,581	12,332
-	-	-	-
-	-	-	-
-	-	-	-
373,560	420,940	411,598	(9,342)
-	-	-	-
-	-	-	-
373,560	420,940	411,598	(9,342)
(51,691)	(67,691)	(46,017)	21,674
38,451	38,451	38,451	-
(13,240)	(29,240)	(7,566)	21,674
381,613	381,613	381,613	-
\$ 368,373	\$ 352,373	\$ 374,047	\$ 21,674

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, 2022

	911 State Service Charge (280)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	215,000	215,000	174,290	(40,710)
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>215,000</u>	<u>215,000</u>	<u>174,290</u>	<u>(40,710)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	215,000	215,000	174,290	(40,710)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>215,000</u>	<u>215,000</u>	<u>174,290</u>	<u>(40,710)</u>
Revenues over (under) expenditures	-	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Law Enforcement Training (287)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,500	3,500	2,710	(790)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,500	3,500	2,710	(790)
-	-	-	-
-	-	-	-
4,000	4,000	3,999	(1)
-	-	-	-
-	-	-	-
-	-	-	-
4,000	4,000	3,999	(1)
(500)	(500)	(1,289)	(789)
-	-	-	-
(500)	(500)	(1,289)	(789)
2,371	2,371	2,371	-
\$ 1,871	\$ 1,871	\$ 1,082	\$ (789)

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, 2022

	Secondary Road Patrol (289)			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	52,297	52,297	57,206	4,909
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>52,297</u>	<u>52,297</u>	<u>57,206</u>	<u>4,909</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	89,679	89,679	57,918	(31,761)
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>89,679</u>	<u>89,679</u>	<u>57,918</u>	<u>(31,761)</u>
Revenues over (under) expenditures	(37,382)	(37,382)	(712)	36,670
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	(37,382)	(37,382)	(712)	36,670
Fund balances, beginning of year	<u>54,937</u>	<u>54,937</u>	<u>54,937</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 17,555</u>	<u>\$ 17,555</u>	<u>\$ 54,225</u>	<u>\$ 36,670</u>



Child Care (292)			
Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
240,000	240,000	214,638	(25,362)
-	-	-	-
31,000	31,000	19,473	(11,527)
-	-	-	-
-	-	-	-
-	-	-	-
271,000	271,000	234,111	(36,889)
-	-	-	-
-	-	-	-
-	-	-	-
915,981	915,981	519,215	(396,766)
-	-	-	-
-	-	-	-
915,981	915,981	519,215	(396,766)
(644,981)	(644,981)	(285,104)	359,877
400,000	400,000	200,000	(200,000)
(244,981)	(244,981)	(85,104)	159,877
302,470	302,470	302,470	-
\$ 57,489	\$ 57,489	\$ 217,366	\$ 159,877

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## **NONMAJOR ENTERPRISE FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2022

	Plat Review (506)	Principal Residence Exemption Audit (517)	Jail Commissary (595)	Public Works (641)	Totals
<b>Current assets</b>					
Cash and pooled investments	\$ 8,948	\$ 66,256	\$ 34,771	\$ 540	\$ 110,515
Taxes receivable	-	2,582	-	-	2,582
<b>Total assets</b>	<u>8,948</u>	<u>68,838</u>	<u>34,771</u>	<u>540</u>	<u>113,097</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	-	61	-	-	61
Due to other governments	-	35,414	-	-	35,414
<b>Total liabilities (all current)</b>	<u>-</u>	<u>35,475</u>	<u>-</u>	<u>-</u>	<u>35,475</u>
<b>Net position</b>					
Unrestricted	<u>\$ 8,948</u>	<u>\$ 33,363</u>	<u>\$ 34,771</u>	<u>\$ 540</u>	<u>\$ 77,622</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, 2022

	Plat Review (506)	Principal Residence Exemption Audit (517)	Jail Commissary (595)	Public Works (641)	Totals
<b>Operating revenues</b>					
Charges for services	\$ 200	\$ -	\$ 23,169	\$ -	\$ 23,369
Interest and penalties on delinquent taxes	-	2,422	-	-	2,422
<b>Total operating revenues</b>	<u>200</u>	<u>2,422</u>	<u>23,169</u>	<u>-</u>	<u>25,791</u>
<b>Operating expenses</b>					
Personnel services	-	820	-	-	820
Supplies	-	1,071	-	-	1,071
Postage	-	119	-	-	119
Other services and charges	2,500	23	37,153	-	39,676
<b>Total operating expenses</b>	<u>2,500</u>	<u>2,033</u>	<u>37,153</u>	<u>-</u>	<u>41,686</u>
<b>Changes in net position</b>	(2,300)	389	(13,984)	-	(15,895)
Net position, beginning of year	<u>11,248</u>	<u>32,974</u>	<u>48,755</u>	<u>540</u>	<u>93,517</u>
<b>Net position, end of year</b>	<u>\$ 8,948</u>	<u>\$ 33,363</u>	<u>\$ 34,771</u>	<u>\$ 540</u>	<u>\$ 77,622</u>

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2022

	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	\$ 18	\$ 23,169	\$ -	\$ 23,387
Payments to suppliers	(2,500)	(1,213)	(37,153)	-	(40,866)
Payments to employees	-	(820)	-	-	(820)
<b>Net cash used in operating activities / change in cash and pooled investments</b>	(2,300)	(2,015)	(13,984)	-	(18,299)
Cash and pooled investments, beginning of year	11,248	68,271	48,755	540	128,814
<b>Cash and pooled investments, end of year</b>	<u>\$ 8,948</u>	<u>\$ 66,256</u>	<u>\$ 34,771</u>	<u>\$ 540</u>	<u>\$ 110,515</u>
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>					
Operating income (loss)	\$ (2,300)	\$ 389	\$ (13,984)	\$ -	\$ (15,895)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Change in operating assets and liabilities that provided (used) cash:					
Taxes receivable	-	15,771	-	-	15,771
Due to other governments	-	(18,175)	-	-	(18,175)
<b>Net cash used in operating activities</b>	<u>\$ (2,300)</u>	<u>\$ (2,015)</u>	<u>\$ (13,984)</u>	<u>\$ -</u>	<u>\$ (18,299)</u>

## **INTERNAL SERVICE FUNDS**



## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

December 31, 2022

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Current assets</b>				
Cash and pooled investments	\$ 75,972	\$ 3,136	\$ 2,294	\$ 81,402
Accounts receivable	4,119	-	-	4,119
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	80,091	3,136	2,294	85,521
<b>Current liabilities</b>				
Accounts payable	8,548	-	-	8,548
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net position</b>				
Unrestricted	\$ 71,543	\$ 3,136	\$ 2,294	\$ 76,973
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## COUNTY OF MECOSTA, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2022

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Operating revenues</b>				
Charges for services	\$ 51,601	\$ 20,370	\$ 2,223,991	\$ 2,295,962
<b>Operating expenses</b>				
Supplies	1,893	-	-	1,893
Postage	35,237	19,699	-	54,936
Other services and charges	25,534	-	2,224,677	2,250,211
<b>Total operating expenses</b>	62,664	19,699	2,224,677	2,307,040
<b>Change in net position</b>	(11,063)	671	(686)	(11,078)
Net position, beginning of year	82,606	2,465	2,980	88,051
<b>Net position, end of year</b>	\$ 71,543	\$ 3,136	\$ 2,294	\$ 76,973

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2022

	Equalization Revolving (646)	Mailing Department (653)	Health Insurance (677)	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ 47,482	\$ 20,370	\$ 2,223,991	\$ 2,291,843
Payments to suppliers	(54,116)	(18,221)	(2,224,677)	(2,297,014)
<b>Net cash provided by (used in) operating activities / change in cash and pooled investments</b>	(6,634)	2,149	(686)	(5,171)
Cash and pooled investments, beginning of year	82,606	987	2,980	86,573
<b>Cash and pooled investments, end of year</b>	<u>\$ 75,972</u>	<u>\$ 3,136</u>	<u>\$ 2,294</u>	<u>\$ 81,402</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (11,063)	\$ 671	\$ (686)	\$ (11,078)
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:				
Accounts receivable	(4,119)	-	-	(4,119)
Due from other funds	-	1,478	-	1,478
Accounts payable	8,548	-	-	8,548
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (6,634)</u>	<u>\$ 2,149</u>	<u>\$ (686)</u>	<u>\$ (5,171)</u>

## **CUSTODIAL FUNDS**

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2022

	Trust and Agency (701)	Library Penal Fine (721)	Inmate Trust (764)	Total
<b>Assets</b>				
Cash and pooled investments	\$ 261,265	\$ 94,733	\$ 16,207	\$ 372,205
<b>Liabilities</b>				
Undistributed receipts	<u>261,265</u>	<u>94,733</u>	<u>-</u>	<u>355,998</u>
<b>Net position</b>				
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,207</u>	<u>\$ 16,207</u>

## COUNTY OF MECOSTA, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2022

	Trust and Agency (701)	Library Penal Fine (721)	Inmate Trust (764)	Total
<b>Additions</b>				
Taxes collected for other governments	\$ 9,058,374	\$ -	\$ -	\$ 9,058,374
Library collections	-	171,394	-	171,394
Inmate trust collections	-	-	390,757	390,757
Other additions	3,281,621	-	-	3,281,621
<b>Total additions</b>	<u>12,339,995</u>	<u>171,394</u>	<u>390,757</u>	<u>12,902,146</u>
<b>Deductions</b>				
Payments of taxes to other governments	9,058,374	-	-	9,058,374
Library distributions	-	171,394	-	171,394
Inmate trust distributions	-	-	390,353	390,353
Other deductions	3,281,621	-	-	3,281,621
<b>Total deductions</b>	<u>12,339,995</u>	<u>171,394</u>	<u>390,353</u>	<u>12,901,742</u>
<b>Change in net position</b>	-	-	404	404
Net position, beginning of year	-	-	15,803	15,803
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,207</u>	<u>\$ 16,207</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, 2022

	Governmental Funds		
	Drain (801)	Revolving Drain (802)	Total
<b>Assets</b>			
Cash and pooled investments	\$ 527,904	\$ 60,197	\$ 588,101
Special assessments receivable	724,691	-	724,691
Interest receivable	2,031	176	2,207
Due from other funds	-	44,038	44,038
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<u>\$ 1,254,626</u>	<u>\$ 104,411</u>	<u>\$ 1,359,037</u>
<b>Liabilities</b>			
Accounts payable	\$ 24,668	\$ -	\$ 24,668
Due to other funds	44,038	-	44,038
Advance from primary government	-	80,000	80,000
Long-term debt:			
Due within one year	-	-	-
Due in more than one year	-	-	-
<b>Total liabilities</b>	<u>68,706</u>	<u>80,000</u>	<u>148,706</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	<u>665,522</u>	<u>-</u>	<u>665,522</u>
<b>Fund balances</b>			
Restricted for capital projects (unexpended proceeds)	193,989	-	193,989
Committed	<u>326,409</u>	<u>24,411</u>	<u>350,820</u>
<b>Total fund balances</b>	<u>520,398</u>	<u>24,411</u>	<u>544,809</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,254,626</u>	<u>\$ 104,411</u>	<u>\$ 1,359,037</u>
<b>Net position</b>			
Net investment in capital assets			
Unrestricted			
<b>Total net position</b>			



Adjustments	Statement of Net Position
\$ -	\$ 588,101
-	724,691
-	2,207
(44,038)	-
296,931	296,931
<u>1,127,827</u>	<u>1,127,827</u>
 1,380,720	 2,739,757
 -	 24,668
(44,038)	-
-	80,000
652,972	652,972
<u>1,097,212</u>	<u>1,097,212</u>
 1,706,146	 1,854,852
 (665,522)	 -
 (193,989)	
<u>(350,820)</u>	
 (544,809)	
 (131,437)	(131,437)
<u>1,016,342</u>	<u>1,016,342</u>
 \$ 884,905	 \$ 884,905

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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, 2022

<b>Fund balances - total governmental funds</b>	<b>\$ 544,809</b>
---	-------------------

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	296,931
Capital assets being depreciated, net	1,127,827

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	665,522
--	---------

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	<u>(1,750,184)</u>
---------------	--------------------

<b>Net position of governmental activities</b>	<b><u>\$ 884,905</u></b>
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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, 2022

	Governmental Funds		
	Drain (801)	Revolving Drain (802)	Total
<b>Revenues</b>			
Charges for services	\$ 7,183	\$ -	\$ 7,183
Capital grants and contributions	138,236	-	138,236
Interest	29,284	562	29,846
<b>Total revenues</b>	<u>174,703</u>	<u>562</u>	<u>175,265</u>
<b>Expenditures / expenses</b>			
Public works	558,354	-	558,354
Depreciation	-	-	-
Debt service:			
Principal	52,972	-	52,972
Interest	16,493	-	16,493
<b>Total expenditures / expenses</b>	<u>627,819</u>	<u>-</u>	<u>627,819</u>
<b>Change in fund balances / net position</b>	(453,116)	562	(452,554)
<b>Fund balances / net position</b>			
Beginning of year	<u>973,514</u>	<u>23,849</u>	<u>997,363</u>
<b>End of year</b>	<u>\$ 520,398</u>	<u>\$ 24,411</u>	<u>\$ 544,809</u>



Adjustments	Statement of Activities
\$ -	\$ 7,183
(54,044)	84,192
-	29,846
<hr/>	<hr/>
(54,044)	121,221
<hr/>	<hr/>
(439,025)	119,329
100,402	100,402
(52,972)	-
-	16,493
<hr/>	<hr/>
(391,595)	236,224
<hr/>	<hr/>
337,551	(115,003)
<hr/>	<hr/>
2,545	999,908
<hr/>	<hr/>
\$ 340,096	\$ 884,905
<hr/>	<hr/>

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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, 2022

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (452,554)</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	(100,402)
Capital assets purchased/constructed	439,025

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	(54,044)
--	----------

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	<u>52,972</u>
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<b>Change in net position of governmental activities</b>	<b><u>\$ (115,003)</u></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**

June 2, 2023

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 2, 2023, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Loborn LLC*



# COUNTY OF MECOSTA, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Forest Service Schools and Roads Cluster:					
Oil/Gas/Mineral Royalty Distribution	10.665	MDNR	-n/a-	\$ 65	\$ 65
National Forest Revenue	10.665	MDNR	-n/a-	5,560	5,560
<b>Total U.S. Department of Agriculture</b>				5,625	5,625
<b>U.S. Department of the Interior</b>					
Payments in Lieu of Taxes	15.226	Direct	-n/a-	-	3,501
<b>U.S. Department of Justice</b>					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	Direct	2020-VD-BX-0434	-	18,660
Bulletproof Vest Partnership Program FY 2022	16.607	Direct	-n/a-	-	368
<b>Total U.S. Department of Justice</b>				-	19,028
<b>U.S. Department of Transportation</b>					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors Program	20.513	MDOT	2017-0093	-	41,509
Enhanced Mobility of Seniors Program	20.513	MDOT	2022-0099	-	5,026
<b>Total U.S. Department of Transportation</b>				-	46,535
<b>U.S. Department of Treasury</b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	SLFRP2213	-	7,765,476
<b>U.S. Department of Health and Human Services</b>					
Title IIID Health 2021/22	93.043	AAAWM	61.72	-	1,937
Title IIID Health 2022/23	93.043	AAAWM	61.72	-	653
				-	2,590
Aging Cluster:					
Senior Center Staffing Title IIIB 2021/22	93.044	AAAWM	61.72	-	10,611
Senior Center Staffing Title IIIB 2022/23	93.044	AAAWM	61.72	-	6,912
Assisted Transportation Title IIIB (AAA) 2021/22	93.044	AAAWM	61.72	-	10,661
Assisted Transportation Title IIIB (AAA) 2022/23	93.044	AAAWM	61.72	-	7,221
Homemaker Aide Title IIIB 2021/22	93.044	AAAWM	61.72	-	4,794
				-	40,199
Congregate Meals Title IIIC-1 2021/22	93.045	AAAWM	61.72	-	23,124
Congregate Meals Title IIIC-1 2022/23	93.045	AAAWM	61.72	-	8,495
Home Delivered Meals Title IIIC-2 2021/22	93.045	AAAWM	61.72	-	51,047
Home Delivered Meals Title IIIC-2 2022/23	93.045	AAAWM	61.72	-	28,665
				-	111,331
NSIP 2021/22	93.053	AAAWM	61.72	-	29,370
NSIP 2022/23	93.053	AAAWM	61.72	-	9,090
				-	38,460
<b>Total Aging Cluster</b>				-	189,990
COVID-19 - CARES Act No Wrong Door System	93.048	AAAWM	61.72	-	9,243
Federal Respite IIIE 2021/22	93.052	AAAWM	61.72	-	4,000

continued...

# COUNTY OF MECOSTA, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Agency / Cluster / Program Title	Assistance Listing 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	CSCOM-17-54003	\$ -	\$ 348,065
Federal Incentive Payments	93.563	MDHHS	-n/a-	-	52,220
				-	400,285
Foster Care Title IV-E Program	93.658	MDHHS	E20221320-00	-	3,287
Foster Care Title IV-E Program	93.658	MDHHS	E20230256-001	-	3,348
				-	6,635
<b>Total U.S. Department of Health and Human Services</b>				-	612,743
<b>U.S. Department of Homeland Security</b>					
Marine Safety Program	97.012	MDNR	-n/a-	-	12,700
Emergency Management Performance Grant	97.042	MSP	EMC-2022-EP-00001P	-	32,732
2019 Homeland Security Grant Program (non-cash assistance)	97.067	WMSRDC	EMW-2019-SS-00021	-	23,405
<b>Total U.S. Department of Homeland Security</b>				-	68,837
<b>Total Expenditures of Federal Awards</b>				\$ 5,625	\$ 8,521,745

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, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's 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, 2022, 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	\$ 8,498,340
Add: Equipment (non-cash assistance) provided directly by pass-through agencies (amounts individually below the County's capitalization threshold)	<u>23,405</u>
<b>Federal expenditures as reported in the schedule of expenditures of federal awards</b>	<u><u>\$ 8,521,745</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
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***

June 2, 2023

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 2, 2023. 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.

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

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

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



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

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

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

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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

June 2, 2023

Board of Commissioners  
County of Mecosta  
Big Rapids, Michigan

### Report on Compliance for the Major Federal Program

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

We have audited the compliance of the **County of Mecosta, Michigan** (the "County") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2022. 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, 2022. 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.

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 the major federal program for the year ended December 31, 2022.

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

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



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

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

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

### ***Independent Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

### ***Purpose of this Report***

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

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

## COUNTY OF MECOSTA, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2022

#### SECTION I - SUMMARY OF AUDITORS RESULTS

##### Financial Statements

Type of auditors' report issued: Unmodified

Internal controls over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes X 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*

##### Assistance Listing Number

21.027

##### Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no

## COUNTY OF MECOSTA, MICHIGAN

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

For the Year Ended December 31, 2022

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.



## COUNTY OF MECOSTA, MICHIGAN

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

For the Year Ended December 31, 2022

#### **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, 2022

No matters were reported.

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## INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 2, 2023

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, 2022, and have issued our report thereon dated June 2, 2023. 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 January 11, 2023, 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.



We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated June 2, 2023. In addition, we noted a certain other matter which is 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 27, 2023.

#### **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.

#### **Significant Risks Identified**

We have identified the risks of management override of internal control and revenue recognition as significant risks, and have obtained an understanding of the County's related controls, including control activities, relevant to such risks.

#### **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.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) 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 liability 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. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 Lohman LLC". The signature is written in a cursive, flowing style.

## COUNTY OF MECOSTA, MICHIGAN

### Attachment A – Comments and Recommendations

For the December 31, 2022 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding the matter. Our consideration of the County's internal control over financial reporting is described in our report, dated June 2, 2023 issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 2, 2023, on the financial statements of the County of Mecosta, Michigan.

#### *Information Technology Security Policy*

The County does not have a formal written Information Technology Security Policy. Such a policy provides guidelines and best practices for users of the County's information technology. This includes, but is not limited to, use of the equipment and applications owned by the County. While based on the results of our information technology walkthroughs and testing it appears that the County has sufficient safeguards in place, we recommend that a written policy be developed that outlines procedures concerning security, access controls and acceptable use.

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## COUNTY OF MECOSTA, MICHIGAN

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

For the December 31, 2022 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 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.

#### **GASB 99 ■ Omnibus 2022**

*Effective 06/15/2023 (your FY 2023)*

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 100 ■ Accounting Changes and Error Corrections**

*Effective 06/15/2024 (your FY 2024)*

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the County.

#### **GASB 101 ■ Compensated Absences**

*Effective 12/15/2024 (your FY 2024)*

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

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## COUNTY OF MECOSTA, MICHIGAN

### Attachment C – Management Representations

For the December 31, 2022 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](http://www.mecostacounty.org)

June 2, 2023

Randy Vetter  
*District #1*

Jerrilynn Strong  
*District #2*

Linda Howard  
*District #3*

Raymond Steinke  
*District #4*

Thomas O'Neil  
*District #5*

Chris Jane  
*District #6*

William Routley  
*District #7*

Paul E. Bullock  
*Controller/Administrator*

Rehmann Robson  
2330 East Paris Avenue SE  
Grand Rapids, MI 49546

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, 2022, 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 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 June 2, 2023:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 11, 2023, 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. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
24. We are responsible for the fair presentation of the County's net pension liability 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.
25. In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County to provide services to its patrons, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the County has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$7,793,000 was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the County.

#### **Information Provided**

26. 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.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. 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.
29. 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.
30. 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.
31. 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.

32. 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.
33. We have a process to track the status of audit findings and recommendations.
34. 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.
35. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
36. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
37. 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.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
41. 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.
42. 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.
43. 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.
44. 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.
45. 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**

46. 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**

47. 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)**

48. With respect to federal awards, we represent the following to you:

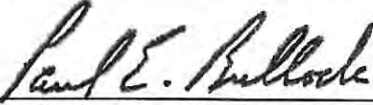
- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule 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. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. 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.
- q. 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.
- r. 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).
- s. 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.
- t. 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.
- u. 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 appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- w. 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.
- x. 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.
- y. 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.
- z. The reporting package does not contain protected personally identifiable information.



- aa. 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.
- bb. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- cc. 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.



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Paul E. Bullock, Controller / Administrator



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Mindy Taylor, Finance Officer

## COUNTY OF MECOSTA, MICHIGAN

### Schedule of Adjustments Passed (SOAP)

For the December 31, 2022 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 payable on drain notes	\$ -	\$ (33,355)	\$ 15,226	\$ -	\$ (18,129)
Unreconciled difference in special assessment receivables	(25,884)	-	(26,033)	-	(149)
<b>Total Drain Commission Component Unit</b>	<u>\$ (25,884)</u>	<u>\$ (33,355)</u>	<u>\$ (10,807)</u>	<u>\$ -</u>	<u>\$ (18,278)</u>
<b>Misstatement as a percentage of total assets and deferred outflows - discretely presented component units</b>	-0.05%	-0.06%	-0.02%	0.00%	-0.04%