

Gratiot County

Financial Statements

September 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

County Commissioners and Management
Gratiot County
Ithaca, Michigan

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the Gratiot County Road Commission, which represent 43 percent, 47 percent, and 71 percent, respectively, of the assets, net position, and revenues of the component units as of September 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Gratiot 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 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 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.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, as identified 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 and other auditors 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 other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report 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. 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.

Yeo & Yeo, P.C.

Alma, Michigan
May 5, 2025

Gratiot County
Management's Discussion and Analysis
September 30, 2024

The following is a discussion and analysis of Gratiot County's ("the County") financial performance and position, providing an overview of the activities for the fiscal year ending September 30, 2024. This analysis should be read in conjunction with the *Independent Auditors' Report*, beginning on page 1-1 of this report, and with the County's financial statements, which follow this section. Certain limited financial information is presented with respect to the Gratiot County Road Commission in Management's Discussion and Analysis. The reader should refer to the Gratiot County Road Commission's separately issued financial statements for more detailed information.

Overview of the Financial Statements

The annual financial report of the County consists of the following components: *Independent Auditors' Report*, *Management's Discussion and Analysis*, the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), *Required Supplementary Information* such as budget to actual comparisons for the General Fund and information related to the Municipal Employees' Retirement System of Michigan and Other Postemployment Benefits, and *Other Supplementary Information* including combining financial statements for all non-major governmental funds and proprietary funds.

Government-wide Financial Statements (Reporting the County as a Whole)

The set of government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the County as a whole, and about its activities. Their purpose is to determine whether the County, in its entirety, is better or worse off as a result of this fiscal year's activities. These statements, which include all non-fiduciary assets, deferred outflows of resources and liabilities and deferred inflows of resources, are reported on the *accrual basis of accounting*, similar to a private business. This means revenues are accounted for when they are *earned* and expenses are accounted for when *incurred*, regardless of when the actual cash is received or disbursed.

The Statement of Net Position (page 3-1) presents all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, recording the net of these as "net position". Over time, increases or decreases in net position measure whether the County's financial position is increasing or declining.

The Statement of Activities (page 3-2) presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in this statement for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

- **Governmental Activities** - Most of the County's basic services are reported under this category. Taxes, charges for services and intergovernmental revenue primarily fund these services. Most of the County's general government departments, law enforcement, the courts, the Board of Commissioner operations, and other countywide elected official operations are reported under these activities. This also includes the special revenue funds such as the Commission on Aging and Friend of the Court Funds.
- **Business-type Activities** - These activities operate like private businesses. The County charges fees to recover the cost of the services provided. The Gratiot County Jail Commissary Fund and the Delinquent Tax Revolving Fund are examples of these activities.
- **Discretely Presented Component Units** - Discretely presented component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. Five organizations are included as component units: Road Commission, Central Dispatch Authority, Airport Authority, Drainage Districts and Brownfield Redevelopment Authority.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual* basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

Gratiot County
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Because of the different bases of accounting between the fund statements (described below) and the government-wide statements, pages 3-4 and 3-6 present reconciliations between the two statement types. The following summarizes examples of the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the fund financial statements of the governmental funds; however, depreciation expense is reported on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the fund financial statements of the governmental funds.
- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds on the fund financial statements.
- Long-term liabilities, such as reserves for sick and annual leave (compensated absences), etc. appear as liabilities on the government-wide statements; however, they will not appear on the fund financial statements unless current resources are used to pay a specific obligation.
- Bond proceeds are reported as liabilities on the government-wide statements but are recorded as other financing sources on the fund financial statements.

In addition, it should be noted that the government-wide financial statements include the net value of the County's general capital assets such as buildings, land, vehicles, computer equipment etc. These values are not included in the fund financial statements.

Fund Financial Statements (Reporting the County's Major Funds)

The fund financial statements, which begin on page 3-3, provide information on the County's significant (major) funds, and aggregated non-major funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as the Commission on Aging Fund; other funds are required by bond or grant agreements, such as the Friend of the Court Fund. Funds are also utilized to track specific operations; these include the internal service funds (e.g., Fringe Benefit Fund) as well as enterprise funds such as the Jail Commissary and Delinquent Tax Revolving Funds.

The *basic financial statements* report major funds as defined by the Government Accounting Standards Board (GASB) in separate columns. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues or total expenditures/expenses that equal at least ten (10) percent of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also exceeds five (5) percent of those categories for governmental and enterprise funds combined. The major funds for Gratiot County include the General Fund, the Covid Recovery Fund, Opioid Settlement and the Delinquent Tax Revolving Fund. All other funds are classified as non-major funds and are reported in aggregate by the applicable fund type. The County includes detailed information on its non-major funds in other supplementary sections of this report.

The County's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

- **Governmental Funds** - Most of the County's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the County's programs. Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted), *Capital Projects Funds* (used to report major capital acquisitions and construction), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest).
- **Proprietary Funds** - Services for which the County charges customers (whether outside the County structure or a County department) a fee are generally reported in proprietary funds. Proprietary funds use the same *accrual* basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and/or services to the general public. An example is the Soil

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Management's Discussion and Analysis
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Erosion Inspection Fund. *Internal Service funds* report activities that provide supplies or service to the County's other operations, such as the Fringe Benefit Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

- **Fiduciary Funds** - The County acts as a trustee or fiduciary in certain instances. It is also responsible for other assets that, because of trust arrangements, can only be used for the trust beneficiaries. The County's fiduciary activities are reported in a separate Statements of Fiduciary Net Position on page 3-10. These funds, which include custodial funds and the OPEB Trust Fund, are reported using the accrual basis of accounting. The government-wide statements *exclude* the fiduciary fund activities and balances because these assets are not available to the County to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 3-14 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedule for the General Fund and other major governmental funds, information related to the Municipal Employees' Retirement System of Michigan and Other Post-employment Benefits.

Other Supplementary Information

Other Supplementary Information includes combining financial statements for non-major governmental, enterprise, internal service, and component unit funds. These funds are added together, by fund type, and are presented in aggregate single columns in the appropriate basic financial statements.

Financial Analysis of the County as a Whole

The following condensed financial information is derived from the government-wide Statement of Net Position and reflects the County's financial position for the years ended September 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$23,000,393	\$21,111,204	\$9,237,558	\$8,255,676	\$32,237,951	\$29,366,880
Capital Assets	7,495,556	7,765,539	-	-	7,495,556	7,765,539
Total Assets	30,495,949	28,876,743	9,237,558	8,255,676	39,733,507	37,132,419
Deferred Outflows	1,893,655	3,334,896	-	-	1,893,655	3,334,896
Liabilities						
Current Liabilities	3,396,382	4,183,260	86,954	133,694	3,483,336	4,316,954
Non-current Liabilities	6,974,824	10,544,947	-	4	6,974,824	10,544,951
Total Liabilities	10,371,206	14,728,207	86,954	133,698	10,458,160	14,861,905
Deferred Inflows	207,652	470,333	-	-	207,652	470,333
Net Position						
Net Invested in						
Capital Assets	7,395,627	7,694,165	-	-	7,395,627	7,694,165
Restricted	6,480,596	3,814,785	-	-	6,480,596	3,814,785
Unrestricted	7,934,523	5,504,149	9,150,604	8,121,982	17,085,127	13,626,131
Total Net Position	\$21,810,746	\$17,013,099	\$9,150,604	\$8,121,982	\$30,961,350	\$25,135,081

Gratiot County
Management's Discussion and Analysis
September 30, 2024

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net position changed during the years ending September 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Program Revenue						
Charges for Services	\$3,380,606	\$2,874,564	\$767,384	\$748,549	\$4,147,990	\$3,623,113
Grants & Contributions	6,937,691	6,343,038	-	-	6,937,691	6,343,038
Property Taxes	15,090,572	13,963,766	-	-	15,090,572	13,963,766
Investment Earnings	792,414	559,211	297,861	210,589	1,090,275	769,800
Miscellaneous	1,499,235	1,246,932	16	64,027	1,499,251	1,310,959
Total Revenue	27,700,518	24,987,511	1,065,261	1,023,165	28,765,779	26,010,676
Expenses						
General Government	8,426,713	9,441,463	-	-	8,426,713	9,441,463
Public Safety	5,667,065	6,095,937	-	-	5,667,065	6,095,937
Public Works	2,383,527	844,844	-	-	2,383,527	844,844
Health & Welfare	3,536,697	3,428,749	-	-	3,536,697	3,428,749
Community & Economic Development	955,919	540,218	-	-	955,919	540,218
Recreation & Culture	1,456,731	1,447,010	-	-	1,456,731	1,447,010
Interest on Long-Term Debt	76,720	101,095	-	-	76,720	101,095
Delinquent Tax	-	-	247,389	207,362	247,389	207,362
Other	-	-	188,749	145,201	188,749	145,201
Total Expenses	22,503,372	21,899,316	436,138	352,563	22,939,510	22,251,879
Excess Before Transfers	5,197,146	3,088,195	629,123	670,602	5,826,269	3,758,797
Transfers	(399,499)	798,998	399,499	(798,998)	-	-
Change in Net Position	4,797,647	3,887,193	1,028,622	(128,396)	5,826,269	3,758,797
Net Position - Beginning of Year	17,013,099	13,125,906	8,121,982	8,250,378	25,135,081	21,376,284
Net Position - End of Year	\$21,810,746	\$17,013,099	\$9,150,604	\$8,121,982	\$30,961,350	\$25,135,081

Governmental Activities Statement of Net Position:

The County's Governmental Activities (GA) net position increased \$4,797,647 over the past fiscal year.

Revenues:

Property tax collection revenues for fiscal year 2024 are up to \$15.1 million (from \$13.9 million). This increase is due to an increase in the taxable value.

Grants and contribution revenues for fiscal year 2024 are up to \$6.9 million (from \$6.3 million). The County received and expended funds from the American Rescue Plan Act (ARPA) during the fiscal year. In addition, the State Indigent Defense program is expanding.

Charges for Services round off the last largest revenue source for the County's revenue sources and they increased to \$3.4 million (from \$2.9 million). Rates for some services have increased and some services were used more frequently in the current year.

The County levied six property tax millages for the 2024 fiscal year, one being for general government operations at 5.5206 mills which is not assigned to any particular activity, the senior citizens millage at .6492 mills to finance the Commission on Aging, the road patrol millage at .4486 to finance the Sheriff's Office patrols, the parks millage at .3494 mills to finance the Parks and Recreation Department, the Economic Development and Agriculture millage at .4500 mills to finance economic development and agricultural promotion activities, and .4994 mills to finance libraries throughout the County.

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Expenses:

General government expenses decreased by \$1 million and the public works increased by \$1.5 million from 2023 to 2024. This is due to the various projects funded by the American Rescue Plan in 2023 & 2024.

Business-Type Activities:

Net position in business-type activities decreased \$1,028,622 from 2023 to 2024. The Delinquent Tax Revolving Fund pledged its surplus to the General Fund in 2023 and was rescinded in 2024.

All of the net position in the business type activities is reported as unrestricted. However, it is important to note that although reported as unrestricted, many of these assets are anticipated to be assigned or committed through Board of Commissioners action to be spent on General Fund activities and self-funding of delinquent tax payments in future years.

Financial Analysis of the County's Funds

General Fund:

The General Fund is the chief operating fund of the County. Unless otherwise required by statute, contractual agreement or Board policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2024, the General Fund reported a fund balance of \$12,627,365. The General Fund's fund balance increased by \$1,986,805. Of the total fund balance, \$9,241,659 is unassigned. The County maintains separate internal funds to account for the following activities: solid waste planning, budget stabilization, social welfare, child welfare, and soldiers & sailors. These internal funds are rolled up and included in General Fund presented in these financial statements because these funds receive a significant portion of funding from the General Fund and would not be able to operate independently without that funding.

General Fund Budgetary Highlights:

Gratiot County's budget is a dynamic document. Although adopted in September (prior to the start of the fiscal year), the budget requires frequent amendments during the course of the fiscal year to reflect changing operational demands.

The County's revenue collections were budgeted at \$15,164,431. Actual collections came in at \$16,349,677, or \$1,185,246 higher than budgeted. Actual was higher than budgeted amounts primarily due to increased property tax revenue due to an increase in the taxable value.

The County's expenditure budget was \$13,710,053. Actual County expenditures for fiscal year 2024 were \$13,511,652, or \$198,401 lower than budgeted.

Delinquent Tax Revolving Fund:

The Delinquent Tax Revolving Fund accounts for money advanced by the County to other local taxing units and various County funds to pay for their delinquent real property taxes. As of September 30, 2024, this fund reported net position of \$8,916,583, an increase of \$1,023,003 from the prior year. Operating expenses in this fund remain minimal, and revenues are generated from interest generated, penalties, interest charged and sale of delinquent properties. The County and the Treasurer did agree to transfer the surplus of approximately \$800,000 to the General Fund at the beginning of the year. This action was rescinded in July 2024.

Capital Assets

At the end of fiscal year 2024 the County had invested in a broad range of capital assets as summarized in the following table. The business-type activities do not have capital assets.

The County's capital assets' valuation decreased slightly for fiscal year 2024. The decrease is due to depreciation being higher than the assets replaced.

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Management’s Discussion and Analysis
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	Governmental Activities	
	2024	2023
Land	\$ 703,075	\$ 703,075
Land Improvements	1,493,580	1,493,580
Building & Improvements	10,962,267	10,907,905
Equipment & Furniture	2,018,813	1,977,485
Vehicles	1,357,683	1,248,693
Right of Use Assets - Equipment	-	87,074
	16,535,418	16,417,812
Less: Accumulated Depreciation and Amortization	(9,039,862)	(8,652,273)
Net Capital Assets	\$ 7,495,556	\$ 7,765,539

Long-Term Debt

As of September 30, 2024, the County had \$8,728,643 in long-term obligations outstanding for the primary government summarized in the following table (OPEB and pension amounts are exclusive of the portion of the liability related to the Central Dispatch Authority). The County continues to make scheduled payments on the general obligation bonds.

General obligation bonds	\$1,675,000
Installment Purchase	74,929
Compensated absences	852,924
Other post-employment benefits	22,837
Net pension liability	5,974,044

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is significantly higher than the County’s outstanding general obligation debt.

The County maintains an “AA” bond rating with Standard & Poor’s for its general obligation debt. A more detailed discussion of the County’s long-term debt obligations is presented in footnote 8 to the financial statements.

Economic Factors and Next Fiscal Year’s Budget

The County considered the following factors and honored certain philosophies in preparing the County’s budget for the 2025 fiscal year.

- Sustainability. The current Board of Commissioners are largely comprised of individuals who favor a small government and minimal tax burdens on the citizens of Gratiot County. However, the Board also recognizes that costs of existing goods and services are ever rising, and that the workforce will likely seek wage increases. The Commissioners strike a realistic philosophical balance in their view by insisting that cost increases, such as wages and benefits, be demonstrably sustainable over time. Costs, therefore, are read side-by-side with realistically anticipated revenue in the short and long term.
- Continued management of unfunded other post-employment benefits (OPEB) and Pension liability. The County will continue monitoring its OPEB and Pension liabilities. Decisions could be made during the fiscal year to use reserves to help offset these.
- Approach to tax revenue. The County is ever-optimistic about increases in tax revenue resulting from the wind turbines—through increases in the number of turbines, but also by virtue of success in our challenge to the tax tables used to determine tax rates. The County is currently participating in a lawsuit with multiple other municipalities regarding turbine depreciation schedule. The change in assumptions would have a negative impact on the tax roll going forward and potentially going back.

Gratiot County
Management's Discussion and Analysis
September 30, 2024

- Debt Management. During this time period where additional tax revenues are available resulting from wind turbines, the County is working to pay down debt and liabilities incurred to promote a healthy balance sheet.
- Other revenue. Gratiot County assumes continued state and federal grant awards that currently fund certain services. In addition, county citizens have consistently shown great support for the services that are sustained by millages, including the Sheriff's road patrol, parks and recreation, aging services, MSU extension, economic development and libraries.

Contacting the County

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the Gratiot County Administrator at (989) 875-5282.

Gratiot County
Statement of Net Position
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 16,803,048	\$ 6,117,160	\$ 22,920,208	\$ 6,272,809
Investments	488	952,681	953,169	1,884,033
Receivables				
Accounts	1,433,817	9,874	1,443,691	296,610
Taxes	3,884,411	2,092,333	5,976,744	-
Special assessments	-	-	-	10,862,856
Due from other units of government	503,711	-	503,711	1,602,209
Internal balances	(62,822)	62,822	-	-
Inventories	53,694	-	53,694	910,784
Prepaid items	384,046	2,688	386,734	47,498
Capital assets not being depreciated	703,075	-	703,075	3,909,348
Capital assets, net of accumulated depreciation	6,792,481	-	6,792,481	71,650,209
Net OPEB asset	-	-	-	13,210
	<u>30,495,949</u>	<u>9,237,558</u>	<u>39,733,507</u>	<u>97,449,566</u>
Deferred outflows of resources				
Pension related	1,817,844	-	1,817,844	2,188,332
OPEB related	75,811	-	75,811	1,682
	<u>1,893,655</u>	<u>-</u>	<u>1,893,655</u>	<u>2,190,014</u>
Liabilities				
Accounts payable	840,742	5,931	846,673	334,269
Due to other units of government	63,298	79,899	143,197	9,908
Payroll and other liabilities	294,174	1,124	295,298	527,753
Interest payable	1,966	-	1,966	102,406
Unearned revenue	568,366	-	568,366	-
Advances from State	-	-	-	381,155
Noncurrent liabilities				
Debt due within one year	1,627,836	-	1,627,836	2,041,678
Debt due in more than one year	977,943	-	977,943	11,987,595
Net pension liability	5,974,044	-	5,974,044	5,813,553
Net OPEB liability	22,837	-	22,837	507
Total liabilities	<u>10,371,206</u>	<u>86,954</u>	<u>10,458,160</u>	<u>21,198,824</u>
Deferred inflows of resources				
Pension related	-	-	-	125,017
OPEB related	207,652	-	207,652	4,606
	<u>207,652</u>	<u>-</u>	<u>207,652</u>	<u>129,623</u>
Net position				
Net investment in capital assets	7,395,627	-	7,395,627	62,075,799
Restricted for				
Debt service	-	-	-	1,170,385
Opioid remediation	1,929,509	-	1,929,509	-
Special revenue funds	4,551,087	-	4,551,087	-
Unrestricted	<u>7,934,523</u>	<u>9,150,604</u>	<u>17,085,127</u>	<u>15,064,949</u>
	<u>\$ 21,810,746</u>	<u>\$ 9,150,604</u>	<u>\$ 30,961,350</u>	<u>\$ 78,311,133</u>

See Accompanying Notes to the Financial Statements

Gratiot County
Statement of Activities
For the Year Ended September 30, 2024

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government								
Governmental activities								
General government	\$ 3,590,864	\$ 892,420	\$ 1,149,477	\$ -	\$ (1,548,967)	\$ -	\$ (1,548,967)	\$ -
Judicial	4,804,881	1,131,038	1,149,821	-	(2,524,022)	-	(2,524,022)	-
Public safety	5,667,065	924,626	2,612,901	-	(2,129,538)	-	(2,129,538)	-
Public works	2,414,495	-	82,803	-	(2,331,692)	-	(2,331,692)	-
Health and welfare	3,536,697	139,750	1,923,571	-	(1,473,376)	-	(1,473,376)	-
Community and economic development	955,919	247,379	-	-	(708,540)	-	(708,540)	-
Recreation and culture	1,456,731	45,393	330	-	(1,411,008)	-	(1,411,008)	-
Interest	76,720	-	18,788	-	(57,932)	-	(57,932)	-
Total governmental activities	22,503,371	3,380,606	6,937,691	-	(12,185,074)	-	(12,185,074)	-
Business-type activities								
Delinquent tax revolving	247,389	585,133	-	-	-	337,744	337,744	-
Soil erosion inspection	54,723	45,145	-	-	-	(9,578)	(9,578)	-
Jail commissary	134,026	137,106	-	-	-	3,080	3,080	-
Total business-type activities	436,138	767,384	-	-	-	331,246	331,246	-
Total primary government	\$ 22,939,509	\$ 4,147,990	\$ 6,937,691	\$ -	(12,185,074)	331,246	(11,853,828)	-
Component units								
Road Commission	\$ 12,949,073	\$ 2,830,358	\$ 10,856,570	\$ 2,824,246	-	-	-	3,562,101
Brownfield Redevelopment Authority	54,120	-	-	-	-	-	-	(54,120)
Gratiot Community Airport Authority	427,999	193,741	-	72,744	-	-	-	(161,514)
Drainage District	2,421,274	1,802,479	2,073,374	-	-	-	-	1,454,579
Central Dispatch Authority	1,199,851	1,170,840	108,842	-	-	-	-	79,831
Total component units	\$ 17,052,317	\$ 5,997,418	\$ 13,038,786	\$ 2,896,990				4,880,877
General revenues								
Property taxes					15,090,572	-	15,090,572	54,111
Unrestricted state-shared revenue					1,497,886	-	1,497,886	-
Unrestricted investment earnings					792,414	297,861	1,090,275	386,697
Gain on sale of capital assets					-	-	-	39,279
Miscellaneous					1,348	16	1,364	322,296
Transfers					(399,499)	399,499	-	-
Total general revenues and transfers					16,982,721	697,376	17,680,097	802,383
Change in net position					4,797,647	1,028,622	5,826,269	5,683,260
Net position - beginning of year					17,013,099	8,121,982	25,135,081	70,142,965
Adjustments					-	-	-	2,484,908
Net position - beginning of year, as adjusted					17,013,099	8,121,982	25,135,081	72,627,873
Net position - end of year					\$ 21,810,746	\$ 9,150,604	\$ 30,961,350	\$ 78,311,133

See Accompanying Notes to the Financial Statements

Gratiot County
Governmental Funds
Balance Sheet
September 30, 2024

	General	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		COVID Recovery	Opioid Settlement		
Assets					
Cash and cash equivalents	\$ 10,354,412	\$ 988,139	\$ 638,971	\$ 4,442,970	\$ 16,424,492
Investments	1	487	-	-	488
Receivables					
Accounts	27,956	-	1,290,538	114,307	1,432,801
Taxes	3,884,411	-	-	-	3,884,411
Due from other units of government	247,360	-	-	256,351	503,711
Due from other funds	29,343	-	-	-	29,343
Prepaid items	230,445	-	-	18,470	248,915
Total assets	\$ 14,773,928	\$ 988,626	\$ 1,929,509	\$ 4,832,098	\$ 22,524,161
Liabilities					
Accounts payable	\$ 324,188	\$ 161,142	\$ -	\$ 317,606	\$ 802,936
Due to other funds	62,822	-	-	29,343	92,165
Due to other units of government	61,175	-	-	2,123	63,298
Payroll and other liabilities	237,716	-	-	56,458	294,174
Unearned revenue	-	568,366	-	-	568,366
Total liabilities	685,901	729,508	-	405,530	1,820,939
Deferred inflows of resources					
Unavailable revenue - taxes	1,289,495	-	-	-	1,289,495
Unavailable revenue - receivables	171,167	-	1,290,538	139,660	1,601,365
Total deferred inflows of resources	1,460,662	-	1,290,538	139,660	2,890,860
Fund balances					
Non-spendable					
Prepaid items	230,445	-	-	18,470	248,915
Restricted for					
Opioid remediation	-	-	638,971	-	638,971
Other special revenue funds	-	-	-	4,392,957	4,392,957
Committed - budget stabilization	200,735	-	-	-	200,735
Assigned					
Future fiscal year budget	279,234	-	-	-	279,234
Building renovations	1,500,000	-	-	-	1,500,000
Circuit court counsel	61,306	-	-	-	61,306
OPEB obligations	1,015,873	-	-	-	1,015,873
Private donations	49,942	-	-	-	49,942
Liquor law	45,521	-	-	-	45,521
Social welfare	2,650	-	-	-	2,650
COVID recovery	-	259,118	-	-	259,118
Unassigned (deficit)	9,241,659	-	-	(124,519)	9,117,140
Total fund balances	12,627,365	259,118	638,971	4,286,908	17,812,362
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,773,928	\$ 988,626	\$ 1,929,509	\$ 4,832,098	\$ 22,524,161

See Accompanying Notes to the Financial Statements

Gratiot County
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
September 30, 2024

Total fund balances for governmental funds	\$ 17,812,362
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	703,075
Capital assets, net of accumulated depreciation	6,792,481
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	2,890,860
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	1,817,844
Deferred outflows of resources resulting from net OPEB liability	75,811
Deferred inflows of resources resulting from net OPEB liability	(207,652)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(1,966)
Compensated absences	(852,924)
Bonds, notes, premiums and discounts	(1,752,855)
Net pension liability	(5,974,044)
Net OPEB liability	(22,837)
Internal service funds are included as part of governmental activities.	530,591
Net position of governmental activities	\$ 21,810,746

Gratiot County
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	General	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		COVID Recovery	Opioid Settlement		
Revenues					
Taxes	\$ 10,660,622	\$ -	\$ -	\$ 4,097,442	\$ 14,758,064
Licenses and permits	111,726	-	-	151,351	263,077
Federal grants	98,314	2,283,270	-	864,427	3,246,011
State grants	2,202,040	-	-	1,239,205	3,441,245
Local contributions	60,126	-	-	172,289	232,415
Charges for services	1,858,790	-	-	358,107	2,216,897
Fines and forfeitures	546	-	-	4,500	5,046
Rental income	19,352	-	-	-	19,352
Investment income	419,362	102,153	18,771	249,340	789,626
Other revenue	918,799	-	376,203	468,803	1,763,805
Total revenues	16,349,677	2,385,423	394,974	7,605,464	26,735,538
Expenditures					
Current					
General government	3,415,879	23,604	-	9,233	3,448,716
Judicial	3,311,389	-	-	1,801,048	5,112,437
Public safety	4,780,916	133,690	-	1,161,844	6,076,450
Public works	614,038	1,790,369	-	28,579	2,432,986
Health and welfare	946,706	335,607	-	2,342,620	3,624,933
Community and economic development	416,430	-	-	561,414	977,844
Recreation and culture	-	-	-	1,360,723	1,360,723
Capital outlay	-	-	-	319,869	319,869
Debt service					
Principal retirement	22,630	-	-	813,794	836,424
Interest and fiscal charges	3,664	-	-	76,852	80,516
Total expenditures	13,511,652	2,283,270	-	8,475,976	24,270,898
Excess (deficiency) of revenues over expenditures	2,838,025	102,153	394,974	(870,512)	2,464,640
Other financing sources (uses)					
Transfers in	156,171	-	-	1,546,921	1,703,092
Transfers out	(1,087,370)	-	-	(156,671)	(1,244,041)
Lease liabilities issued	79,979	-	-	-	79,979
Sale of capital assets	-	-	-	2,001	2,001
Total other financing sources (uses)	(851,220)	-	-	1,392,251	541,031
Net change in fund balances	1,986,805	102,153	394,974	521,739	3,005,671
Fund balances - beginning of year	10,727,473	156,965	243,997	3,678,256	14,806,691
Adjustments	(86,913)	-	-	86,913	-
Fund balances - beginning of year, as adjusted	10,640,560	156,965	243,997	3,765,169	14,806,691
Fund balances - end of year	\$ 12,627,365	\$ 259,118	\$ 638,971	\$ 4,286,908	\$ 17,812,362

See Accompanying Notes to the Financial Statements

Gratiot County
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$ 3,005,671
Total change in net position reported for governmental activities in the statement of activities is 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 and amortization expense.	
Depreciation and amortization expense	(615,838)
Capital outlay	350,460
Sale of capital assets (net book value)	(4,605)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	962,191
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	936
Compensated absences	(134,828)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	938,258
Net change in the deferred outflow of resources related to the net pension liability	(1,320,518)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability	379,552
Net change in the deferred outflow of resources related to the net OPEB liability	(120,723)
Net change in the deferred inflow of resources related to the net OPEB liability	262,681
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Debt issued	(79,979)
Repayments of long-term debt	836,424
Amortization of premiums, discounts and similar items	2,860
Internal service funds are also included as governmental activities	335,105
Change in net position of governmental activities	\$ 4,797,647

See Accompanying Notes to the Financial Statements

Gratiot County
Proprietary Funds
Statement of Net Position
September 30, 2024

	Enterprise Funds			Internal Service Funds
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 5,882,716	\$ 234,444	\$ 6,117,160	\$ 378,556
Investments	952,681	-	952,681	-
Receivables				
Accounts	6,650	3,224	9,874	1,016
Taxes	2,092,333	-	2,092,333	-
Due from other funds	62,822	-	62,822	-
Inventories	-	-	-	53,694
Prepaid items	-	2,688	2,688	135,131
	<u>8,997,202</u>	<u>240,356</u>	<u>9,237,558</u>	<u>568,397</u>
Total assets				
Liabilities				
Current liabilities				
Accounts payable	720	5,211	5,931	37,806
Due to other units of government	79,899	-	79,899	-
Payroll and other liabilities	-	1,124	1,124	-
	<u>80,619</u>	<u>6,335</u>	<u>86,954</u>	<u>37,806</u>
Total liabilities				
Net position				
Unrestricted	<u>\$ 8,916,583</u>	<u>\$ 234,021</u>	<u>\$ 9,150,604</u>	<u>\$ 530,591</u>

See Accompanying Notes to the Financial Statements

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

	Enterprise Funds			Internal Service Funds
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	
Operating revenue				
Customer fees	\$ 585,133	\$ 133,859	\$ 718,992	\$ -
Billings to other funds	-	-	-	4,053,520
Other revenue	16	48,392	48,408	34,319
Total operating revenue	<u>585,149</u>	<u>182,251</u>	<u>767,400</u>	<u>4,087,839</u>
Operating expenses				
Personnel services	-	47,037	47,037	2,876,163
Supplies	11,713	79,989	91,702	-
Contractual services	184,638	5,371	190,009	-
Utilities	-	475	475	-
Repairs and maintenance	22,420	3,955	26,375	-
Other expenses	28,618	51,922	80,540	20,809
Total operating expenses	<u>247,389</u>	<u>188,749</u>	<u>436,138</u>	<u>2,896,972</u>
Operating income (loss)	337,760	(6,498)	331,262	1,190,867
Nonoperating revenue (expenses)				
Investment income	285,744	12,117	297,861	2,788
Income (loss) before transfers	623,504	5,619	629,123	1,193,655
Transfers in	399,499	-	399,499	-
Transfers out	-	-	-	(858,550)
Change in net position	1,023,003	5,619	1,028,622	335,105
Net position - beginning of year	<u>7,893,580</u>	<u>228,402</u>		<u>195,486</u>
Net position - end of year	<u>\$ 8,916,583</u>	<u>\$ 234,021</u>		<u>\$ 530,591</u>

See Accompanying Notes to the Financial Statements

Gratiot County
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2024

	Enterprise Funds			
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 373,609	\$ 179,027	\$ 552,636	\$ -
Receipts from interfund users	-	-	-	4,092,771
Receipts from other funds	(62,822)	-	(62,822)	-
Payments to other funds	(829,284)	-	(829,284)	-
Payments to suppliers	(293,552)	(139,363)	(432,915)	(2,912,338)
Payments to employees	-	(47,037)	(47,037)	(27,215)
	(812,049)	(7,373)	(819,422)	1,153,218
Net cash provided (used) by operating activities				
Cash flows from noncapital financing activities				
Transfer from other funds	399,499	-	399,499	-
Transfers to other funds	-	-	-	(858,550)
	399,499	-	399,499	(858,550)
Net cash provided (used) by noncapital financing activities				
Cash flows from investing activities				
Purchases of investments	(50,388)	-	(50,388)	-
Interest received	285,744	12,117	297,861	2,788
	235,356	12,117	247,473	2,788
Net cash provided (used) by investing activities				
Net change in cash and cash equivalents	(177,194)	4,744	(172,450)	297,456
Cash and cash equivalents - beginning of year	6,059,910	229,700	6,289,610	81,100
Cash and cash equivalents - end of year	\$ 5,882,716	\$ 234,444	\$ 6,117,160	\$ 378,556
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 337,760	\$ (6,498)	\$ 331,262	\$ 1,190,867
Changes in assets and liabilities				
Receivables (net)	(211,540)	(3,224)	(214,764)	-
Due from other funds	(62,822)	-	(62,822)	4,932
Prepaid items	1,266	1,660	2,926	-
Assets held for sale	-	-	-	8,363
Net pension asset	-	-	-	(87,211)
Accounts payable	(64,602)	179	(64,423)	-
Accrued and other liabilities	395	510	905	-
Due to other funds	(829,284)	-	(829,284)	36,267
Due to other units of government	16,778	-	16,778	-
	(812,049)	(7,373)	(819,422)	1,153,218
Net cash provided (used) by operating activities				

See Accompanying Notes to the Financial Statements

Gratiot County
Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2024

	Other Employee Benefit Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 196,673
Investments - MERS total market portfolio	2,542,612	-
Receivables		
Accrued interest and other	-	1,523
Due from other units of government	-	8,434
	<u>2,542,612</u>	<u>206,630</u>
Liabilities		
Accounts payable	-	26,891
Accrued and other liabilities	-	7,147
Due to other units of government	-	61,543
	<u>-</u>	<u>95,581</u>
Net position		
Restricted for:		
Postemployment benefits other than pension	2,542,612	-
Individuals, organizations and other governments	-	111,049
	<u>-</u>	<u>111,049</u>
Total net position	<u>\$ 2,542,612</u>	<u>\$ 111,049</u>

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

	Other Employee Benefit Trust Fund	Custodial Funds
Additions		
Contributions		
Employer	\$ 117,741	\$ -
Investment earnings		
Interest, dividends and other	-	5,132
Net change in fair value of investments	380,934	-
Total investment earnings	380,934	5,132
Property tax collections for other governments	-	14,584,746
Fees and fines collected on behalf of other units of government	-	372,087
Collections from or on behalf of inmates	-	382,924
Funds collected for wind and solar farm planning	-	8,641
Total additions	498,675	15,353,530
Deductions		
Medical, dental, or life insurance for retirees	117,741	-
Administrative expense	4,948	-
Payments of property tax to other governments	-	14,584,316
Fees and fines remitted to other units of government	-	387,267
Payments to or on behalf of inmates	-	382,924
Payments related to wind and solar farm planning	-	9,686
Total deductions	122,689	15,364,193
Change in net position	375,986	(10,663)
Net position - beginning of year	2,166,626	121,712
Net position - end of year	\$ 2,542,612	\$ 111,049

See Accompanying Notes to the Financial Statements

Gratiot County
Component Units
Combining Statement of Net Position
September 30, 2024

	Road Commission	Brownfield Redevelopment Authority	Gratiot Community Airport Authority	Drainage Districts	Central Dispatch Authority	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 183,047	\$ 25,121	\$ 238,816	\$ 5,358,818	\$ 467,007	\$ 6,272,809
Investments	1,884,033	-	-	-	-	1,884,033
Receivables						
Accounts	19,315	38	6,965	9,576	260,716	296,610
Special assessments	-	-	-	2,201,615	-	2,201,615
Due from other units of government	1,595,187	-	-	-	7,022	1,602,209
Inventories	910,784	-	-	-	-	910,784
Prepaid items	-	-	-	-	47,498	47,498
Total current assets	4,592,366	25,159	245,781	7,570,009	782,243	13,215,558
Noncurrent assets						
Special assessments, net of current portion	-	-	-	8,661,241	-	8,661,241
Capital assets not being depreciated	653,673	-	208,000	3,047,675	-	3,909,348
Capital assets, net of accumulated depreciation	36,567,472	-	1,941,524	28,794,139	4,347,074	71,650,209
Net OPEB asset	13,210	-	-	-	-	13,210
Total noncurrent assets	37,234,355	-	2,149,524	40,503,055	4,347,074	84,234,008
Total assets	41,826,721	25,159	2,395,305	48,073,064	5,129,317	97,449,566
Deferred outflows of resources						
Pension related	2,054,346	-	-	-	133,986	2,188,332
OPEB related	-	-	-	-	1,682	1,682
Total deferred outflows of resources	2,054,346	-	-	-	135,668	2,190,014
Liabilities						
Current liabilities						
Accounts payable	145,444	25,021	\$ 51,942	102,095	9,767	334,269
Due to other units of government	504	-	9,404	-	-	9,908
Payroll and other liabilities	510,546	-	-	-	17,207	527,753
Interest payable	-	-	-	102,406	-	102,406
Compensated absences	-	-	-	-	24,029	24,029
Current portion of long-term liabilities	231,975	-	-	1,140,088	645,586	2,017,649
Total current liabilities	888,469	25,021	61,346	1,344,589	696,589	3,016,014
Noncurrent liabilities						
Advances from State	381,155	-	-	-	-	381,155
Compensated absences	289,511	-	-	-	-	289,511
Long-term liabilities	-	-	-	8,697,581	3,000,503	11,698,084
Net pension liability	5,685,151	-	-	-	128,402	5,813,553
Net OPEB liability	-	-	-	-	507	507
Total noncurrent liabilities	6,355,817	-	-	8,697,581	3,129,412	18,182,810
Total liabilities	7,244,286	25,021	61,346	10,042,170	3,826,001	21,198,824
Deferred inflows of resources						
Pension related	125,017	-	-	-	-	125,017
OPEB related	-	-	-	-	4,606	4,606
Total deferred inflows of resources	125,017	-	-	-	4,606	129,623
Net position						
Net investment in capital assets	37,221,145	-	2,149,524	22,004,145	700,985	62,075,799
Restricted for						
Debt service	-	-	-	1,170,385	-	1,170,385
Unrestricted (deficit)	(709,381)	138	184,435	14,856,364	733,393	15,064,949
Total net position	\$ 36,511,764	\$ 138	\$ 2,333,959	\$ 38,030,894	\$ 1,434,378	\$ 78,311,133

See Accompanying Notes to the Financial Statements

Gratiot County
Component Units
Combining Statement of Changes in Net Position
For the Year Ended September 30, 2024

	Road Commission	Brownfield Redevelopment Authority	Gratiot Community Airport Authority	Drainage Districts	Central Dispatch Authority	Total
Expenses						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,186,162	\$ 1,186,162
Public works	12,949,073	-	427,999	2,058,867	-	15,435,939
Community and economic development	-	54,120	-	-	-	54,120
Interest and fiscal charges on long-term debt	-	-	-	362,407	13,689	376,096
Total expenses	<u>12,949,073</u>	<u>54,120</u>	<u>427,999</u>	<u>2,421,274</u>	<u>1,199,851</u>	<u>17,052,317</u>
Program revenues						
Charges for services	2,830,358	-	193,741	1,802,479	1,170,840	5,997,418
Operating grants and contributions	10,856,570	-	-	2,073,374	108,842	13,038,786
Capital grants and contributions	2,824,246	-	72,744	-	-	2,896,990
Total program revenues	<u>16,511,174</u>	<u>-</u>	<u>266,485</u>	<u>3,875,853</u>	<u>1,279,682</u>	<u>21,933,194</u>
Net program expense	<u>(3,562,101)</u>	<u>54,120</u>	<u>161,514</u>	<u>(1,454,579)</u>	<u>(79,831)</u>	<u>(4,880,877)</u>
General revenues						
Property taxes	-	54,111	-	-	-	54,111
Unrestricted investment earnings	104,794	124	10,565	250,583	20,631	386,697
Gain on sale of capital assets	39,279	-	-	-	-	39,279
Miscellaneous	-	-	-	309,365	12,931	322,296
Total general revenues	<u>144,073</u>	<u>54,235</u>	<u>10,565</u>	<u>559,948</u>	<u>33,562</u>	<u>802,383</u>
Change in net position	<u>3,706,174</u>	<u>115</u>	<u>(150,949)</u>	<u>2,014,527</u>	<u>113,393</u>	<u>5,683,260</u>
Net position - beginning of year	32,805,590	23	-	36,016,367	1,320,985	70,142,965
Adjustments	-	-	2,484,908	-	-	2,484,908
Net position - beginning of year, as adjusted	<u>32,805,590</u>	<u>23</u>	<u>2,484,908</u>	<u>36,016,367</u>	<u>1,320,985</u>	<u>72,627,873</u>
Net position - end of year	<u>\$ 36,511,764</u>	<u>\$ 138</u>	<u>\$ 2,333,959</u>	<u>\$ 38,030,894</u>	<u>\$ 1,434,378</u>	<u>\$ 78,311,133</u>

See Accompanying Notes to the Financial Statements

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gratiot County (the County) is governed by an elected five-member Board. The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units – The component unit column in the government-wide financial statements include the financial data of the following which are reported in a separate column to emphasize that they are legally separate from the County.

Gratiot County Road Commission (GCRC) – is responsible for the maintenance and construction of the County road system. GCRC operations are financed primarily from the State distribution of gas and weight taxes, Federal financial assistance, and contributions from other local government units within the County. GCRC, which is established pursuant to the County Road Law (MCL 224.1), is governed by an elected three (3) member board of county road commissioners. GCRC maintains a separate financial and accounting system. This component unit is audited individually, and complete financial statements may be obtained from the GCRC's administrative office.

Gratiot County Brownfield Redevelopment Authority (GCBRA) – is responsible for identifying improvement projects within the brownfield zones and monitoring projects through the completion phase. GCBRA operations are financed primarily from tax revenue and is governed by a ten (10) member board whose members are appointed by the Gratiot County Board of Commissioners.

Gratiot Community Airport Commission (GCAC) – is responsible for the local community airport's operations. Beginning during the fiscal year ending September 30, 2024, the County took over operations and is the sole local government overseeing the GCAC.

Drainage Districts – the drainage districts in the County come under the jurisdiction of the Gratiot County Drain Commissioner. This includes planning, developing, and maintaining surface water drainage systems. A complete file of finance, construction, and maintenance is maintained for each of the drains. The Drain Commissioner has authority to spend up to \$2,500 per mile on drain maintenance and may borrow up to \$300,000 from any source to provide for maintenance of a drain without Board of Commissioner approval and without going through the Municipal Finance Division, State of Michigan. The Drain Commissioner has authority to levy special assessments on properties benefiting from maintenance. The Drainage Districts are financially accountable to the County because bond issuances greater than \$300,000 require County authorization and are backed by the full faith and credit of the County. The financial activities of the Drainage Districts are reported in the County's audited financial statements as a discretely presented component unit due to the County backing the bonds issued for the Drainage Districts.

Gratiot County Central Dispatch Authority – The County is a member of the Gratiot County Central Dispatch Authority. The Michigan State Police, the Villages of Ashley, Perrinton, and Breckenridge; and the Cities of Alma, St. Louis, and Ithaca are also members. The Authority is governed by a ten (10) member board. One (1) board member is appointed by each of the participating governmental units and three (3) board members are set by statute. The three (3) statutory representatives are appointed by the Sheriff, the Fire Chief, and the Michigan State Police. The Authority has responsibility for preparing the annual budget (which is approved by the County) and to carry out all activities of the Authority.

Gratiot County
Notes to the Financial Statements
September 30, 2024

The Authority's intent is to support and operate central dispatch services primarily with funds generated from operations (i.e., telephone surcharge fees). Any required local contributions would be calculated based on a prorated scale, which takes into account the impact and use of the system for each participating unit. In November 2002, voters in Gratiot County approved a 911 surcharge to fully finance Central Dispatch Operations. The financial activities of the Gratiot County Central Dispatch Authority are reported in the County's audited financial statements as a discretely presented component unit due to the County being responsible for the receipt and disbursement of the Authority's funds.

Gratiot County Board of Public Works (BPW) – is a five (5) member Board comprised of the Drain Commissioner, a County Commissioner, a Road Commissioner, and two (2) members selected by the County Board of Commissioners (one (1) from City government and one (1) at large). The Board is under the general control of the County Board of Commissioners. The Board can acquire, improve, operate, and maintain water and sewage disposal systems for local units of government. Projects are initiated when the local unit requests the assistance of the BPW in organizing a project. Usually, projects are financed by the sale of bonds upon final approval by the County Board of Commissioners as recommended by the BPW. The County must sell the bonds and pledge its full faith and security for payment of principal and interest. Special assessments are levied by the local units of government on benefited properties and are forwarded to the County for payment of principal and interest. There is currently no financial activity for the BPW.

Blended Component Units – A three (3) member Board appointed by the Gratiot County Board of Commissioners governs the Gratiot County Building Authority. Its sole purpose is to finance and construct the County's public buildings. It is reported in the Debt Service fund category. A separate report is not prepared for the Building Authority.

Joint Ventures – The County participates in the following activity, which is considered to be a joint venture in relation to the County due to the formation of an organization by contractual agreement between two (2) or more participants that maintain joint control, financial interest, and financial responsibility.

Mid-Michigan District Health Department – The County is a member of the Mid-Michigan District Health Department, which is a joint venture between Gratiot, Clinton, and Montcalm counties. Each unit appoints two (2) of the six (6) members to the governing Board. The Department has responsibility for preparing the annual budget (which is approved by each County) and to carry out all activities of the Department.

Each unit is responsible to fund a percentage of the overall budget pursuant to a formula included in the interlocal agreement to cover operational costs. For the year ended September 30, 2024, the County contributed \$237,469 to cover its share of operational costs. The County does not have an equity interest.

The financial activities of the Mid-Michigan District Health Department are accounted for and reported separately from the participating units. Separate audited financial statements for their year ended September 30, 2024 are available at the Department's administrative offices. A copy of the Department's audited financial statements can be obtained at their administrative offices.

Jointly Governed Organizations – The County participates in the following activity which is considered to be jointly governed organizations in the relation to the County due to there being no ongoing financial interest or responsibility.

Mid-State Health Network – Gratiot County, in conjunction with twenty-one (21) other Counties, has entered into an agreement to join and fund Mid-State Health Network. This organization's Board is composed of twenty-four (24) members, of which one (1) is appointed by Gratiot County. The County's financial responsibility is to pass through 50% of the Convention and Tourism revenues received to the Commission. Also, if the Commission were to need additional operating funds, the County would be responsible to contribute a portion based on the percentage of Board membership (currently 4.2%).

Gratiot County
Notes to the Financial Statements
September 30, 2024

For the year ended September 30, 2024, the County passed through \$43,968 and was not required to make any additional appropriation.

Related Organizations – Greater Gratiot Development, Inc. – The purpose of the organization is to conduct an aggressive program for the economic growth and development of the Gratiot County area by assistance and encouragement for the maintenance and expansion of existing business and industry, the acquisition of new business and branch plants, the conduct of such other activities which will broaden the economic base to increase employment and business opportunities, and generally contribute to the advancement and growth of the area for the purpose of benefiting the community. Activities to create jobs and enhance the local tax base are its highest priority. A substantive part of these activities is offering help to new and existing small businesses in obtaining financing and making low interest loans to industrial oriented firms. An agricultural and economic development millage is in effect. A portion of these tax receipts are passed through to Greater Gratiot Development, Inc. For the year ended September 30, 2024, the County passed through \$535,245.

Gratiot County Community Mental Health Services – The Gratiot County Community Mental Health Services (Board) operates under the provisions of PA 258 of 1974, as amended. This organization is an Authority in accordance with the Act and is a completely separate unit of government. Their audit can be obtained at their administrative offices. The Board provides funding for services in the area of mental illness, developmental disabilities, and other related mental health needs for the residents of the County of Gratiot. For the year ended September 30, 2024, the County's contribution to Mental Health Services was \$200,000.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 County considers revenues

Gratiot County
Notes to the Financial Statements
September 30, 2024

to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, 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. 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 financial resources of the general government, except those required to be accounted for in another fund.

The COVID Recovery Fund is a special revenue fund that accounts for funding received for pandemic relief and the related expenses.

The Opioid Settlement Fund is a special revenue fund that accounts for funding received through opioid settlements and the related expenses.

The County reports the following major proprietary fund:

The Delinquent Tax Revolving Fund accounts for money advanced by the County to other local taxing Units and various County funds to pay for their delinquent real property taxes. Revenues are generated by the collection of delinquent real property taxes, penalties, and interest.

Additionally, the County reports the following:

The Nonmajor Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Debt Service Funds account for the accumulation of resources for, and payment of governmental activities principal, interest and related costs.

The Capital Project Funds account for capital outlay for certain County projects.

Internal Service Funds accounts for various internal activities that are provided to other departments of the government on a cost reimbursement basis.

The Nonmajor Enterprise Funds account for the operations of the Soil Erosion Inspection Fund and Jail Commissary Fund.

The Other Employee Benefit Trust Fund accounts for the accumulation of resources to be used for certain healthcare costs.

Custodial Funds account for property tax and other deposits collected on behalf of other units and individuals.

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 and internal

Gratiot County
Notes to the Financial Statements
September 30, 2024

service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include personnel services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and July 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2024 taxable valuation of the County totaled approximately \$1.88 billion on which ad valorem taxes consisted of 5.5206 mills for operating purposes. This resulted in approximately \$10.4 million of property tax revenue, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

The 2023 taxable valuation of the County totaled approximately \$1.71 billion. Property taxes were levied for the following purposes, with tax revenues presented exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

	Mills	Revenue
Commission on Aging	0.6492	\$ 1,104,000
Parks	0.3494	594,000
Road Patrol	0.4486	763,000
Agriculture and Economic Development	0.4500	765,000
Library	0.4994	849,000

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2024. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving Fund. This activity is accounted for in the Delinquent Tax Revolving (Enterprise) Fund.

The County has evaluated tax abatements related to GASB Statement No. 77 and determined such tax abatements are not material to these financial statements.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the County follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the County values these capital assets at the estimated acquisition value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Land improvements	5 to 40 years
Buildings, additions and improvements	5 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	2 to 7 years
Infrastructure	8 to 50 years

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the County that applies to future periods. The County may report deferred outflows of resources as a result of the following:

- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability in the following year.
- Deferred amounts on bond refunding represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

Compensated absences – It is the County’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Leave time is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

Gratiot County
Notes to the Financial Statements
September 30, 2024

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

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the County that applies to future periods. The County may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Lease revenue related to leases receivable which is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease.
- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Deferred amounts on bond refunding represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government's highest level of decision-making, its Board of Commissioners. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Commissioners.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Commissioners, finance committee or County Administrator. The Board of Commissioners has granted the finance committee and Township Supervisor the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

Gratiot County
Notes to the Financial Statements
September 30, 2024

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the County's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Stabilization

The County established an internal budget stabilization fund whose transactions have been included with the General Fund in the accompanying financial statements. The County Board of Commissioners has the authority to establish this fund, approve additional contributions to the fund and to determine when the funds may be spent. The internal budget stabilization fund had a fund balance of \$200,735 at September 30, 2024. This amount is included in the General Fund committed fund balance.

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 reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending September 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending September 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending September 30, 2026.

The County is evaluating the impact that the above GASB statements will have on its financial reporting.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The County is subject to the budgetary control requirements of the Uniform Budgeting and Accounting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to May 1, the County departments, in conjunction with the Administrator's office, submit to the Budget and Finance Committee a proposed operating budget for the fiscal year commencing the following October 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to September 30.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Treasurer and Administrator are authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Board of Commissioners.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Expenditures in Excess of Appropriations

	Appropriations	Actual	Budget Variance
General Fund			
General government	\$ 3,273,017	\$ 3,415,879	\$ 142,862

Fund Deficit

The County has an accumulated fund balance deficit in the Indigent Defense Fund in the amount of \$124,519 as of September 30, 2024. A deficit elimination plan is required to be submitted to the Michigan Department of Treasury as deferred inflows are less than the deficit.

Fraudulent Invoices and Forensic Investigation

During the fiscal year ended September 30, 2024, fraudulent activity related to vendor invoices was identified by the independent auditors. Upon discovery, the County Board of Commissioners took action, including launching a comprehensive forensic investigation in collaboration with external specialists.

The ongoing investigation aims to assess the full scope of the fraud, quantify its financial impact, and identify any internal control deficiencies. At this time, the County cannot reasonably estimate the total amount of loss or potential recovery. However, the County Board of Commissioners is committed to enhancing internal controls to prevent future occurrences.

The County does not anticipate a material impact on its overall financial position or operating results but acknowledges that future adjustments may be necessary based on findings from the forensic investigation. The County Board of Commissioners will continue to work closely with auditors and regulatory authorities to ensure transparency and compliance with applicable financial reporting standards.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 3 - Deposits and Investments

The County maintains a cash management pool that is available for use by all funds. The County's pooled cash consists of a common checking account. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements.

The County's pooled cash is utilized by the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds, and Component Unit Funds. Each fund's portion of these pooled accounts is included in the cash and cash equivalents caption in the applicable balance sheet/statement of net position.

State statutes and the County's investment policy authorize the County to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

At year end the County's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash		
	<u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Governmental activities	\$ 16,803,048	\$ 488	\$ 16,803,536
Business-type activities	<u>6,117,160</u>	<u>952,681</u>	<u>7,069,841</u>
Total	22,920,208	953,169	23,873,377
Fiduciary funds	196,673	2,542,612	2,739,285
Component units	<u>6,272,809</u>	<u>1,884,033</u>	<u>8,156,842</u>
Total	<u>\$ 29,389,690</u>	<u>\$ 5,379,814</u>	<u>\$ 34,769,504</u>

Gratiot County
Notes to the Financial Statements
September 30, 2024

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 22,917,133	\$ 196,673	\$ 6,272,809	\$ 29,386,615
Investments in securities, mutual funds and similar vehicles	953,169	2,542,612	1,884,033	5,379,814
Petty cash and cash on hand	3,075	-	-	3,075
	\$ 23,873,377	\$ 2,739,285	\$ 8,156,842	\$ 34,769,504

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of bank failure, the County’s deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of year-end, \$26,084,888 of the \$30,626,297 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments

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. The County does not have a policy for custodial credit risk.

Interest rate risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operating funds primarily in shorter-term securities, liquid asset funds, money market, mutual funds, or similar investment pools and limiting the average maturity in accordance with the County’s cash requirements.

The Michigan Class investment account has a weighted average maturity of 32 days.

Credit risk

Credit risk is the risk that the County will not be able to recover the value of its securities. The County follows state law, which limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices for general County funds.

The Michigan Class investment account is rated AAAM by S&P. The MERS Trust Funds are not rated.

Concentration of credit risk

The County does not allow for an investment in any one issuer that is in excess of 60 percent of the County’s total investments with the exception of U.S. Treasury securities and authorized investment pools.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 4 - Fair Value Measurements

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; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The County has the following recurring fair value measurements as of year end:

Investments carried at net asset value

Michigan CLASS government investment pool	\$ 2,837,202
MERS retiree health funding vehicle	
Total market portfolio	<u>2,542,612</u>
Total investments	<u>\$ 5,379,814</u>

Investments in Entities that Calculate Net Asset Value per Share

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

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

MERS Retiree Health Funding Vehicle Total Market Fund (“the Fund”) – The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 703,075	\$ -	\$ -	\$ 703,075
Capital assets being depreciated				
Land improvements	1,493,580	-	-	1,493,580
Buildings, additions and improvements	10,907,905	60,938	6,576	10,962,267
Machinery and equipment	1,977,485	141,492	100,164	2,018,813
Vehicles	1,248,693	148,030	39,040	1,357,683
Right to use asset - machinery and equipment	87,074	-	87,074	-
Total capital assets being depreciated	<u>15,714,737</u>	<u>350,460</u>	<u>232,854</u>	<u>15,832,343</u>
Less accumulated depreciation for				
Land improvements	407,767	55,855	-	463,622
Buildings, additions and improvements	6,030,355	253,236	4,466	6,279,125
Machinery and equipment	1,196,427	151,884	97,669	1,250,642
Vehicles	950,312	135,201	39,040	1,046,473
Right to use asset - machinery and equipment	67,412	19,662	87,074	-
Total accumulated depreciation	<u>8,652,273</u>	<u>615,838</u>	<u>228,249</u>	<u>9,039,862</u>
Net capital assets being depreciated	<u>7,062,464</u>	<u>(265,378)</u>	<u>4,605</u>	<u>6,792,481</u>
Governmental activities net capital assets	<u>\$ 7,765,539</u>	<u>\$ (265,378)</u>	<u>\$ 4,605</u>	<u>\$ 7,495,556</u>

Depreciation and amortization of right to use assets expenses were charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 241,297
Public safety	208,299
Public works	13,818
Health and welfare	52,108
Recreation and culture	100,316
Total governmental activities	<u>\$ 615,838</u>

Gratiot County
Notes to the Financial Statements
September 30, 2024

Capital assets activity of the component units for the current year is as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Capital assets not being depreciated				
Land	\$ 324,903	\$ -	\$ -	\$ 324,903
Infrastructure	536,770	-	-	536,770
Construction-in-progress	<u>2,934,663</u>	<u>2,018,973</u>	<u>1,905,961</u>	<u>3,047,675</u>
Total capital assets not being depreciated	<u>3,796,336</u>	<u>2,018,973</u>	<u>1,905,961</u>	<u>3,909,348</u>
Capital assets being depreciated				
Land improvements	1,839,803	-	14,943	1,824,860
Infrastructure	94,356,582	6,666,618	643,158	100,380,042
Buildings, additions and improvements	3,383,591	116,230	47,665	3,452,156
Machinery and equipment	14,591,920	4,658,421	540,286	18,710,055
Vehicles	28,909	-	-	28,909
Right to use asset - machinery and equipment	<u>211,465</u>	<u>-</u>	<u>-</u>	<u>211,465</u>
Total capital assets being depreciated	<u>114,412,270</u>	<u>11,441,269</u>	<u>1,246,052</u>	<u>124,607,487</u>
Less accumulated depreciation for				
Land improvements	1,004,254	76,175	14,943	1,065,486
Infrastructure	36,700,806	3,173,141	638,909	39,235,038
Buildings, additions and improvements	1,940,927	72,898	47,665	1,966,160
Machinery and equipment	10,252,189	915,062	522,484	10,644,767
Vehicles	28,909	-	-	28,909
Right to use asset - machinery and equipment	<u>8,459</u>	<u>8,459</u>	<u>-</u>	<u>16,918</u>
Total accumulated depreciation	<u>49,935,544</u>	<u>4,245,735</u>	<u>1,224,001</u>	<u>52,957,278</u>
Net capital assets being depreciated	<u>64,476,726</u>	<u>7,195,534</u>	<u>22,051</u>	<u>71,650,209</u>
Component units capital assets, net	<u>\$ 68,273,062</u>	<u>\$ 9,214,507</u>	<u>\$ 1,928,012</u>	<u>\$ 75,559,557</u>

Construction Commitments

The County has active construction projects as of September 30, 2024 totaling approximately \$1,010,000 of which \$987,000 had been spent and \$23,000 remained to be spent.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 29,343	\$ 29,343
Delinquent Tax Revolving Fund	62,822	-	62,822
	\$ 62,822	\$ 29,343	\$ 92,165

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

Transfers In	Transfers Out			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 156,171	\$ -	\$ 156,171
Delinquent Tax Revolving Fund	399,499	-	-	399,499
Nonmajor Governmental Funds	687,871	500	858,550	1,546,921
	\$ 1,087,370	\$ 156,671	\$ 858,550	\$ 2,102,591

Transfers are used to move unrestricted general fund revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. Funds other than the general fund also make transfers during the year to reimburse other funds for the cost of activities.

Note 7 - Lease Liability

During the 2023 fiscal year, the County entered into a 5-year lease agreement with the option of four renewal periods of five years each as lessee for the use of a cell tower space. An initial lease liability was recorded in the amount of \$211,465. The County is required to make monthly principal and interest payments ranging from \$780 to \$1,780. The lease has an interest rate of 3.75%.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending September 30,	Component Units	
	Principal	Interest
2025	\$ 1,559	\$ 7,810
2026	2,000	7,744
2027	2,473	7,661
2028	2,980	7,560
2029	3,522	7,439
2030-2034	27,149	34,594
2035-2039	47,380	27,739
2040-2044	74,949	16,445
2045-2047	46,879	2,188
	\$ 208,891	\$ 119,180

Note 8 - Long-Term Debt

The County issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Installment purchase agreements are also general obligations of the County. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the general fund.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
General obligation limited tax bonds, series 2005	\$ 1,400,000	10/1/25	4.40%	\$25,000	\$ 50,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
General obligation limited tax bonds, pension obligation bonds, series 2017	6,730,000	9/1/26	3.00%	\$810,000 - \$840,000	2,435,000	-	785,000	1,650,000	810,000
Total general obligation bonds					2,485,000	-	810,000	1,675,000	835,000
Installment purchase agreements									
Installment purchase agreement (secured by copy machines)	79,979	4/2029	11.17%	\$1,049 - \$1,730	-	79,979	5,050	74,929	13,248
Premiums and discounts									
For issuance premiums					5,786	-	2,860	2,926	1,938
Total bonds and notes payable					2,490,786	79,979	817,910	1,752,855	850,186
Leases									
Compensated absences					21,374	-	21,374	-	-
					718,096	912,478	777,650	852,924	777,650
Total governmental activities					\$ 3,230,256	\$ 992,457	\$ 1,616,934	\$ 2,605,779	\$ 1,627,836

Gratiot County
Notes to the Financial Statements
September 30, 2024

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component units									
General obligation bonds									
No. 133 Drain Bond	\$ 1,125,000	6/1/28	2.35-2.65%	\$75,000	\$ 375,000	\$ -	\$ 75,000	\$ 300,000	\$ 75,000
No. 181 Drain Bond	4,700,000	5/1/33	2.90-4.25%	\$235,000	2,350,000	-	235,000	2,115,000	235,000
No. 383 Drain Bond	1,885,000	5/1/36	1.80-3.15%	\$90,000 - \$95,000	<u>1,225,000</u>	-	<u>95,000</u>	<u>1,130,000</u>	<u>95,000</u>
Total general obligation bonds					<u>3,950,000</u>	-	<u>405,000</u>	<u>3,545,000</u>	<u>405,000</u>
Notes from direct borrowings and direct placements									
Drain notes					7,065,535	40,500	813,366	6,292,669	735,088
Financed purchases					<u>315,057</u>	<u>3,279,670</u>	<u>157,529</u>	<u>3,437,198</u>	<u>644,027</u>
Total notes from direct borrowings and direct placements					<u>7,380,592</u>	<u>3,320,170</u>	<u>970,895</u>	<u>9,729,867</u>	<u>1,379,115</u>
Leases									
Compensated absences - central dispatch					210,287	-	1,396	208,891	1,559
Compensated absences - road commission					<u>24,073</u>	<u>35,969</u>	<u>36,013</u>	<u>24,029</u>	<u>24,029</u>
					<u>488,201</u>	<u>265,260</u>	<u>231,975</u>	<u>521,486</u>	<u>231,975</u>
Total component units					<u>\$ 12,053,153</u>	<u>\$ 3,621,399</u>	<u>\$ 1,645,279</u>	<u>\$ 14,029,273</u>	<u>\$ 2,041,678</u>

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending September 30,	Governmental Activities				Component Units			
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 835,000	\$ 50,050	\$ 13,248	\$ 7,703	\$ 405,000	\$ 115,631	\$ 1,379,115	\$ 350,393
2026	840,000	25,200	14,807	6,144	405,000	104,729	1,204,105	299,502
2027	-	-	16,549	4,402	405,000	93,625	1,167,417	257,833
2028	-	-	18,496	2,455	400,000	81,985	1,110,880	215,281
2029	-	-	11,829	443	330,000	69,683	1,068,605	173,036
2030-2034	-	-	-	-	1,410,000	169,993	2,549,613	418,252
2035-2039	-	-	-	-	190,000	8,977	976,846	136,444
2040-2044	-	-	-	-	-	-	273,286	22,912
	<u>\$ 1,675,000</u>	<u>\$ 75,250</u>	<u>\$ 74,929</u>	<u>\$ 21,147</u>	<u>\$ 3,545,000</u>	<u>\$ 644,623</u>	<u>\$ 9,729,867</u>	<u>\$ 1,873,653</u>

Financed Purchases

Additional detail related to the finance purchases is as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Ending Balance
Radio equipment	\$ 638,212	12/1/24	2.57%	\$157,528	\$ 157,528
Radio equipment	3,279,670	10/1/30	4.53%	\$486,499 - \$609,196	<u>3,279,670</u>
					<u>\$ 3,437,198</u>

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 9 - Restricted Fund Balance and Net Position

Fund balance in the governmental funds balance sheet and governmental activities net position in the statement of net position has been restricted for the following purposes:

	As Reported in the Governmental Funds Balance Sheet	As Reported in the Governmental Activities Statement of Net Position
Road Patrol	\$ 12,902	\$ 30,867
Parks and Recreation	654,650	654,927
Geographic Information System	123,529	123,529
Friend of the Court	-	85,418
State Criminal Alien Assistance	21,025	21,025
Economic and Agriculture Development	251,069	251,069
Building Inspection	583,696	583,696
Register of Deeds	161,297	161,297
K-9 Unit Sheriff	19,960	19,960
Correction Officers Training	25,217	25,217
Drug Law Enforcement	3,023	3,023
Law Enforcement	1,477	1,477
Law Library	27,177	27,177
Commission on Aging	1,551,794	1,552,022
Commission on Aging Donations	397,172	397,172
Recovery Court	23,177	67,626
D.A.R.E. Program	26	26
Salvage Inspection Fee	10,580	10,580
D.H.S. State Monies	8,555	8,555
Juvenile Child Care	59,164	66,077
Veterans Memorial	12,184	12,184
Animal Control	16,039	16,039
Animal Adoption Coordinator	60,538	60,538
Marine Safety	1,742	4,622
Michigan Justice Training	4,619	4,619
Library	133,556	133,556
Concealed Pistol Licensing	173,293	173,293
CDBG	55,446	55,446
Blight	50	50
	<u>\$ 4,392,957</u>	<u>\$ 4,551,087</u>

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 10 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Component Units
Capital assets		
Capital assets not being depreciated	\$ 703,075	\$ 3,909,348
Capital assets, net of accumulated depreciation	6,792,481	71,650,209
Total capital assets	7,495,556	75,559,557
 Related debt		
General obligation bonds	(25,000)	(3,545,000)
Installment purchase agreements	(74,929)	-
Notes from direct borrowing and direct placements	-	(9,729,867)
Leases	-	(208,891)
Total related debt	(99,929)	(13,483,758)
 Net investment in capital assets	\$ 7,395,627	\$ 62,075,799

Note 11 - Risk Management

Primary Government and Component Units (Except Road Commission)

The County participates in a pool, the Michigan Counties' Workers' Compensation Fund, with other municipalities for worker's compensation losses. The pool is organized under Public Act 317 of 1969, as amended. The County has no liability for additional assessments based on the claims filed against the pool nor do they have any right to dividends.

The County is a voluntary member of the Michigan Municipal Risk Management Authority (Authority) which is organized under Public Act 138 of 1982, as amended as a governmental group self-insurance pool. Public Act 138 authorizes local units of government to exercise jointly any power, privilege, or authority which each might exercise separately. The Authority administers a risk management fund providing Gratiot County with loss protection for general and auto liability, and physical damage and property damage.

The administration of the Authority is directed by a nine (9) member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board establishes the general policy of the Authority, creates and publishes rules to be followed by the Manager and Board, and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the County Board of Commissioners, has designated a representative to the Authority to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, to ensure the filing of all required reports, and to act as liaison between the County and the Authority.

The Authority provides risk management, underwriting, reinsurance, and claim services with member contributions allocated to meet these obligations. The Authority administers a risk management fund providing Gratiot County with loss protection for general and auto liability, and property damage.

Gratiot County
Notes to the Financial Statements
September 30, 2024

The Authority has established a Retained Risk Program to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that losses are incurred in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess. The Authority may authorize dividends to individual members in the event that the members and individual fund balance is determined to be sufficient to do so.

At September 30, 2024, the County had funds on deposit of \$171,205 with the Authority in the Member Retention Funds. The Authority's reported reserves at June 30, 2022, for reported claims related to the County were \$13,761.

Note 12 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The County participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided are as follows:

	Division 01 General Closed Division	Division 02 Sheriff Union Closed Division	Division 10 EMS Closed Division	Division 11 Employees Association Closed Division
			2.00% to Social Security Age (no max); 1.70% after SS age (no max)	
Benefit multiplier	2.25% multiplier (80% max)	2.25% multiplier (80% max)		2.25% multiplier (80% max)
Normal retirement age	60	60	60	60
Vesting	10 years	10 years	8 years	10 years
Early retirement (unreduced)	55/25	50/25	N/A	55/25
Early retirement (reduced)	50/25, 55/15	55/15	50/25, 55/15	50/25, 55/15
Final average compensation	5 years	5 years	5 years	5 years
COLA for future retirees	2.50% (non-compound)	2.50% (non-compound)	2.50% (non-compound)	2.50% (non-compound)
Employee contributions	2.60%	0.00%	0.00%	2.60%

Employees covered by benefit terms – At the December 31, 2023 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	<u>13</u>
	<u>134</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by 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. The employer may establish contribution rates to be paid by its covered employees. Because all divisions are closed, the County is charged flat amounts. Employer contributions totaled \$10,631 quarterly for Central Dispatch and \$32,756 monthly for all other divisions.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Net pension liability – The employer’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2023 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 7.00%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the Pub-2010 Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

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

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 or arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Allocation Gross Rate Of Return</u>	<u>Long-Term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.25%. 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 plans 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.

Gratiot County
Notes to the Financial Statements
September 30, 2024

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2022	<u>\$ 37,138,434</u>	<u>\$ 30,064,405</u>	<u>\$ 7,074,029</u>
Changes for the year			
Service cost	119,139	-	119,139
Interest on total pension liability	2,610,123	-	2,610,123
Experience differences	(109,457)	-	(109,457)
Assumption changes	260,561	-	260,561
Employer contributions	-	566,061	(566,061)
Employee contributions	-	17,797	(17,797)
Net investment income (loss)	-	3,337,532	(3,337,532)
Benefit payments and refunds	(2,392,625)	(2,392,625)	-
Administrative expense	-	(69,441)	69,441
Net changes	<u>487,741</u>	<u>1,459,324</u>	<u>(971,583)</u>
Balances as of December 31, 2023	<u>\$ 37,626,175</u>	<u>\$ 31,523,729</u>	<u>\$ 6,102,446</u>

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
Net pension liability	<u>\$ 10,194,714</u>	<u>\$ 6,102,446</u>	<u>\$ 2,656,671</u>
Reported in governmental activities		\$ 5,974,044	
Reported in component units			
Central dispatch authority		128,402	
Total net pension liability		<u>\$ 6,102,446</u>	

Gratiot County
Notes to the Financial Statements
September 30, 2024

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended September 30, 2024 the employer recognized pension expense of \$774,661. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ 1,657,026	\$ 1,657,026
Contributions subsequent to the measurement date*	294,804	-
Total	\$ 1,951,830	\$ 1,657,026
Reported in governmental activities	\$ 1,817,844	
Reported in component units		
Central dispatch authority	133,986	
	\$ 1,951,830	

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

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

Year ended September 30,	
2025	\$ 275,293
2026	575,585
2027	1,051,336
2028	(245,188)
	\$ 1,657,026

Road Commission Michigan Municipal Employees’ Retirement System

The Road Commission has a separate retirement plan. Details applicable to the Road Commission pension plan are available in their separately issued financial statements. The actuarially determined contribution requirements have been met, where applicable.

Defined Contribution Retirement Plan

Plan description – The County has also established a 401 Money Purchase Plan for all new hires effective October 1, 2000, which meets the criteria of GASB Statement 27 as a Defined Contribution Plan. The Plan is administered Michigan Municipal Employees’ Retirement System (MERS).

Funding policy – If covered employees do not contribute to the plan, the County will contribute 3% of their annual salary. The County will contribute 6% if the participant chooses to contribute 9% subject to limitations of sections 415 (c) and (e) of the Internal Revenue Code.

The County made contributions of \$339,645 for the year ending September 30, 2024.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 13 - Other Postemployment Benefits

Plan description – The County’s defined benefit OPEB plan (the “plan”) provides OPEB for County employees (excluding the road commission) as follows:

Employees Association Members:	Hired prior to November 1, 2006 and age 60 with 10 years of service or age 55 with 25 years of service.
Other (per personnel policy):	Hired prior to October 1, 2005 and age 60 with 10 years of service or age 55 with 25 years of service.
Sheriff:	Hired prior to October 1, 2008, with 10 years of service.
Dispatch:	Hired prior to August 8, 2005 and age 60 with 10 years of service or age 55 with 25 years of service.
TPOAM:	Hired prior to October 1, 2006 and age 60 with 10 years of service or age 55 with 25 years of service.

The Plan is a single employer defined benefit OPEB plan administered by the County. The Plan was established under the authority of the County Commission and under agreements with unions representing various classes of employees.

Benefits provided – The Plan provides healthcare and life insurance benefits for retirees as follows:

Health Insurance	Retirees and spouses may elect to remain on the County’s health insurance plan until Medicare eligibility; those who retain coverage are eligible to receive HRA benefits up to \$6,350 per person per year for the retiree and spouse; the retiree must pay any premium costs in excess of the credits described below.
Annual Retiree Health Insurance Credit	Retirees receive an annual credit towards the cost of health insurance equal to \$500 for 10 years of service plus \$200 for each additional year of service up to \$3,500 for Sheriff retirees and \$2,500 for other retirees. For Sheriff, this credit continues for the life of the retiree. For other retirees, the credit continues until Medicare eligibility.
Credit towards Medicare Supplement Coverage	Non-sheriff retirees receive a credit of \$55.60 per month plus ½ of the cost in excess of \$55.60 towards Medicare supplement insurance (either through the County or another Medicare supplement plan).
Opt-out benefit	The Annual Retiree Health Insurance Credit paid for the retiree’s lifetime.
Life Insurance	\$5,000

Gratiot County
Notes to the Financial Statements
September 30, 2024

Employees covered by benefit terms – At September 30, 2024, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to, but not yet receiving benefits	-
Active employees	<u>24</u>
	<u><u>92</u></u>

Plan is closed to new members.

Contributions – The Board of Commissioners approves contributions in excess of the amount required annually to service pay as go amounts. For the year ended September 30, 2024, the County contributed \$117,741. Plan members are not required to contribute to the plan.

Investment policy – The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Employees Retirement System Board by a majority vote of its members. It is the policy of the Retirement System Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the adopted asset allocation policy as of September 30, 2024:

Asset Class	Target Allocation
Global equity	60.0%
Global fixed income	20.0%
Private equity	20.0%

Rate of return – For the year ended September 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.28%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability – The net OPEB liability was measured as of September 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023. The components of the net OPEB liability as of September 30, 2024 were as follows:

Total OPEB liability	\$ 2,565,956
Plan fiduciary net position	<u>(2,542,612)</u>
Net OPEB liability	<u><u>\$ 23,344</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability is 99.09%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Inflation	2.50%
Salary increases	3.50% (for purpose of allocating liability)
Investment rate of return	6.93% (including inflation)
20-year Aa Municipal bond rate	4.06%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement scale	IRS 2024 Adjusted Scale MP-2021

Because the plan has fewer than 100 members an actuarial experience study is not required.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense 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. Best-estimate of arithmetic real rates of return for each major class included in the target asset allocation as of September 30, 2024 are summarized below along with the adopted asset allocation policy:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	4.50%
Global fixed income	2.15%
Private assets	6.50%

Discount rate – The discount rate used to measure the total OPEB liability was 6.93%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Gratiot County
Notes to the Financial Statements
September 30, 2024

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of September 30, 2023	\$ 2,606,716	\$ 2,166,626	\$ 440,090
Changes for the year			
Service cost	14,335	-	14,335
Interest on total OPEB liability	179,352	-	179,352
Experience differences	(123,164)	-	(123,164)
Assumption changes	6,458	-	6,458
Employer contributions	-	117,741	(117,741)
Net investment income (loss)	-	380,934	(380,934)
Benefit payments and refunds	(117,741)	(117,741)	-
Administrative expense	-	(4,948)	4,948
Net changes	(40,760)	375,986	(416,746)
Balances as of September 30, 2024	\$ 2,565,956	\$ 2,542,612	\$ 23,344

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.93%) or 1% higher (7.93%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 236,888	\$ 23,344	\$ (161,791)
Reported in governmental activities		\$ 22,837	
Reported in component units			
Central dispatch authority		507	
Total net OPEB liability		\$ 23,344	

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ (44,095)	\$ 23,344	\$ 102,305

Gratiot County
Notes to the Financial Statements
September 30, 2024

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended September 30, 2024 the employer recognized OPEB expense of (\$442,680). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 72,368	\$ (99,829)	\$ (27,461)
Differences in assumptions	5,125	(48,792)	(43,667)
Net difference between projected and actual earning on plan investments	-	(63,637)	(63,637)
Total	<u>\$ 77,493</u>	<u>\$ (212,258)</u>	<u>\$ (134,765)</u>
Reported in governmental activities	\$ 75,811	\$ (207,652)	
Reported in component units			
Central dispatch authority	1,682	(4,606)	
	<u>\$ 77,493</u>	<u>\$ (212,258)</u>	

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

<u>Year ended September 30,</u>	
2025	\$ (117,896)
2026	91,242
2027	(63,799)
2028	(44,312)
	<u>\$ (134,765)</u>

Component Unit – Road Commission

The Road Commission has a separate OPEB plan. Details applicable to the Road Commission OPEB plan are available in their separately issued financial statements. The actuarially determined contribution requirements have been met, where applicable.

Note 14 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Note 15 - Road Commission Federal Grants

The Michigan Department of Transportation (MDOT) requires that road commissions report all federal and state grants pertaining to their county. During the fiscal year ending September 30, 2024, the federal grants received and expended by the Road Commission totaled \$2,583,363 for contracted projects. The Road Commission expended federal money for negotiated projects totaling \$0. Contracted projects are defined as projects performed by private contractors paid for and administrated by MDOT. The contracted federal projects are not subject to single audit requirements by the road commissions, as they are included in MDOT's single audit.

Negotiated projects are defined as projects performed by Road Commission employees or private contractors paid for and administrated by the Road Commission which are subject to single audit requirements, if the amount expended is \$750,000 or more. A single audit was not performed during the fiscal year ending September 30, 2024.

Gratiot County
Notes to the Financial Statements
September 30, 2024

Note 16 - Changes Within the Financial Reporting Entity

The Juvenile Childcare, Animal Adoption Coordinator and Public Improvement Funds were previously combined with the General Fund to comply with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Due to changes in funding levels by external mechanisms these funds are now able to be reported within nonmajor funds.

As discussed in Note 1, the Gratiot Community Airport Authority underwent organizational changes which resulted in the County being the sole local government involved which requires the County to report Gratiot Community Airport Authority as a component unit.

Changes in fund balance and net position related to these situations are as follows:

	<u>September 30, 2023</u> <u>As Previously</u> <u>Reported</u>	<u>Changes Within</u> <u>the Financial</u> <u>Reporting Entity</u>	<u>September 30, 2023</u> <u>As Restated</u>
Governmental Funds			
Major Funds:			
General Fund	\$ 10,727,473	\$ (86,913)	\$ 10,640,560
COVID Recovery Fund	156,965	-	156,965
Opioid Settlement Fund	243,997	-	243,997
Nonmajor Funds	<u>3,678,256</u>	<u>86,913</u>	<u>3,765,169</u>
Total Governmental Funds	<u>\$ 14,806,691</u>	<u>\$ -</u>	<u>\$ 14,806,691</u>
Discretely Presented Component Units			
Gratiot Community Airport Authority	\$ -	\$ 2,484,908	\$ 2,484,908
Remaining discretely presented component units	<u>70,142,965</u>	<u>-</u>	<u>70,142,965</u>
Total Discretely Presented Component Units	<u>\$ 70,142,965</u>	<u>\$ 2,484,908</u>	<u>\$ 72,627,873</u>

Gratiot County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 9,737,827	\$ 9,737,827	\$ 10,364,563	\$ 626,736
Marijuana tax	50,025	50,025	178,639	128,614
Penalties and interest	10,150	10,150	13,170	3,020
Administration fee	102,000	102,000	104,250	2,250
Licenses and permits	86,000	86,000	111,726	25,726
Federal grants	124,460	124,460	98,314	(26,146)
State-shared revenue	1,028,832	1,028,832	1,086,061	57,229
State grants	1,135,214	1,135,214	1,115,979	(19,235)
Local contributions	68,000	68,000	60,126	(7,874)
Charges for services	1,831,609	1,819,109	1,858,790	39,681
Fines and forfeitures	400	400	546	146
Rental income	16,500	16,500	19,352	2,852
Investment income	350,000	350,000	419,362	69,362
Other revenue	680,172	635,914	918,799	282,885
	<u>15,221,189</u>	<u>15,164,431</u>	<u>16,349,677</u>	<u>1,185,246</u>
Expenditures				
General government				
Governing body	336,751	331,751	483,128	151,377
Administrator, manager, or supervisor	435,469	435,469	431,157	(4,312)
Clerk	435,509	465,509	465,256	(253)
Information technology	419,688	419,688	397,214	(22,474)
County survey and remonumentation	45,000	50,000	49,548	(452)
Treasurer	264,575	269,575	272,094	2,519
Assessor/equalization department	237,937	237,937	249,933	11,996
Insurance	245,000	275,000	216,612	(58,388)
Elections	116,171	121,171	115,239	(5,932)
Building and grounds	457,411	457,411	527,140	69,729
Utilities	186,506	209,506	208,558	(948)
	<u>3,180,017</u>	<u>3,273,017</u>	<u>3,415,879</u>	<u>142,862</u>
Judicial				
Circuit court	210,742	225,742	214,867	(10,875)
District/municipal court	1,539,063	1,594,063	1,595,946	1,883
Probate court	539,108	624,108	661,814	37,706
Prosecuting attorney	896,690	876,690	838,762	(37,928)
	<u>3,185,603</u>	<u>3,320,603</u>	<u>3,311,389</u>	<u>(9,214)</u>

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Public safety				
Police/sheriff/constable	\$ 2,274,271	\$ 2,011,771	\$ 1,969,865	\$ (41,906)
Liquor law enforcement	9,000	9,000	-	(9,000)
Corrections/jail	1,795,199	1,995,199	2,036,388	41,189
Juvenile correctional	503,294	428,294	409,252	(19,042)
Emergency management home	78,978	65,978	62,525	(3,453)
Animal shelter/dog warden	270,875	295,875	302,886	7,011
Total public safety	4,931,617	4,806,117	4,780,916	(25,201)
Public works				
Drain commissioner/water	697,676	587,676	584,139	(3,537)
Sanitary landfill	50,000	50,000	29,899	(20,101)
Total public works	747,676	637,676	614,038	(23,638)
Health and welfare				
Health department	312,000	312,000	237,469	(74,531)
Contagious diseases	-	727	727	-
Substance abuse	44,257	44,257	43,968	(289)
Medical examiner	50,000	55,000	50,677	(4,323)
Mental health	200,000	200,000	200,000	-
Child welfare	294,000	294,000	236,455	(57,545)
Social welfare	11,000	11,000	8,629	(2,371)
Veterans' burials	3,600	3,600	445	(3,155)
Veterans' counselor	169,087	169,087	167,886	(1,201)
Veterans' relief	1,500	1,500	450	(1,050)
Total health and welfare	1,085,444	1,091,171	946,706	(144,465)
Community and economic development				
Planning	4,975	4,975	4,015	(960)
Zoning	1,543	1,543	638	(905)
Cooperative extension	257,067	257,067	155,116	(101,951)
Register of deeds	250,581	254,581	256,661	2,080
Total community and economic development	514,166	518,166	416,430	(101,736)
Debt service				
Principal retirement	6,842	6,842	22,630	15,788
Interest and fiscal charges	58,340	56,461	3,664	(52,797)
Total debt service	65,182	63,303	26,294	(37,009)
Total expenditures	13,709,705	13,710,053	13,511,652	(198,401)
Excess (deficiency) of revenues over expenditures	1,511,484	1,454,378	2,838,025	1,383,647

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Other financing sources (uses)				
Transfers in	\$ 1,075,848	\$ 1,075,848	\$ 156,171	\$ (919,677)
Transfers out	(1,855,485)	(1,840,485)	(1,087,370)	753,115
Lease liabilities issued	-	-	79,979	79,979
Total other financing sources (uses)	<u>(779,637)</u>	<u>(764,637)</u>	<u>(851,220)</u>	<u>(86,583)</u>
Net change in fund balance	<u>731,847</u>	<u>689,741</u>	<u>1,986,805</u>	<u>1,297,064</u>
Fund balance - beginning of year	10,727,473	10,727,473	10,727,473	-
Adjustments	<u>(86,913)</u>	<u>(86,913)</u>	<u>(86,913)</u>	<u>-</u>
Fund balance - beginning of year, as adjusted	<u>10,640,560</u>	<u>10,640,560</u>	<u>10,640,560</u>	<u>-</u>
Fund balance - end of year	<u>\$ 11,372,407</u>	<u>\$ 11,330,301</u>	<u>\$ 12,627,365</u>	<u>\$ 1,297,064</u>

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Budgetary Comparison Schedule
COVID Recovery Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Federal grants	\$ 3,000,000	\$ 3,000,000	\$ 2,283,270	\$ (716,730)
Investment income	<u>50,000</u>	<u>50,000</u>	<u>102,153</u>	<u>52,153</u>
Total revenues	<u>3,050,000</u>	<u>3,050,000</u>	<u>2,385,423</u>	<u>(664,577)</u>
Expenditures				
Current				
General government	23,604	23,604	23,604	-
Public safety	850,420	850,420	133,690	(716,730)
Public works	1,790,369	1,790,369	1,790,369	-
Health and welfare	<u>335,607</u>	<u>335,607</u>	<u>335,607</u>	<u>-</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,283,270</u>	<u>(716,730)</u>
Net change in fund balance	50,000	50,000	102,153	52,153
Fund balance - beginning of year	<u>156,965</u>	<u>156,965</u>	<u>156,965</u>	<u>-</u>
Fund balance - end of year	<u>\$ 206,965</u>	<u>\$ 206,965</u>	<u>\$ 259,118</u>	<u>\$ 52,153</u>

Gratiot County
Required Supplementary Information
Budgetary Comparison Schedule
Opioid Settlement Fund
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Investment income	\$ 8,000	\$ 8,000	\$ 18,771	\$ 10,771
Other revenue	<u>75,000</u>	<u>75,000</u>	<u>376,203</u>	<u>301,203</u>
Net change in fund balance	83,000	83,000	394,974	311,974
Fund balance - beginning of year	<u>243,997</u>	<u>243,997</u>	<u>243,997</u>	<u>-</u>
Fund balance - end of year	<u>\$ 326,997</u>	<u>\$ 326,997</u>	<u>\$ 638,971</u>	<u>\$ 311,974</u>

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended September 30,	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 119,139	\$ 157,660	\$ 169,437	\$ 186,921	\$ 193,908
Interest	2,610,123	2,582,376	2,579,081	2,415,443	2,394,617
Experience differences	(109,457)	(17,463)	(158,415)	186,609	32,955
Changes in assumptions	260,561	-	1,256,200	1,377,148	1,129,565
Other changes	-	-	-	-	-
Benefit payments and refunds	<u>(2,392,625)</u>	<u>(2,248,546)</u>	<u>(2,064,919)</u>	<u>(1,943,561)</u>	<u>(1,852,671)</u>
Net change in total pension liability	487,741	474,027	1,781,384	2,222,560	1,898,374
Total pension liability - beginning	<u>37,138,434</u>	<u>36,664,407</u>	<u>34,883,023</u>	<u>32,660,463</u>	<u>30,762,089</u>
Total pension liability - ending (a)	<u>\$ 37,626,175</u>	<u>\$ 37,138,434</u>	<u>\$ 36,664,407</u>	<u>\$ 34,883,023</u>	<u>\$ 32,660,463</u>
Plan fiduciary net position					
Employer contributions	\$ 566,061	\$ 443,256	\$ 270,015	\$ 246,117	\$ 232,042
Employee contributions	17,797	21,069	23,339	22,968	23,693
Net investment income (loss)	3,337,532	(3,949,593)	4,808,205	3,778,954	3,832,058
Benefit payments and refunds	(2,392,625)	(2,248,546)	(2,064,919)	(1,943,561)	(1,852,671)
Administrative expense	<u>(69,441)</u>	<u>(64,546)</u>	<u>(52,247)</u>	<u>(61,078)</u>	<u>(65,977)</u>
Net change in plan fiduciary net position	1,459,324	(5,798,360)	2,984,393	2,043,400	2,169,145
Plan fiduciary net position - beginning	<u>30,064,405</u>	<u>35,862,765</u>	<u>32,878,372</u>	<u>30,834,972</u>	<u>28,665,827</u>
Plan fiduciary net position - ending (b)	<u>\$ 31,523,729</u>	<u>\$ 30,064,405</u>	<u>\$ 35,862,765</u>	<u>\$ 32,878,372</u>	<u>\$ 30,834,972</u>
Net pension liability (a-b)	<u>\$ 6,102,446</u>	<u>\$ 7,074,029</u>	<u>\$ 801,642</u>	<u>\$ 2,004,651</u>	<u>\$ 1,825,491</u>
Reported in governmental activities	\$ 5,974,044	\$ 6,912,302	\$ 855,058	\$ 2,014,879	\$ 1,841,882
Reported in component units					
Central dispatch authority	<u>128,402</u>	<u>161,727</u>	<u>(53,416)</u>	<u>(10,228)</u>	<u>(16,391)</u>
Total net pension liability (asset)	<u>\$ 6,102,446</u>	<u>\$ 7,074,029</u>	<u>\$ 801,642</u>	<u>\$ 2,004,651</u>	<u>\$ 1,825,491</u>
Plan fiduciary net position as a percentage of total pension liability	83.78%	80.95%	97.81%	94.25%	94.41%
Covered payroll	\$ 906,919	\$ 1,191,137	\$ 1,382,483	\$ 1,572,429	\$ 1,651,753
Net pension liability as a percentage of covered payroll	672.88%	593.89%	57.99%	127.49%	110.52%

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended September 30,	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 198,498	\$ 231,942	\$ 252,353	\$ 274,806	\$ 284,299
Interest	2,391,206	2,283,220	2,231,019	2,068,423	2,051,405
Experience differences	(747,823)	543,579	(282,272)	(516,802)	-
Changes in assumptions	-	-	-	1,548,598	-
Other changes	-	-	(1)	64,639	-
Benefit payments and refunds	<u>(1,741,259)</u>	<u>(1,643,108)</u>	<u>(1,433,659)</u>	<u>(1,358,308)</u>	<u>(1,324,073)</u>
Net change in total pension liability	100,622	1,415,633	767,440	2,081,356	1,011,631
Total pension liability - beginning	<u>30,661,467</u>	<u>29,245,834</u>	<u>28,478,394</u>	<u>26,397,038</u>	<u>25,385,407</u>
Total pension liability - ending (a)	<u>\$ 30,762,089</u>	<u>\$ 30,661,467</u>	<u>\$ 29,245,834</u>	<u>\$ 28,478,394</u>	<u>\$ 26,397,038</u>
Plan fiduciary net position					
Employer contributions	\$ 197,232	\$ 7,057,805	\$ 1,599,809	\$ 2,314,271	\$ 1,091,184
Employee contributions	27,374	31,635	38,378	39,944	43,769
Net investment income (loss)	(1,193,044)	3,681,406	2,301,867	(287,639)	1,160,163
Benefit payments and refunds	(1,741,259)	(1,643,108)	(1,433,659)	(1,358,308)	(1,324,073)
Administrative expense	<u>(60,138)</u>	<u>(57,800)</u>	<u>(45,367)</u>	<u>(42,728)</u>	<u>(42,666)</u>
Net change in plan fiduciary net position	(2,769,835)	9,069,938	2,461,028	665,540	928,377
Plan fiduciary net position - beginning	<u>31,435,662</u>	<u>22,365,724</u>	<u>19,904,696</u>	<u>19,239,156</u>	<u>18,310,779</u>
Plan fiduciary net position - ending (b)	<u>\$ 28,665,827</u>	<u>\$ 31,435,662</u>	<u>\$ 22,365,724</u>	<u>\$ 19,904,696</u>	<u>\$ 19,239,156</u>
Net pension liability (a-b)	<u>\$ 2,096,262</u>	<u>\$ (774,195)</u>	<u>\$ 6,880,110</u>	<u>\$ 8,573,698</u>	<u>\$ 7,157,882</u>
Reported in governmental activities	\$ 2,089,015	\$ (537,740)	\$ 6,442,221	\$ 8,026,742	\$ 6,666,851
Reported in component units					
Central dispatch authority	<u>7,247</u>	<u>(236,455)</u>	<u>437,889</u>	<u>546,956</u>	<u>491,031</u>
Total net pension liability (asset)	<u>\$ 2,096,262</u>	<u>\$ (774,195)</u>	<u>\$ 6,880,110</u>	<u>\$ 8,573,698</u>	<u>\$ 7,157,882</u>
Plan fiduciary net position as a percentage of total pension liability	93.19%	102.52%	76.47%	69.89%	72.88%
Covered payroll	\$ 1,716,989	\$ 1,984,943	\$ 2,171,090	\$ 2,413,194	\$ 2,498,100
Net pension liability as a percentage of covered payroll	122.09%	(39.00%)	316.90%	355.28%	286.53%

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2015	\$ 1,091,184	\$ 2,091,184	\$ (1,000,000)	\$ 2,498,100	83.71%
9/30/2016	1,527,978	1,527,978	-	2,428,791	62.91%
9/30/2017	806,312	7,435,659	(6,629,347)	2,158,323	344.51%
9/30/2018	211,911	211,911	-	2,017,617	10.50%
9/30/2019	196,636	196,636	-	1,710,297	11.50%
9/30/2020	272,501	272,501	-	1,632,170	16.70%
9/30/2021	232,320	232,320	-	1,642,259	14.15%
9/30/2022	404,046	404,046	-	1,417,001	28.51%
9/30/2023	643,156	643,156	-	1,202,656	53.48%
9/30/2024	393,072	393,072	-	918,980	42.77%

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended September 30,	2024	2023	2022
Total OPEB liability			
Service cost	\$ 14,335	\$ 25,118	\$ 23,818
Interest	179,352	194,343	195,796
Changes of benefit terms	-	-	-
Experience differences	(123,164)	294	(61,835)
Changes in assumptions	6,458	(299,589)	80,973
Benefit payments and refunds	<u>(117,741)</u>	<u>(129,338)</u>	<u>(125,856)</u>
Net change in total OPEB liability	(40,760)	(209,172)	112,896
Total OPEB liability - beginning	<u>2,606,716</u>	<u>2,815,888</u>	<u>2,702,992</u>
Total OPEB liability - ending (a)	<u>\$ 2,565,956</u>	<u>\$ 2,606,716</u>	<u>\$ 2,815,888</u>
Plan fiduciary net position			
Employer contributions	\$ 117,741	\$ 279,338	\$ 125,856
Net investment income (loss)	380,934	220,667	(279,525)
Benefit payments and refunds	(117,741)	(129,338)	(125,856)
Administrative expense	<u>(4,948)</u>	<u>(4,056)</u>	<u>(3,638)</u>
Net change in plan fiduciary net position	375,986	366,611	(283,163)
Plan fiduciary net position - beginning	<u>2,166,626</u>	<u>1,800,015</u>	<u>2,083,178</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,542,612</u>	<u>\$ 2,166,626</u>	<u>\$ 1,800,015</u>
Net OPEB liability (a-b)	<u>\$ 23,344</u>	<u>\$ 440,090</u>	<u>\$ 1,015,873</u>
Reported in governmental activities	\$ 22,837	\$ 402,389	\$ 965,678
Reported in component units			
Central dispatch authority	<u>507</u>	<u>37,701</u>	<u>50,195</u>
Total net pension liability (asset)	<u>\$ 23,344</u>	<u>\$ 440,090</u>	<u>\$ 1,015,873</u>
Plan fiduciary net position as a percentage of total OPEB liability	99.09%	83.12%	63.92%
Covered payroll	\$ 1,657,737	\$ 1,562,160	\$ 1,950,043
Net OPEB liability as a percentage of covered payroll	1.41%	28.17%	52.09%

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended September 30,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 93,588	\$ 27,219	\$ 77,323	\$ 84,344	\$ 87,485
Interest	99,051	180,117	155,586	146,915	180,913
Changes of benefit terms	483,942	-	-	-	-
Experience differences	(490,330)	2,489	(895,475)	(43,945)	(51,056)
Changes in assumptions	(1,951,303)	1,922,838	(833,785)	(149,240)	(229,711)
Benefit payments and refunds	<u>(133,825)</u>	<u>(153,359)</u>	<u>(156,177)</u>	<u>(128,263)</u>	<u>(115,393)</u>
Net change in total OPEB liability	(1,898,877)	1,979,304	(1,652,528)	(90,189)	(127,762)
Total OPEB liability - beginning	<u>4,601,869</u>	<u>2,622,565</u>	<u>4,275,093</u>	<u>4,365,282</u>	<u>4,493,044</u>
Total OPEB liability - ending (a)	<u>\$ 2,702,992</u>	<u>\$ 4,601,869</u>	<u>\$ 2,622,565</u>	<u>\$ 4,275,093</u>	<u>\$ 4,365,282</u>
Plan fiduciary net position					
Employer contributions	\$ 133,825	\$ 903,359	\$ 1,406,177	\$ 128,263	\$ 115,393
Net investment income (loss)	43,423	47,574	(1,418)	-	-
Benefit payments and refunds	(133,825)	(153,359)	(156,177)	(128,263)	(115,393)
Administrative expense	<u>(3,923)</u>	<u>(2,312)</u>	<u>(166)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	39,500	795,262	1,248,416	-	-
Plan fiduciary net position - beginning	<u>2,043,678</u>	<u>1,248,416</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,083,178</u>	<u>\$ 2,043,678</u>	<u>\$ 1,248,416</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (a-b)	<u>\$ 619,814</u>	<u>\$ 2,558,191</u>	<u>\$ 1,374,149</u>	<u>\$ 4,275,093</u>	<u>\$ 4,365,282</u>
Reported in governmental activities	\$ 577,976	\$ 2,475,453	\$ 1,325,748	\$ 4,142,565	\$ 4,229,958
Reported in component units					
Central dispatch authority	<u>41,838</u>	<u>82,738</u>	<u>48,401</u>	<u>132,528</u>	<u>135,324</u>
Total net pension liability (asset)	<u>\$ 619,814</u>	<u>\$ 2,558,191</u>	<u>\$ 1,374,149</u>	<u>\$ 4,275,093</u>	<u>\$ 4,365,282</u>
Plan fiduciary net position as a percentage of total OPEB liability	77.07%	44.41%	47.60%	- %	- %
Covered payroll	\$ 2,064,151	\$ 3,433,776	\$ 4,042,885	\$ 2,232,385	\$ 2,919,206
Net OPEB liability as a percentage of covered payroll	30.03%	74.50%	33.99%	191.50%	149.54%

See Accompanying Notes to Required Supplementary Information

Gratiot County
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 651,410	\$ 115,393	\$ 536,017	\$ 2,919,206	3.95%
2018	677,401	128,263	549,138	2,232,385	5.75%
2019	526,194	1,406,177	(879,983)	4,042,885	34.78%
2020	212,377	903,359	(690,982)	3,433,776	26.31%
2021	382,476	133,825	248,651	2,064,151	6.48%
2022	122,124	125,856	(3,732)	1,950,043	6.45%
2023	197,002	129,338	67,664	1,562,160	8.28%
2024	82,886	117,741	(34,855)	1,657,737	7.10%

Gratiot County
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Money-weighted Rate of Return
2017	**
2018	**
2019	-0.11%
2020	2.93%
2021	2.61%
2022	-13.57%
2023	11.27%
2024	10.28%

**An OPEB trust fund had not been established in these years, therefore there was no annual return.

Gratiot County
Notes to the Required Supplementary Information
September 30, 2024

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

The September 30, 2024, changes in assumptions are due to the following:

- The assumed rate of investment return was lowered from 7.00% to 6.93%.

Notes to the Schedule of Employer Contributions

- Valuation date: December 31, 2021
- Actuarially determined contribution rates are calculated as of December 31 that is 21 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level percentage of payroll, open
- Remaining amortization period: 0 years
- Asset valuation method: 5-year smoothed value of assets
- Inflation: 2.5 percent
- Salary increase: 3.0 percent
- Investment rate of return: 7 percent net of plan investment expense, including inflation
- Retirement age: 60
- Mortality rates: 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, 106% of PubG-2010 Healthy Retiree Tables for Ages 50-120

OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios

The September 30, 2024, changes in assumptions are due to the following:

- The discount rate was lowered from 7.00% to 6.93%.
- Mortality improvement scale updated from MP-2021.
- Medical trend updated such that the trend does not decrease by the anticipated 0.25% in the second year.

Notes to the Schedule of Employer Contributions

- Valuation date: September 30, 2023
- Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of compensation
- Amortization method: Level dollar, closed
- Remaining amortization period: 9 years
- Asset valuation method: Market value of assets
- Healthcare inflation rate:
 - Pre-65: 7.25% for two years, then graded down to 4.5% by 0.25% per year
 - Post-65: 5.5% for two years, then graded down to 4.5% by 0.25% per year

Gratiot County
Notes to the Required Supplementary Information
September 30, 2024

- Inflation: 2.5 percent
- Salary increase: 3.5 percent
- Investment rate of return: 7 percent net of plan investment expense, including inflation
- Mortality rates: Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds					
	Road Patrol	Secondary Road Patrol	Parks and Recreation	Geographic Information System	Friend of the Court	State Criminal Alien Assistance
Assets						
Cash and cash equivalents	\$ 28,724	\$ 3,328	\$ 729,293	\$ 147,308	\$ 11,514	\$ 21,025
Receivables						
Accounts	-	-	-	-	-	-
Due from other units of government	-	-	-	-	88,025	-
Prepaid items	<u>17,965</u>	<u>-</u>	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 46,689</u>	<u>\$ 3,328</u>	<u>\$ 729,570</u>	<u>\$ 147,308</u>	<u>\$ 99,539</u>	<u>\$ 21,025</u>
Liabilities						
Accounts payable	\$ 7,413	\$ -	\$ 68,817	\$ 23,779	\$ 815	\$ -
Due to other funds	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-
Payroll and other liabilities	<u>8,409</u>	<u>3,328</u>	<u>5,826</u>	<u>-</u>	<u>13,306</u>	<u>-</u>
Total liabilities	<u>15,822</u>	<u>3,328</u>	<u>74,643</u>	<u>23,779</u>	<u>14,121</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue - receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,418</u>	<u>-</u>
Fund balances						
Non-spendable						
Prepaid items	17,965	-	277	-	-	-
Restricted for						
Special revenue funds	12,902	-	654,650	123,529	-	21,025
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>30,867</u>	<u>-</u>	<u>654,927</u>	<u>123,529</u>	<u>-</u>	<u>21,025</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,689</u>	<u>\$ 3,328</u>	<u>\$ 729,570</u>	<u>\$ 147,308</u>	<u>\$ 99,539</u>	<u>\$ 21,025</u>

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds					
	Economic and Agriculture Development	Building Inspection	Register of Deeds	K-9 Unit Sheriff	Correction Officers Training	Drug Law Enforcement
Assets						
Cash and cash equivalents	\$ 251,069	\$ 586,450	\$ 167,919	\$ 19,960	\$ 25,192	\$ 3,023
Receivables						
Accounts	-	195	-	-	54	-
Due from other units of government	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 251,069</u>	<u>\$ 586,645</u>	<u>\$ 167,919</u>	<u>\$ 19,960</u>	<u>\$ 25,246</u>	<u>\$ 3,023</u>
Liabilities						
Accounts payable	\$ -	\$ 722	\$ 6,622	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-
Payroll and other liabilities	-	2,227	-	-	29	-
Total liabilities	<u>-</u>	<u>2,949</u>	<u>6,622</u>	<u>-</u>	<u>29</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue - receivables	-	-	-	-	-	-
Fund balances						
Non-spendable						
Prepaid items	-	-	-	-	-	-
Restricted for						
Special revenue funds	251,069	583,696	161,297	19,960	25,217	3,023
Unassigned	-	-	-	-	-	-
Total fund balances	<u>251,069</u>	<u>583,696</u>	<u>161,297</u>	<u>19,960</u>	<u>25,217</u>	<u>3,023</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 251,069</u>	<u>\$ 586,645</u>	<u>\$ 167,919</u>	<u>\$ 19,960</u>	<u>\$ 25,246</u>	<u>\$ 3,023</u>

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds					
	Law Enforcement	Law Library	Commission on Aging	Commission on Aging Donations	Recovery Court	D.A.R.E. Program
Assets						
Cash and cash equivalents	\$ 1,477	\$ 27,178	\$ 1,501,075	\$ 396,403	\$ -	\$ 26
Receivables						
Accounts	-	-	112,729	818	-	-
Due from other units of government	-	-	-	-	113,706	-
Prepaid items	-	-	228	-	-	-
Total assets	<u>\$ 1,477</u>	<u>\$ 27,178</u>	<u>\$ 1,614,032</u>	<u>\$ 397,221</u>	<u>\$ 113,706</u>	<u>\$ 26</u>
Liabilities						
Accounts payable	\$ -	\$ 1	\$ 48,146	\$ 49	\$ 36,236	\$ -
Due to other funds	-	-	-	-	7,047	-
Due to other units of government	-	-	-	-	-	-
Payroll and other liabilities	-	-	13,864	-	2,797	-
Total liabilities	<u>-</u>	<u>1</u>	<u>62,010</u>	<u>49</u>	<u>46,080</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue - receivables	-	-	-	-	44,449	-
Fund balances						
Non-spendable						
Prepaid items	-	-	228	-	-	-
Restricted for						
Special revenue funds	1,477	27,177	1,551,794	397,172	23,177	26
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,477</u>	<u>27,177</u>	<u>1,552,022</u>	<u>397,172</u>	<u>23,177</u>	<u>26</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,477</u>	<u>\$ 27,178</u>	<u>\$ 1,614,032</u>	<u>\$ 397,221</u>	<u>\$ 113,706</u>	<u>\$ 26</u>

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds					
	Salvage Inspection Fee	D.H.S. State Monies	Juvenile Child Care	Veterans Memorial	Animal Control	Animal Adoption Coordinator
Assets						
Cash and cash equivalents	\$ 10,580	\$ 8,555	\$ 41,501	\$ 12,184	\$ 17,019	\$ 60,538
Receivables						
Accounts	-	-	23	-	-	-
Due from other units of government	-	-	46,748	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 10,580</u>	<u>\$ 8,555</u>	<u>\$ 88,272</u>	<u>\$ 12,184</u>	<u>\$ 17,019</u>	<u>\$ 60,538</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 17,719	\$ -	\$ 980	\$ -
Due to other funds	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-
Payroll and other liabilities	-	-	4,476	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>22,195</u>	<u>-</u>	<u>980</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue - receivables	-	-	6,913	-	-	-
Fund balances						
Non-spendable						
Prepaid items	-	-	-	-	-	-
Restricted for						
Special revenue funds	10,580	8,555	59,164	12,184	16,039	60,538
Unassigned	-	-	-	-	-	-
Total fund balances	<u>10,580</u>	<u>8,555</u>	<u>59,164</u>	<u>12,184</u>	<u>16,039</u>	<u>60,538</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,580</u>	<u>\$ 8,555</u>	<u>\$ 88,272</u>	<u>\$ 12,184</u>	<u>\$ 17,019</u>	<u>\$ 60,538</u>

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds					
	Marine Safety	Michigan Justice Training	Library	Indigent Defense	Concealed Pistol Licensing	CDBG
Assets						
Cash and cash equivalents	\$ 1,742	\$ 1,515	\$ 133,556	\$ -	\$ 174,956	\$ 58,246
Receivables						
Accounts	-	-	-	28	460	-
Due from other units of government	2,880	4,992	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 4,622</u>	<u>\$ 6,507</u>	<u>\$ 133,556</u>	<u>\$ 28</u>	<u>\$ 175,416</u>	<u>\$ 58,246</u>
Liabilities						
Accounts payable	\$ -	\$ 1,888	\$ -	\$ 100,181	\$ -	\$ 2,800
Due to other funds	-	-	-	22,296	-	-
Due to other units of government	-	-	-	-	2,123	-
Payroll and other liabilities	-	-	-	2,070	-	-
Total liabilities	<u>-</u>	<u>1,888</u>	<u>-</u>	<u>124,547</u>	<u>2,123</u>	<u>2,800</u>
Deferred inflows of resources						
Unavailable revenue - receivables	<u>2,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Non-spendable						
Prepaid items	-	-	-	-	-	-
Restricted for						
Special revenue funds	1,742	4,619	133,556	-	173,293	55,446
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,519)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>1,742</u>	<u>4,619</u>	<u>133,556</u>	<u>(124,519)</u>	<u>173,293</u>	<u>55,446</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,622</u>	<u>\$ 6,507</u>	<u>\$ 133,556</u>	<u>\$ 28</u>	<u>\$ 175,416</u>	<u>\$ 58,246</u>

Gratiot County
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Blight	2005 G.O. Bond	Pension Obligation Bond	Public Improvement	
Assets					
Cash and cash equivalents	\$ 176	\$ -	\$ -	\$ 1,438	\$ 4,442,970
Receivables					
Accounts	-	-	-	-	114,307
Due from other units of government	-	-	-	-	256,351
Prepaid items	-	-	-	-	18,470
	<u>176</u>	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>4,832,098</u>
Total assets	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,438</u>	<u>\$ 4,832,098</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,438	\$ 317,606
Due to other funds	-	-	-	-	29,343
Due to other units of government	-	-	-	-	2,123
Payroll and other liabilities	126	-	-	-	56,458
	<u>126</u>	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>405,530</u>
Total liabilities	<u>126</u>	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>405,530</u>
Deferred inflows of resources					
Unavailable revenue - receivables	-	-	-	-	139,660
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,660</u>
Fund balances					
Non-spendable					
Prepaid items	-	-	-	-	18,470
Restricted for					
Special revenue funds	50	-	-	-	4,392,957
Unassigned (deficit)	-	-	-	-	(124,519)
	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,286,908</u>
Total fund balances	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,286,908</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,438</u>	<u>\$ 4,832,098</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Road Patrol	Secondary Road Patrol	Parks and Recreation	Geographic Information System	Friend of the Court	State Criminal Alien Assistance
Revenues						
Taxes	\$ 765,145	\$ -	\$ 595,923	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	454,405	-
State grants	18,200	109,508	19,534	-	51,241	-
Local contributions	-	-	-	25,677	-	-
Charges for services	-	-	36,818	-	39,320	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	9,709	-	37,040	6,780	-	1,082
Other revenue	43	-	8,905	-	-	-
Total revenues	<u>793,097</u>	<u>109,508</u>	<u>698,220</u>	<u>32,457</u>	<u>544,966</u>	<u>1,082</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	826,439	-
Public safety	775,132	193,516	-	-	-	-
Public works	-	-	-	28,579	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	518,864	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	1,063	-
Interest and fiscal charges	-	-	-	-	172	-
Total expenditures	<u>775,132</u>	<u>193,516</u>	<u>518,864</u>	<u>28,579</u>	<u>827,674</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>17,965</u>	<u>(84,008)</u>	<u>179,356</u>	<u>3,878</u>	<u>(282,708)</u>	<u>1,082</u>
Other financing sources (uses)						
Transfers in	-	84,008	-	3,000	216,048	-
Transfers out	-	-	(500)	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>84,008</u>	<u>(500)</u>	<u>3,000</u>	<u>216,048</u>	<u>-</u>
Net change in fund balances	<u>17,965</u>	<u>-</u>	<u>178,856</u>	<u>6,878</u>	<u>(66,660)</u>	<u>1,082</u>
Fund balances - beginning of year	12,902	-	476,071	116,651	66,660	19,943
Adjustments	-	-	-	-	-	-
Fund balances - beginning of year, as adjusted	<u>12,902</u>	<u>-</u>	<u>476,071</u>	<u>116,651</u>	<u>66,660</u>	<u>19,943</u>
Fund balances - end of year	<u>\$ 30,867</u>	<u>\$ -</u>	<u>\$ 654,927</u>	<u>\$ 123,529</u>	<u>\$ -</u>	<u>\$ 21,025</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Economic and Agriculture Development	Building Inspection	Register of Deeds	K-9 Unit Sheriff	Correction Officers Training	Drug Law Enforcement
Revenues						
Taxes	\$ 771,271	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	143,351	-	-	-	-
Federal grants	-	-	-	-	-	-
State grants	25,158	-	-	-	-	-
Local contributions	-	-	-	-	-	-
Charges for services	-	-	29,320	19,813	6,608	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	19,829	29,592	9,005	-	1,460	153
Other revenue	-	-	-	-	-	-
Total revenues	<u>816,258</u>	<u>172,943</u>	<u>38,325</u>	<u>19,813</u>	<u>8,068</u>	<u>153</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	140,146	-	-	22,305	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	538,837	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	36,287	-	-	-
Debt service						
Principal retirement	-	347	-	-	-	-
Interest and fiscal charges	-	56	-	-	-	-
Total expenditures	<u>538,837</u>	<u>140,549</u>	<u>36,287</u>	<u>-</u>	<u>22,305</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>277,421</u>	<u>32,394</u>	<u>2,038</u>	<u>19,813</u>	<u>(14,237)</u>	<u>153</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(156,171)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources and uses	<u>(156,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>121,250</u>	<u>32,394</u>	<u>2,038</u>	<u>19,813</u>	<u>(14,237)</u>	<u>153</u>
Fund balances - beginning of year	129,819	551,302	159,259	147	39,454	2,870
Adjustments	-	-	-	-	-	-
Fund balances - beginning of year, as adjusted	<u>129,819</u>	<u>551,302</u>	<u>159,259</u>	<u>147</u>	<u>39,454</u>	<u>2,870</u>
Fund balances - end of year	<u>\$ 251,069</u>	<u>\$ 583,696</u>	<u>\$ 161,297</u>	<u>\$ 19,960</u>	<u>\$ 25,217</u>	<u>\$ 3,023</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Law Enforcement	Law Library	Commission on Aging	Commission on Aging Donations	Recovery Court	D.A.R.E. Program
Revenues						
Taxes	\$ -	\$ -	\$ 1,107,343	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	315,372	-	94,650	-
State grants	-	-	39,996	-	191,069	-
Local contributions	-	-	127,824	-	-	-
Charges for services	-	-	117,416	65	12,447	-
Fines and forfeitures	-	4,500	-	-	-	-
Investment income	73	1,261	85,213	19,491	-	-
Other revenue	-	-	15	70,007	55	-
Total revenues	73	5,761	1,793,179	89,563	298,221	-
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	1,059	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	1,612,987	32,861	276,390	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	2,384	-	-	-
Interest and fiscal charges	-	-	386	-	-	-
Total expenditures	-	1,059	1,615,757	32,861	276,390	-
Excess (deficiency) of revenues over expenditures	73	4,702	177,422	56,702	21,831	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	73	4,702	177,422	56,702	21,831	-
Fund balances - beginning of year	1,404	22,475	1,374,600	340,470	1,346	26
Adjustments	-	-	-	-	-	-
Fund balances - beginning of year, as adjusted	1,404	22,475	1,374,600	340,470	1,346	26
Fund balances - end of year	<u>\$ 1,477</u>	<u>\$ 27,177</u>	<u>\$ 1,552,022</u>	<u>\$ 397,172</u>	<u>\$ 23,177</u>	<u>\$ 26</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Salvage Inspection Fee	D.H.S. State Monies	Juvenile Child Care	Veterans Memorial	Animal Control	Animal Adoption Coordinator
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
State grants	-	-	60,623	-	-	-
Local contributions	-	-	-	-	-	-
Charges for services	-	-	4,407	-	27,478	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	556	434	-	611	285	2,659
Other revenue	-	-	370,594	780	-	12,364
Total revenues	<u>556</u>	<u>434</u>	<u>435,624</u>	<u>1,391</u>	<u>27,763</u>	<u>15,023</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	18,224	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	420,102	280	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>420,102</u>	<u>280</u>	<u>18,224</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>556</u>	<u>434</u>	<u>15,522</u>	<u>1,111</u>	<u>9,539</u>	<u>15,023</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>556</u>	<u>434</u>	<u>15,522</u>	<u>1,111</u>	<u>9,539</u>	<u>15,023</u>
Fund balances - beginning of year	10,024	8,121	-	11,073	6,500	-
Adjustments	-	-	43,642	-	-	45,515
Fund balances - beginning of year, as adjusted	<u>10,024</u>	<u>8,121</u>	<u>43,642</u>	<u>11,073</u>	<u>6,500</u>	<u>45,515</u>
Fund balances - end of year	<u>\$ 10,580</u>	<u>\$ 8,555</u>	<u>\$ 59,164</u>	<u>\$ 12,184</u>	<u>\$ 16,039</u>	<u>\$ 60,538</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Marine Safety	Michigan Justice Training	Library	Indigent Defense	Concealed Pistol Licensing	CDBG
Revenues						
Taxes	\$ -	\$ -	\$ 857,760	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
State grants	-	9,145	27,919	686,812	-	-
Local contributions	-	-	-	-	-	-
Charges for services	-	-	-	29,818	22,704	11,893
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	159	13,776	1,856	8,316	-
Other revenue	3,662	-	-	-	-	-
Total revenues	<u>3,662</u>	<u>9,304</u>	<u>899,455</u>	<u>718,486</u>	<u>31,020</u>	<u>11,893</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	973,550	-	-
Public safety	2,899	9,159	-	-	463	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	14,625
Recreation and culture	-	-	841,859	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>2,899</u>	<u>9,159</u>	<u>841,859</u>	<u>973,550</u>	<u>463</u>	<u>14,625</u>
Excess (deficiency) of revenues over expenditures	<u>763</u>	<u>145</u>	<u>57,596</u>	<u>(255,064)</u>	<u>30,557</u>	<u>(2,732)</u>
Other financing sources (uses)						
Transfers in	-	-	-	85,735	-	-
Transfers out	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,735</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>763</u>	<u>145</u>	<u>57,596</u>	<u>(169,329)</u>	<u>30,557</u>	<u>(2,732)</u>
Fund balances - beginning of year	979	4,474	75,960	44,810	142,736	58,178
Adjustments	-	-	-	-	-	-
Fund balances - beginning of year, as adjusted	<u>979</u>	<u>4,474</u>	<u>75,960</u>	<u>44,810</u>	<u>142,736</u>	<u>58,178</u>
Fund balances - end of year (deficit)	<u>\$ 1,742</u>	<u>\$ 4,619</u>	<u>\$ 133,556</u>	<u>\$ (124,519)</u>	<u>\$ 173,293</u>	<u>\$ 55,446</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Blight	2005 G.O. Bond	Pension Obligation Bond	Public Improvement	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,097,442
Licenses and permits	8,000	-	-	-	151,351
Federal grants	-	-	-	-	864,427
State grants	-	-	-	-	1,239,205
Local contributions	-	18,788	-	-	172,289
Charges for services	-	-	-	-	358,107
Fines and forfeitures	-	-	-	-	4,500
Investment income	-	-	-	-	249,340
Other revenue	-	-	-	2,378	468,803
	<u>8,000</u>	<u>18,788</u>	<u>-</u>	<u>2,378</u>	<u>7,605,464</u>
Total revenues					
	<u>8,000</u>	<u>18,788</u>	<u>-</u>	<u>2,378</u>	<u>7,605,464</u>
Expenditures					
Current					
General government	-	-	-	9,233	9,233
Judicial	-	-	-	-	1,801,048
Public safety	-	-	-	-	1,161,844
Public works	-	-	-	-	28,579
Health and welfare	-	-	-	-	2,342,620
Community and economic development	7,952	-	-	-	561,414
Recreation and culture	-	-	-	-	1,360,723
Capital outlay	-	-	-	283,582	319,869
Debt service					
Principal retirement	-	25,000	785,000	-	813,794
Interest and fiscal charges	-	2,688	73,550	-	76,852
	<u>7,952</u>	<u>27,688</u>	<u>858,550</u>	<u>292,815</u>	<u>8,475,976</u>
Total expenditures					
	<u>7,952</u>	<u>27,688</u>	<u>858,550</u>	<u>292,815</u>	<u>8,475,976</u>
Excess (deficiency) of revenues over expenditures	<u>48</u>	<u>(8,900)</u>	<u>(858,550)</u>	<u>(290,437)</u>	<u>(870,512)</u>
Other financing sources (uses)					
Transfers in	-	8,900	858,550	290,680	1,546,921
Transfers out	-	-	-	-	(156,671)
Sale of capital assets	-	-	-	2,001	2,001
	<u>-</u>	<u>8,900</u>	<u>858,550</u>	<u>292,681</u>	<u>1,392,251</u>
Total other financing sources and uses					
	<u>-</u>	<u>8,900</u>	<u>858,550</u>	<u>292,681</u>	<u>1,392,251</u>
Net change in fund balances	<u>48</u>	<u>-</u>	<u>-</u>	<u>2,244</u>	<u>521,739</u>
Fund balances - beginning of year	2	-	-	-	3,678,256
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,244)</u>	<u>86,913</u>
Fund balances - beginning of year (deficit), as adjusted	<u>2</u>	<u>-</u>	<u>-</u>	<u>(2,244)</u>	<u>3,765,169</u>
Fund balances - end of year	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,286,908</u>

Gratiot County
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024

	Soil Erosion Inspection	Jail Commissary	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 221,437	\$ 13,007	\$ 234,444
Receivables			
Accounts	-	3,224	3,224
Prepaid items	-	2,688	2,688
	<u>221,437</u>	<u>18,919</u>	<u>240,356</u>
Total assets			
Liabilities			
Current liabilities			
Accounts payable	53	5,158	5,211
Payroll and other liabilities	1,124	-	1,124
	<u>1,177</u>	<u>5,158</u>	<u>6,335</u>
Total liabilities			
Net position			
Unrestricted	<u>\$ 220,260</u>	<u>\$ 13,761</u>	<u>\$ 234,021</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024

	Soil Erosion Inspection	Jail Commissary	Total
Operating revenue			
Customer fees	\$ 45,145	\$ 88,714	\$ 133,859
Other revenue	<u>-</u>	<u>48,392</u>	<u>48,392</u>
Total operating revenue	<u>45,145</u>	<u>137,106</u>	<u>182,251</u>
Operating expenses			
Personnel services	47,037	-	47,037
Supplies	1,198	78,791	79,989
Contractual services	5,371	-	5,371
Utilities	475	-	475
Repairs and maintenance	642	3,313	3,955
Other expenses	<u>-</u>	<u>51,922</u>	<u>51,922</u>
Total operating expenses	<u>54,723</u>	<u>134,026</u>	<u>188,749</u>
Operating income (loss)	(9,578)	3,080	(6,498)
Nonoperating revenue (expenses)			
Investment income	<u>11,341</u>	<u>776</u>	<u>12,117</u>
Change in net position	1,763	3,856	5,619
Net position - beginning of year	<u>218,497</u>	<u>9,905</u>	<u>228,402</u>
Net position - end of year	<u>\$ 220,260</u>	<u>\$ 13,761</u>	<u>\$ 234,021</u>

Gratiot County
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024

	Soil Erosion Inspection	Jail Commissary	Total
Cash flows from operating activities			
Receipts from customers	\$ 45,145	\$ 133,882	\$ 179,027
Payments to suppliers	(7,319)	(132,044)	(139,363)
Payments to employees	(47,037)	-	(47,037)
Net cash provided (used) by operating activities	(9,211)	1,838	(7,373)
Cash flows from investing activities			
Interest received	11,341	776	12,117
Net change in cash and cash equivalents	2,130	2,614	4,744
Cash and cash equivalents - beginning of year	219,307	10,393	229,700
Cash and cash equivalents - end of year	<u>\$ 221,437</u>	<u>\$ 13,007</u>	<u>\$ 234,444</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (9,578)	\$ 3,080	\$ (6,498)
Changes in assets and liabilities			
Receivables (net)	-	(3,224)	(3,224)
Prepaid items	-	1,660	1,660
Accounts payable	(143)	322	179
Accrued and other liabilities	510	-	510
Net cash provided (used) by operating activities	<u>\$ (9,211)</u>	<u>\$ 1,838</u>	<u>\$ (7,373)</u>

Gratiot County
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Fringe Benefits	Tile	Flexible Spending	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 304,596	\$ 47,511	\$ 26,449	\$ 378,556
Receivables				
Accounts	1,016	-	-	1,016
Inventories	-	53,694	-	53,694
Prepaid items	135,131	-	-	135,131
	<u>440,743</u>	<u>101,205</u>	<u>26,449</u>	<u>568,397</u>
Liabilities				
Current liabilities				
Accounts payable	<u>37,806</u>	<u>-</u>	<u>-</u>	<u>37,806</u>
Net position				
Unrestricted	<u>\$ 402,937</u>	<u>\$ 101,205</u>	<u>\$ 26,449</u>	<u>\$ 530,591</u>

Gratiot County
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2024

	Fringe Benefits	Tile	Flexible Spending	Total
Operating revenue				
Billings to other funds	\$ 4,053,520	\$ -	\$ -	\$ 4,053,520
Other revenue	<u>-</u>	<u>3,423</u>	<u>30,896</u>	<u>34,319</u>
Total operating revenue	<u>4,053,520</u>	<u>3,423</u>	<u>30,896</u>	<u>4,087,839</u>
Operating expenses				
Personnel services	2,848,948	-	27,215	2,876,163
Other expenses	<u>2,108</u>	<u>18,701</u>	<u>-</u>	<u>20,809</u>
Total operating expenses	<u>2,851,056</u>	<u>18,701</u>	<u>27,215</u>	<u>2,896,972</u>
Operating income (loss)	1,202,464	(15,278)	3,681	1,190,867
Nonoperating revenue (expenses)				
Investment income (loss)	<u>-</u>	<u>2,715</u>	<u>73</u>	<u>2,788</u>
Income (loss) before transfers out	1,202,464	(12,563)	3,754	1,193,655
Transfers out	<u>(858,550)</u>	<u>-</u>	<u>-</u>	<u>(858,550)</u>
Change in net position	343,914	(12,563)	3,754	335,105
Net position - beginning of year	<u>59,023</u>	<u>113,768</u>	<u>22,695</u>	<u>195,486</u>
Net position - end of year	<u>\$ 402,937</u>	<u>\$ 101,205</u>	<u>\$ 26,449</u>	<u>\$ 530,591</u>

Gratiot County
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Fringe Benefits	Tile	Flexible Spending	Total
Cash flows from operating activities				
Receipts from interfund users	\$ 4,058,452	\$ 3,423	\$ 30,896	\$ 4,092,771
Payments to suppliers	(2,900,461)	(11,877)	-	(2,912,338)
Payments to employees	-	-	(27,215)	(27,215)
Net cash provided (used) by operating activities	1,157,991	(8,454)	3,681	1,153,218
Cash flows from noncapital financing activities				
Transfers to other funds	(858,550)	-	-	(858,550)
Cash flows from investing activities				
Interest received	-	2,715	73	2,788
Net change in cash and cash equivalents	299,441	(5,739)	3,754	297,456
Cash and cash equivalents - beginning of year	5,155	53,250	22,695	81,100
Cash and cash equivalents - end of year	<u>\$ 304,596</u>	<u>\$ 47,511</u>	<u>\$ 26,449</u>	<u>\$ 378,556</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 1,202,464	\$ (15,278)	\$ 3,681	\$ 1,190,867
Changes in assets and liabilities				
Receivables (net)	4,932	-	-	4,932
Inventories	-	8,363	-	8,363
Prepaid items	(87,211)	-	-	(87,211)
Accounts payable	37,806	(1,539)	-	36,267
Net cash provided (used) by operating activities	<u>\$ 1,157,991</u>	<u>\$ (8,454)</u>	<u>\$ 3,681</u>	<u>\$ 1,153,218</u>

Gratiot County
Other Supplementary Information
Custodial Funds
Combining Statement of Fiduciary Net Position
September 30, 2024

	General Custodial Fund	Wind Farm Planning	Current Tax Collection Fund	Heartland Escrow	Polaris Solar Escrow	District Court Custodial Fund
Assets						
Cash and cash equivalents	\$ 2,952	\$ 100,357	\$ -	\$ 10,000	\$ -	\$ 19,626
Receivables						
Accrued interest and other	-	-	1,200	-	-	-
Due from other units of government	<u>283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,262</u>
Total assets	<u>3,235</u>	<u>100,357</u>	<u>1,200</u>	<u>10,000</u>	<u>-</u>	<u>21,888</u>
Liabilities						
Accounts payable	-	-	19	-	-	19,602
Accrued and other liabilities	3,235	-	-	-	-	-
Due to other units of government	<u>-</u>	<u>-</u>	<u>751</u>	<u>-</u>	<u>-</u>	<u>2,286</u>
Total liabilities	<u>3,235</u>	<u>-</u>	<u>770</u>	<u>-</u>	<u>-</u>	<u>21,888</u>
Net position						
Restricted for:						
Individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 100,357</u>	<u>\$ 430</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>

Gratiot County
Other Supplementary Information
Custodial Funds
Combining Statement of Fiduciary Net Position
September 30, 2024

	Circuit Court <u>Custodial Fund</u>	Probate Court <u>Custodial Fund</u>	Inmates' <u>Custodial Fund</u>	Library Penal Fine Fund	Total Custodial Funds
Assets					
Cash and cash equivalents	\$ 4,747	\$ 2,583	\$ 3,912	\$ 52,496	\$ 196,673
Receivables					
Accrued interest and other	323	-	-	-	1,523
Due from other units of government	<u>1,166</u>	<u>3,683</u>	<u>-</u>	<u>1,040</u>	<u>8,434</u>
Total assets	<u>6,236</u>	<u>6,266</u>	<u>3,912</u>	<u>53,536</u>	<u>206,630</u>
Liabilities					
Accounts payable	4,313	2,957	-	-	26,891
Accrued and other liabilities	-	-	3,912	-	7,147
Due to other units of government	<u>1,922</u>	<u>3,048</u>	<u>-</u>	<u>53,536</u>	<u>61,543</u>
Total liabilities	<u>6,235</u>	<u>6,005</u>	<u>3,912</u>	<u>53,536</u>	<u>95,581</u>
Net position					
Restricted for:					
Individuals, organizations and other governments	<u>\$ 1</u>	<u>\$ 261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,049</u>

Gratiot County
Other Supplementary Information
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

	General Custodial Fund	Wind Farm Planning	Current Tax Collection Fund	Heartland Escrow	Polaris Solar Escrow	District Court Custodial Fund
Additions						
Investment earnings						
Interest, dividends and other	\$ -	\$ 5,132	\$ -	\$ -	\$ -	\$ -
Property tax collections for other governments	-	-	14,584,746	-	-	-
Fees and fines collected on behalf of other units of government	-	-	-	-	-	261,654
Collections from or on behalf of inmates	-	-	-	-	-	-
Funds collected for wind and solar farm planning	-	-	-	-	8,641	-
Total additions	-	5,132	14,584,746	-	8,641	261,654
Deductions						
Payments of property tax to other governments	-	-	14,584,316	-	-	-
Fees and fines remitted to other units of government	-	-	-	-	-	261,654
Payments to or on behalf of inmates	-	-	-	-	-	-
Payments related to wind and solar farm planning	-	1,045	-	-	8,641	-
Total deductions	-	1,045	14,584,316	-	8,641	261,654
Change in net position	-	4,087	430	-	-	-
Net position - beginning of year	-	96,270	-	10,000	-	-
Net position - end of year	\$ -	\$ 100,357	\$ 430	\$ 10,000	\$ -	\$ -

Gratiot County
Other Supplementary Information
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

	Circuit Court Custodial Fund	Probate Court Custodial Fund	Inmates' Custodial Fund	Library Penal Fine Fund	Total Custodial Funds
Additions					
Investment earnings					
Interest, dividends and other	\$ -	\$ -	\$ -	\$ -	\$ 5,132
Property tax collections for other governments	-	-	-	-	14,584,746
Fees and fines collected on behalf of other units of government	61,151	49,282	-	-	372,087
Collections from or on behalf of inmates	-	-	382,924	-	382,924
Funds collected for wind and solar farm planning	-	-	-	-	8,641
Total additions	<u>61,151</u>	<u>49,282</u>	<u>382,924</u>	<u>-</u>	<u>15,353,530</u>
Deductions					
Payments of property tax to other governments	-	-	-	-	14,584,316
Fees and fines remitted to other units of government	61,150	49,282	-	15,181	387,267
Payments to or on behalf of inmates	-	-	382,924	-	382,924
Payments related to wind and solar farm planning	-	-	-	-	9,686
Total deductions	<u>61,150</u>	<u>49,282</u>	<u>382,924</u>	<u>15,181</u>	<u>15,364,193</u>
Change in net position	1	-	-	(15,181)	(10,663)
Net position - beginning of year	<u>-</u>	<u>261</u>	<u>-</u>	<u>15,181</u>	<u>121,712</u>
Net position - end of year	<u>\$ 1</u>	<u>\$ 261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,049</u>

Gratiot County
Other Supplementary Information
Combining Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Drainage Districts
September 30, 2024

	Balance Sheet			
	Debt Service			
	Drain Debt #133	Drain Debt #181	Drain Debt #383	Drain Debt
Assets				
Current assets				
Cash and cash equivalents	\$ 143,203	\$ 863,337	\$ 266,251	\$ -
Receivables				
Accounts	-	-	-	-
Special assessments	<u>52,991</u>	<u>165,771</u>	<u>83,315</u>	<u>-</u>
Total current assets	<u>196,194</u>	<u>1,029,108</u>	<u>349,566</u>	<u>-</u>
Noncurrent assets				
Special assessments, net of current portion	158,976	1,326,163	916,463	-
Capital assets not being depreciated	-	-	-	-
Capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>158,976</u>	<u>1,326,163</u>	<u>916,463</u>	<u>-</u>
Total assets	<u>\$ 355,170</u>	<u>\$ 2,355,271</u>	<u>\$ 1,266,029</u>	<u>\$ -</u>
Liabilities				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	-	-	-	-
Current portion of long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	-	-	-	-
Noncurrent liabilities				
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	<u>211,967</u>	<u>1,491,934</u>	<u>999,778</u>	<u>-</u>
Fund balance				
Restricted for				
Debt service	143,203	863,337	266,251	-
Assigned - capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>143,203</u>	<u>863,337</u>	<u>266,251</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 355,170</u>	<u>\$ 2,355,271</u>	<u>\$ 1,266,029</u>	<u>\$ -</u>

Gratiot County
Other Supplementary Information
Combining Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Drainage Districts
September 30, 2024

	Balance Sheet					Statement of Net Position
	Capital Projects			Total	Adjustments	
	Regular Drain	Revolving Drain	Revolving Drain Maintenance			
Assets						
Current assets						
Cash and cash equivalents	\$ 3,906,335	\$ 148,041	\$ 31,651	\$ 5,358,818	\$ -	\$ 5,358,818
Receivables						
Accounts	9,576	-	-	9,576	-	9,576
Special assessments	1,899,538	-	-	2,201,615	-	2,201,615
Total current assets	<u>5,815,449</u>	<u>148,041</u>	<u>31,651</u>	<u>7,570,009</u>	<u>-</u>	<u>7,570,009</u>
Noncurrent assets						
Special assessments, net of current portion	6,259,639	-	-	8,661,241	-	8,661,241
Capital assets not being depreciated	-	-	-	-	3,047,675	3,047,675
Capital assets, net of accumulated depreciation	-	-	-	-	28,794,139	28,794,139
Total noncurrent assets	<u>6,259,639</u>	<u>-</u>	<u>-</u>	<u>8,661,241</u>	<u>31,841,814</u>	<u>40,503,055</u>
Total assets	<u>\$ 12,075,088</u>	<u>\$ 148,041</u>	<u>\$ 31,651</u>	<u>\$ 16,231,250</u>	<u>31,841,814</u>	<u>48,073,064</u>
Liabilities						
Current liabilities						
Accounts payable	\$ 100,237	\$ 1,663	\$ 195	\$ 102,095	-	102,095
Interest payable	-	-	-	-	102,406	102,406
Current portion of long-term liabilities	-	-	-	-	1,140,088	1,140,088
Total current liabilities	<u>100,237</u>	<u>1,663</u>	<u>195</u>	<u>102,095</u>	<u>1,242,494</u>	<u>1,344,589</u>
Noncurrent liabilities						
Long-term liabilities	-	-	-	-	8,697,581	8,697,581
Total liabilities	<u>100,237</u>	<u>1,663</u>	<u>195</u>	<u>102,095</u>	<u>9,940,075</u>	<u>10,042,170</u>
Deferred inflows of resources						
Unavailable revenue - special assessments	<u>8,159,177</u>	<u>-</u>	<u>-</u>	<u>10,862,856</u>	<u>(10,862,856)</u>	<u>-</u>
Fund balance						
Restricted for						
Debt service	-	-	-	1,272,791	(1,272,791)	-
Assigned - capital projects	<u>3,815,674</u>	<u>146,378</u>	<u>31,456</u>	<u>3,993,508</u>	<u>(3,993,508)</u>	<u>-</u>
Total fund balance	<u>3,815,674</u>	<u>146,378</u>	<u>31,456</u>	<u>5,266,299</u>	<u>(5,266,299)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12,075,088</u>	<u>\$ 148,041</u>	<u>\$ 31,651</u>	<u>\$ 16,231,250</u>		
Net position						
Net investment in capital assets					22,004,145	22,004,145
Restricted for						
Debt service					1,170,385	1,170,385
Unrestricted					<u>14,856,364</u>	<u>14,856,364</u>
Total net position					<u>\$ 32,764,595</u>	<u>\$ 38,030,894</u>

Gratiot County
Other Supplementary Information
Reconciliation of Balance Sheet to Statement of Net Position
Component Unit - Drainage Districts
September 30, 2024

Fund balance - Drainage Districts	\$ 5,266,299
Total net position for component units in the statement of net position is different because:	
Capital assets used are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	3,047,675
Capital assets, net of accumulated depreciation	28,794,139
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	10,862,856
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(102,406)
Bonds, notes, premiums and discounts	<u>(9,837,669)</u>
Net position of Drainage Districts	\$ <u>38,030,894</u>

Gratiot County
Other Supplementary Information
Combining Statement of Activities and Governmental Fund Statement of Revenues,
Expenditures and Changes in Fund Balance
Component Unit - Drainage Districts
For the Year Ended September 30, 2024

	Statement of Revenues, Expenditures and Changes in Fund Balance			
	Debt Service			
	Drain Debt #133	Drain Debt #181	Drain Debt #383	Drain Debt
Revenues				
Taxes	\$ 81,529	\$ 247,070	\$ 123,120	\$ -
Licenses and permits	-	-	-	-
Local contributions	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,854	20,637	883	-
Other revenue	-	-	-	-
Total revenues	<u>83,383</u>	<u>267,707</u>	<u>124,003</u>	<u>-</u>
Expenditures / expense				
Current				
Public works	-	-	-	-
Debt service				
Principal retirement	75,000	235,000	95,000	813,366
Interest and fiscal charges	10,137	84,600	32,055	229,209
Total expenditures / expense	<u>85,137</u>	<u>319,600</u>	<u>127,055</u>	<u>1,042,575</u>
Excess of revenues (deficiency) over expenditures	<u>(1,754)</u>	<u>(51,893)</u>	<u>(3,052)</u>	<u>(1,042,575)</u>
Other financing sources (uses)				
Transfers in	-	-	-	1,042,575
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,042,575</u>
Net change in fund balance	(1,754)	(51,893)	(3,052)	-
Fund balance / net position - beginning of year	144,957	915,230	269,303	-
Fund balance / net position - end of year	<u>\$ 143,203</u>	<u>\$ 863,337</u>	<u>\$ 266,251</u>	<u>\$ -</u>

Gratiot County
Other Supplementary Information
Combining Statement of Activities and Governmental Fund Statement of Revenues,
Expenditures and Changes in Fund Balance
Component Unit - Drainage Districts
For the Year Ended September 30, 2024

	Statement of Revenues, Expenditures and Changes in Fund Balance					
	Capital Projects			Total	Adjustments	Statement of Activities
	Regular Drain	Revolving Drain	Revolving Drain Maintenance			
Revenues						
Taxes	\$ 2,119,466	\$ -	\$ -	\$ 2,571,185	\$ (790,906)	\$ 1,780,279
Licenses and permits	14,550	-	-	14,550	-	14,550
Local contributions	2,073,374	-	-	2,073,374	-	2,073,374
Charges for services	7,650	-	-	7,650	-	7,650
Investment income	222,583	3,576	1,050	250,583	-	250,583
Other revenue	309,365	-	-	309,365	-	309,365
Total revenues	4,746,988	3,576	1,050	5,226,707	(790,906)	4,435,801
Expenditures / expense						
Current						
Public works	2,907,339	95,919	12,105	3,015,363	(960,745)	2,054,618
Debt service						
Principal retirement	-	-	-	1,218,366	(1,218,366)	-
Interest and fiscal charges	-	-	-	356,001	6,406	362,407
Total expenditures / expense	2,907,339	95,919	12,105	4,589,730	(2,172,705)	2,417,025
Excess of revenues (deficiency) over expenditures	1,839,649	(92,343)	(11,055)	636,977	1,381,799	2,018,776
Other financing sources (uses)						
Transfers in	-	208,863	40,098	1,291,536	-	1,291,536
Transfers out	(1,289,373)	(2,163)	-	(1,291,536)	-	(1,291,536)
Issuance of debt	40,500	-	-	40,500	(40,500)	-
Sale of capital assets	-	-	-	-	(4,249)	(4,249)
Total other financing sources (uses)	(1,248,873)	206,700	40,098	40,500	(44,749)	(4,249)
Net change in fund balance / net position	590,776	114,357	29,043	677,477	1,337,050	2,014,527
Fund balance / net position - beginning of year	3,224,898	32,021	2,413	4,588,822	31,427,545	36,016,367
Fund balance / net position - end of year	\$ 3,815,674	\$ 146,378	\$ 31,456	\$ 5,266,299	\$ 32,764,595	\$ 38,030,894

Gratiot County
Other Supplementary Information
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of the Component Unit Fund to the Statement of Activities
Component Unit - Drainage Districts
For the Year Ended September 30, 2024

Net change in fund balances - Drainage Districts	\$ 677,477
Total change in net position reported for component units in the statement of activities is 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 and amortization expense.	
Depreciation and amortization expense	(1,058,228)
Capital outlay	2,018,973
Sale of capital assets (net book value)	(4,249)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(790,906)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	(6,406)
Long-term liabilities and related transactions are not due and payable in the current period in the funds and, accordingly, are not reported as fund liabilities.	
Debt issued	(40,500)
Repayments of long-term debt	<u>1,218,366</u>
Change in net position of the Drainage Districts	<u>\$ 2,014,527</u>

Gratiot County
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Central Dispatch Authority
September 30, 2024

	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Current assets			
Cash and cash equivalents	\$ 467,007	\$ -	\$ 467,007
Receivables			
Accounts	260,716	-	260,716
Due from other units of government	7,022	-	7,022
Prepaid items	47,498	-	47,498
Total current assets	782,243	-	782,243
Noncurrent assets			
Capital assets, net of accumulated depreciation	-	4,347,074	4,347,074
Total assets	<u>\$ 782,243</u>	<u>4,347,074</u>	<u>5,129,317</u>
Deferred outflows of resources			
Pension related		133,986	133,986
OPEB related		1,682	1,682
Total deferred outflows of resources		<u>135,668</u>	<u>135,668</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 9,767	-	9,767
Payroll and other liabilities	17,207	-	17,207
Compensated absences	-	24,029	24,029
Current portion of long-term liabilities	-	645,586	645,586
Total current liabilities	<u>26,974</u>	<u>669,615</u>	<u>696,589</u>
Noncurrent liabilities			
Long-term liabilities	-	3,000,503	3,000,503
Net pension liability	-	128,402	128,402
Net OPEB liability	-	507	507
Total noncurrent liabilities	<u>-</u>	<u>3,129,412</u>	<u>3,129,412</u>
Total liabilities	<u>26,974</u>	<u>3,799,027</u>	<u>3,826,001</u>
Deferred inflows of resources			
OPEB related	-	4,606	4,606
Fund balance			
Non-spendable			
Prepaid items	47,498	(47,498)	-
Restricted for			
Public safety	707,771	(707,771)	-
Total fund balance	<u>755,269</u>	<u>(755,269)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 782,243</u>		
Net position			
Net investment in capital assets		700,985	700,985
Unrestricted		733,393	733,393
Total net position		<u>\$ 1,434,378</u>	<u>\$ 1,434,378</u>

Gratiot County
Other Supplementary Information
Reconciliation of Balance Sheet to Statement of Net Position
Component Unit - Central Dispatch Authority
September 30, 2024

Fund balance - Central Dispatch Authority	\$	755,269
Total net position for component units in the statement of net position is different because:		
Capital assets used are not financial resources and therefore are not reported in the funds.		
Capital assets, net of accumulated depreciation		4,347,074
Deferred outflows (inflows) of resources.		
Deferred outflows of resources resulting from debt refunding		133,986
Deferred outflows of resources resulting from net pension liability		1,682
Deferred inflows of resources resulting from net pension liability		(4,606)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences		(24,029)
Bonds, notes, premiums and discounts		(3,437,198)
Lease liabilities		(208,891)
Net pension liability		(128,402)
Net OPEB liability		(507)
Net position of Central Dispatch Authority	\$	<u>1,434,378</u>

Gratiot County
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of
Revenues, Expenditures and Changes in Fund Balance
Component Unit - Central Dispatch Authority
For the Year Ended September 30, 2024

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
State grants	\$ 5,446	\$ -	\$ 5,446
Local contributions	103,396	-	103,396
Charges for services	1,178,463	(7,623)	1,170,840
Investment income	20,631	-	20,631
Other revenue	12,931	-	12,931
	<u>1,320,867</u>	<u>(7,623)</u>	<u>1,313,244</u>
Total revenues			
	<u>1,320,867</u>	<u>(7,623)</u>	<u>1,313,244</u>
Expenditures / expense			
Current			
Public safety	4,407,425	(3,221,263)	1,186,162
Debt service			
Principal retirement	158,925	(158,925)	-
Interest and fiscal charges	13,689	-	13,689
	<u>4,580,039</u>	<u>(3,380,188)</u>	<u>1,199,851</u>
Total expenditures / expense			
	<u>4,580,039</u>	<u>(3,380,188)</u>	<u>1,199,851</u>
Excess of revenues (deficiency) over expenditures	(3,259,172)	3,372,565	113,393
Other financing sources (uses)			
Lease liabilities issued	3,279,670	(3,279,670)	-
	<u>3,279,670</u>	<u>(3,279,670)</u>	<u>-</u>
Net change in fund balance	20,498	92,895	113,393
Fund balance / net position - beginning of year	734,771	586,214	1,320,985
	<u>734,771</u>	<u>586,214</u>	<u>1,320,985</u>
Fund balance / net position - end of year	\$ 755,269	\$ 679,109	\$ 1,434,378
	<u>\$ 755,269</u>	<u>\$ 679,109</u>	<u>\$ 1,434,378</u>

Gratiot County
Other Supplementary Information
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of the Component Unit Fund to the Statement of Activities
Component Unit - Central Dispatch Authority
For the Year Ended September 30, 2024

Net change in fund balances - Central Dispatch Authority	\$	20,498
Total change in net position reported for component units in the statement of activities is different because:		
The fund 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 and amortization expense.		
Depreciation and amortization expense		(83,784)
Capital outlay		3,279,670
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Other revenue		(7,623)
Expenses are recorded when incurred in the statement of activities.		
Compensated absences		44
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the fund equals actual pension contributions.		
Net change in the net pension liability		33,325
Net change in the deferred outflow of resources related to the net pension liability		(46,903)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the fund equals actual OPEB contributions.		
Net change in the net OPEB liability		37,194
Net change in the deferred outflow of resources related to the net OPEB liability		(13,790)
Net change in the deferred inflow of resources related to the net OPEB liability		15,507
Long-term liabilities and related transactions are not due and payable in the current period in the fund and, accordingly, are not reported as fund liabilities.		
Debt issued		(3,279,670)
Repayments of long-term debt		<u>158,925</u>
Change in net position of Central Dispatch Authority	\$	<u>113,393</u>