



Stephenson & Company, P.C.

Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE

Alan J. Stephenson, CPA

COUNTY OF OGEMAW
WEST BRANCH, MICHIGAN

AUDITORS' REPORT
YEAR ENDED SEPTEMBER 30, 2024

INDEX

AUDITORS' REPORT

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>	
STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES	12 - 14
<u>FUND FINANCIAL STATEMENTS</u>	
BALANCE SHEET - GOVERNMENTAL FUNDS	15
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES	16
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT OF NET POSITION - PROPRIETARY FUNDS	19 - 20
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	21 - 22
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	23 - 24
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS	25
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS	26
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS	27
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS	28
NOTES TO FINANCIAL STATEMENTS	29 - 66
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS	67
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS	68
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS	69
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS	70
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND	71 - 72
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HOUSING PROGRAM FUND - SPECIAL REVENUE FUND	73
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARPA FUND - SPECIAL REVENUE FUND	74
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OPIOID FUND - SPECIAL REVENUE FUND	75
<u>SUPPLEMENTARY INFORMATION</u>	
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS	76 - 77
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS	78 - 79
COMBINING STATEMENT OF NET POSITION - OTHER ENTERPRISE FUNDS	80

INDEX

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION - OTHER ENTERPRISE FUNDS	81
COMBINING STATEMENT OF CASH FLOWS - OTHER ENTERPRISE FUNDS	82
COMBINING BALANCE SHEET - OGEMAW COUNTY DRAINS - COMPONENT UNIT - GOVERNMENTAL FUNDS	83
OGEMAW COUNTY DRAINS - COMPONENT UNIT RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	84
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - OGEMAW COUNTY DRAINS - COMPONENT UNIT - GOVERNMENTAL FUNDS	85
OGEMAW COUNTY DRAINS - COMPONENT UNIT RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	86
COMBINING BALANCE SHEET - ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT - GOVERNMENTAL FUNDS	87
ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	88
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT - GOVERNMENTAL FUNDS	89
ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	90
BALANCE SHEET OGEMAW COUNTY LAND BANK AUTHORITY - COMPONENT UNIT - GOVERNMENTAL FUND	91
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - OGEMAW COUNTY LAND BANK AUTHORITY - COMPONENT UNIT - GOVERNMENTAL FUND	92
OGEMAW COUNTY PUBLIC TRANSIT - NONURBAN REGULAR SERVICE REVENUE REPORT	93
OGEMAW COUNTY PUBLIC TRANSIT - NONURBAN REGULAR SERVICE EXPENSE REPORT	94
OGEMAW COUNTY PUBLIC TRANSIT - SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS	95
OGEMAW COUNTY PUBLIC TRANSIT - OPERATING ASSISTANCE CALCULATION	96
OGEMAW COUNTY PUBLIC TRANSIT - NONURBAN REGULAR SERVICE NONFINANCIAL REPORT (UNAUDITED)	97



Stephenson & Company, P.C.
Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE

Alan J. Stephenson, CPA

March 21, 2025

Independent Auditors' Report

Board of Commissioners
County of Ogemaw
West Branch, 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 the County of Ogemaw, West Branch, Michigan, 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 index.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ogemaw, West Branch, Michigan, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ogemaw's basic financial statements. The accompanying combining nonmajor fund financial statements, Ogemaw County Drains - component unit fund financial statements, Economic Development Corporation - component unit fund financial statements, Ogemaw County Land Bank Authority - component unit fund financial statements, Ogemaw County Public Transit - Nonurban Regular Service Revenue Report, Ogemaw County Public Transit - Nonurban Regular Service Expense Report, Ogemaw County Public Transit - Schedule of Expenditures of Federal and State Awards, Ogemaw County Public Transit - Operating Assistance Calculation, and Ogemaw County Public Transit - Nonurban Regular Service Nonfinancial Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Ogemaw County Drains - component unit fund financial statements, the Economic Development Corporation - component unit fund financial statements, Ogemaw County Land Bank Authority - component unit fund financial statements, the Ogemaw County Public Transit - Nonurban Regular Service Revenue Report, Ogemaw County Public Transit - Nonurban Regular Service Expense Report, Ogemaw County Public Transit - Schedule of Expenditures of Federal and State Awards, and Ogemaw County Public Transit - Operating Assistance Calculation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Ogemaw County Public Transit - Nonurban Regular Service Nonfinancial Report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025 included in the Single Audit Report issued under a separate cover, on our consideration of the County of Ogemaw'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 of Ogemaw's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Ogemaw's internal control over financial reporting and compliance.

Stephenson & Company, P.C.

Ogemaw County Administrator/Controller

806 W. Houghton Avenue
West Branch, MI 48661
(989) 516-9020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the County of Ogemaw's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2024. The intent of this discussion and analysis is to look at the County's overall financial performance. The discussion focuses on the County's primary government. Unless otherwise noted, component units reported separately from the primary government are not included.

Financial Highlights

- The County's assets exceeded its liabilities by \$15,224,044.
- The County's total net position increased by \$4,787,143 due to an increase in net position of governmental activities of \$3,806,285 and an increase in net position of business-type activities of \$980,858.
- The County's governmental funds reported a combined ending fund balance of \$3,658,741 this year, an increase of \$1,753,298. The County General Fund 2024 fiscal year end *fund balance* is \$628,083.

Overview of the Financial Statements

The financial statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: The government-wide financial statements, fund financial statements, and notes to financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *statement of net position* and the *statement of activities* display information about the County as a whole. These statements include the financial activities of the primary government and its component units except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues while business-type activities rely to a significant extent on fees and charges for services.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function.

Program revenues include charges paid by the recipient for the goods or services offered by the program along with grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County

with certain limited exceptions. The comparisons of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

The County's capital assets are listed in this report. These assets are comprised of buildings, building improvements, water and sewer lines, dams, radio towers, vehicles, office equipment, computer equipment and land owned by the County. These assets total over \$16.3 million.

Property taxes for 2024 that will be received in the future are listed as taxes receivable.

The County's component units are comprised of the Ogemaw County Drains, Ogemaw County Road Commission, Ogemaw County Economic Development Corporation, and the Ogemaw County Land Bank Authority. These component units are described in the *Notes to the Financial Statements* under Note 1 – Summary of Significant Accounting Policies. The component units are legally separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

The Ogemaw County Drains' net position totaled \$390,802 and, of that amount, \$367,654 is shown as net investment in capital assets. The Ogemaw County Road Commission displays a net position totaling \$38,409,638, primarily attributable to county road infrastructure. The Ogemaw County Economic Development Corporation net position is \$178,661 and the Ogemaw County Land Bank Authority net position is \$65,448.

Fund Financial Statements

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: *Governmental, Proprietary and Fiduciary*. A thorough review and examination of fund types will reveal the strengths and weaknesses of its daily operations.

Governmental Funds:

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the source, use, and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

- General Fund – This fund accounts for all financial resources, except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenue.
- Housing Program Fund – This fund accounts for federal, state, and local funding used to obtain financing and construct or rehabilitate low-income housing for qualified Ogemaw County residents.
- ARPA Fund – This fund accounts for federal funding used in accordance with the requirements of the American Rescue Plan Act of 2021.
- Opioid Fund – This fund accounts for settlement funding used for opioid remediation.

The fund balance of the General Fund increased by \$586,654, which was a significant increase over the prior year increase of \$10,841. The increase over the prior year was primarily the result of increased property tax revenue.

The fund balance of the Housing Program Fund decreased by \$67,263, which is a larger decrease compared to the prior year decrease of \$10,751. This decrease was the result of expenditures exceeding revenues, with expenditures increasing more than revenues from the prior year, primarily as a result of the new MI-HOPE program having expenditures that were not recorded as current year revenues, as a result of the revenue not being received within 60 days of year end (unavailable).

The fund balance of the ARPA Fund increased by \$89,911 because of interest earned offset by bank charges. The remaining activity did not affect fund balance as the revenue recognized was either expensed in the current year or transferred out to the General Fund.

The fund balance of the Opioid Fund increased by \$625,545 because of revenues exceeding expenditures in the current year. This was a new fund in the prior year and the County has not had as much expenditures, as the settlements are still in the early stages of coming in.

The fund balance of Other Governmental Funds increased by \$518,451. There were three funds that experienced a significant change in fund balance. The first was the Road Patrol Fund which increased by \$147,273 as a result of revenues exceeding expenditure and transfers out. This was higher than the prior year increase of \$23,412 primarily due to increased property tax revenues and state grants and revenues in the current year. The second was the Indigent Defense Fund, which saw an increase in fund balance of \$167,758, due to revenues and transfers-in exceeding expenditures in the current year. This was higher than the prior year increase of \$102,244 due to increased revenues and decreased expenditures from the prior year. The third was the Probate Child Care Fund, which saw an increase in fund balance of \$152,444, due to revenues and transfers in exceeding expenditures in the current year. This was higher than the prior year increase of \$4,379 due to increased state revenues and decreased expenditures, offset by decreased transfers from the General Fund.

Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

The County's enterprise funds may be used to account for any activity for which a fee is charged to external users (citizens) for goods and services. The following are the County's major enterprise funds:

- Public Transit – This fund accounts for all activity related to providing Transportation services to the residents of the County.
- Tax Umbrella – This fund accounts for 2020 and prior delinquent property tax collection activity.
- 2023 Delinquent Tax Revolving Fund (DTRF) – This fund accounts for the purchase of the 2023 delinquent taxes from other local taxing units and subsequent tax collections.

The Ogemaw County Public Transit Fund net position increased by \$329,328, which is not a significant change compared to the prior year increase of 343,854. The increase in net position is the result of revenues exceeding expenditures in the current year.

The Tax Umbrella Fund net position increased by \$38,469. This improvement from the prior year's decrease of \$138,757 was due primarily to the prior year having a transfer out to the General Fund of \$183,000, where the current year transfer was \$91,500, and the interest earnings increasing about \$78,000 over the prior year. Fiscal Year 2024 marks the third consecutive year in which the Board of Commissioners reduced the transfer amount. The Board intends to end the practice of annual transfers from the Tax Umbrella Fund to offset operational expenses in the general fund by Fiscal Year 2025.

The 2023 DTRF Fund net position increased by \$137,468, as this is a new fund in the current fiscal year, and revenues exceeded expenditures.

The net position of Other Enterprise Funds increased by \$475,593, which is not a significant change compared to the prior year increase of \$451,660. This was primarily due to increases in fund balances of about \$353,000 in the DTRF because of receiving delinquent taxes during the current year, an increase in the fund balance in the Building Inspections Department Fund of about \$73,000 due to charges for services exceeding expenditures, a decrease in the fund balance in the Commissary Fund of about \$42,000, and an increase in the fund balance in the Tax Reversion Fund of about \$90,000 due to revenues exceeding expenditures.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other post-employment benefit – OPEB) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support County programs. The County currently has one pension (and OPEB) trust fund through the Ogemaw County Road Commission. The County’s custodial funds are used to account for amounts held for others in an agency capacity, primarily property tax collections, state-levied shared revenues, and fines and forfeitures.

Notes to Financial Statements

The notes provide additional information that is essential to fully understand the data provided on the County *government-wide* and *fund* financial statements. Notes to financial statements are presented following the Basic Financial Statements. They provide an expansive and thorough view of various aspects of the audited financial statements.

The Ogemaw County Drains, Ogemaw County Road Commission, Ogemaw County Economic Development Corporation, and the Ogemaw County Land Bank Authority related financial data are included throughout the notes to financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

Summary of Net Position:

The following summarizes the net position of the County of Ogemaw at September 30, 2024 and 2023:

Net Position Summary

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Current Assets	\$ 6,172,828	\$ 10,250,076	\$ 16,422,904	\$ 14,495,112
Other Noncurrent Assets	4,530,854	0	4,530,854	3,440,245
Capital Assets – net	<u>5,907,451</u>	<u>804,525</u>	<u>6,711,976</u>	<u>6,587,048</u>
Total Assets	<u>16,611,133</u>	<u>11,054,601</u>	<u>27,665,734</u>	<u>24,522,405</u>
Deferred Outflows of Resources	<u>3,102,146</u>	<u>151,452</u>	<u>3,253,598</u>	<u>4,078,622</u>
Current Liabilities	1,974,058	57,789	2,031,847	2,445,370
Long-Term Liabilities	<u>13,305,878</u>	<u>357,093</u>	<u>13,662,971</u>	<u>15,685,549</u>
Total Liabilities	<u>15,279,936</u>	<u>414,882</u>	<u>15,694,818</u>	<u>18,130,919</u>
Deferred Inflows of Resources	<u>470</u>	<u>0</u>	<u>470</u>	<u>33,207</u>
Net Position (Restated)				
Net Investment in				
Capital Assets	2,013,353	804,525	2,817,878	2,471,943
Restricted	7,464,332	0	7,464,332	5,371,805
Unrestricted (Deficit)	<u>(5,044,812)</u>	<u>9,986,646</u>	<u>4,941,834</u>	<u>2,593,153</u>
Total Net Position (Restated)	<u>\$ 4,432,873</u>	<u>\$ 10,791,171</u>	<u>\$ 15,224,044</u>	<u>\$ 10,436,901</u>

Summary of Changes in Net Position:

Following is an analysis of the changes in net position for the periods ended September 30, 2024, and 2023:

In general, the County’s net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction, or improvement of those assets. Ogemaw County, through its governing body (the Board of Commissioners) has taken a sensible approach regarding capital asset acquisition and amortization of the incurred debt. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws/regulations of other governments.

The County Board of Commissioners has prudently set aside funds to offset potential personnel and/or administrative liabilities. It is the County’s policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net position is available.

	Governmental Activities	Business-Type Activities	Year Ended September 30, 2024	Year Ended September 30, 2023
Program Revenues:				
Charges for Services	\$ 1,936,662	\$ 1,114,379	\$ 3,051,041	\$ 3,208,751
Operating Grants and Contributions	3,778,110	688,298	4,466,408	4,886,275
Capital Grants and Contributions	<u>57,925</u>	<u>422,197</u>	<u>480,122</u>	<u>244,004</u>
Total Program Revenues	<u>5,772,697</u>	<u>2,224,874</u>	<u>7,997,571</u>	<u>8,339,030</u>
General Revenues:				
Property Taxes	8,844,976	298,809	9,143,785	8,764,239
State Revenue Sharing	642,862	0	642,862	620,697
American Rescue Plan Act	587,281	0	587,281	1,009,092
Investment Earnings	117,349	594,754	712,103	518,180
Contributions from Local Units	268,527	0	268,527	208,839
Gain (Loss) on Disposal of Capital Assets	565	0	565	0
Other	242,048	726	242,774	227,507
Transfers	<u>441,500</u>	<u>(441,500)</u>	<u>0</u>	<u>0</u>
Total General Revenues and Transfers	<u>11,145,108</u>	<u>452,789</u>	<u>11,597,897</u>	<u>11,348,554</u>
Total Revenues and Transfers	<u>16,917,805</u>	<u>2,677,663</u>	<u>19,595,468</u>	<u>19,687,584</u>
Program Expenses:				
General Government:				
Legislative and Executive	221,226	0	221,226	262,677
Financial and Tax Administration	1,170,740	0	1,170,740	1,073,285
Other General Government	2,088,545	0	2,088,545	2,021,159
Judicial	2,314,017	0	2,314,017	2,450,132
Public Safety	4,422,655	0	4,422,655	4,647,262
Public Transit	0	1,215,174	1,215,174	1,163,893
Public Works	221,699	0	221,699	149,931
Health and Welfare	2,028,349	0	2,028,349	2,059,211
Community and Economic Development	491,872	0	491,872	254,538
Interest and Fees on Long-Term Debt	152,417	0	152,417	187,454
Delinquent Tax Revolving	0	14,187	14,187	50,119
Commissary	0	87,625	87,625	148,533
County Park	0	73,694	73,694	72,277
Building Department	0	252,410	252,410	245,451
Tax Reversion	<u>0</u>	<u>53,715</u>	<u>53,715</u>	<u>175,303</u>
Total Expenses	<u>13,111,520</u>	<u>1,696,805</u>	<u>14,808,325</u>	<u>14,961,225</u>
Change in Net Position	3,806,285	980,858	4,787,143	4,726,359
Beginning Net Position (Restated)	<u>626,588</u>	<u>9,810,313</u>	<u>10,436,901</u>	<u>5,710,542</u>
Ending Net Position (Restated)	<u>\$ 4,432,873</u>	<u>\$ 10,791,171</u>	<u>\$ 15,224,044</u>	<u>\$ 10,436,901</u>

Governmental Activities

The *Statement of Activities* illustrates, by department, the expense incurred and revenue received. Total governmental activities reveal revenues of \$5,772,697 from *Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions*. The *Charges for Services* are fees for real estate transfers/recordings, fines and forfeitures related to judicial activity, and licenses and permits. While revenue collected is substantial, operating expenses totaled \$13,111,520 for these same activities. The largest expenses were incurred by Other General Government offices (\$2,088,545), Circuit, District, and Probate Courts (\$2,314,017), Health and Welfare (\$2,028,349) and Public Safety (\$4,422,655).

Business-Type Activities

Ogemaw County’s *Business-Type Activities* include the Ogemaw County Public Transit, Tax Umbrella, 2023 DTRF, 2022 DTRF, 2021 DTRF, and 2020 DTRF activities related to delinquent tax collection; as well as the County Park, Building Inspections Department, Commissary, and Tax Reversion activities. The business-type activities reveal revenues of \$2,224,874 from *Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions*. The *Charges for Services* are for fees associated with the collection of property taxes, sales of property forfeited to the County for delinquent property taxes, camping fees at the County Park, permits and fees for the Building Inspections Department, payments from inmates for Commissary, and fare revenue at the Ogemaw County Public Transit. The operating expenses for these same activities totaled \$1,696,805, the largest of which were incurred by Public Transit (\$1,215,174).

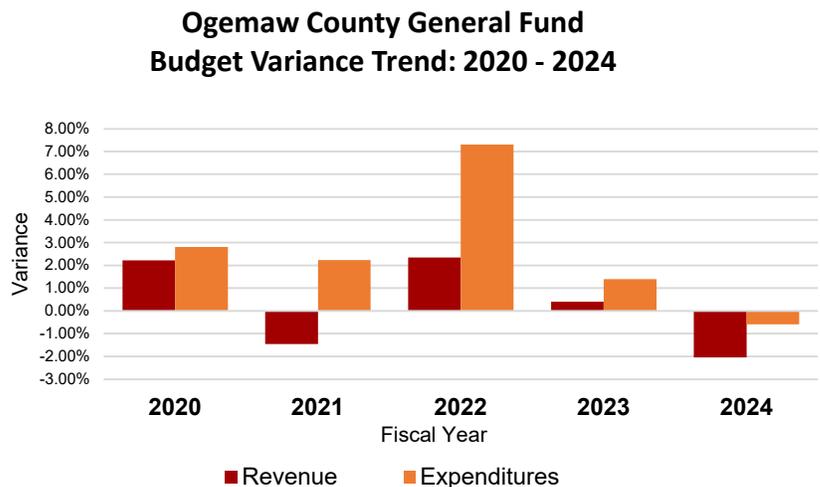
Budgetary Highlights

A budget variance is the difference between the budgeted or baseline amount of expense or revenue, and the actual amount. The budget variance is favorable when the actual revenue is higher than the budgeted amount or when the actual expense is less than the budgeted amount.

The year ending September 30, 2024, General Fund revenue variance of \$226,184 (2.05%) was led by a favorable variance of \$63,830 in federal grants and revenue, \$3,760 in licenses and permits, \$44,040 in charges for services, and \$1,060 in interest and rentals. However, unfavorable variances of \$283,144 in property taxes and \$55,730 in state grants and revenue offset that excess.

Total General Fund expenditures showed unfavorable variances of \$62,220 (0.59%) when compared to the final amended budget and \$268,957 (2.6%) when compared to the original budget (see page 70).

Whether favorable or unfavorable, budget variances should be monitored and analyzed to promote accurate financial reporting, reliable cash flow, and trustworthy short- and long-term budget strategies. When cumulative variances exceed 10% for the fiscal year, they must be investigated and resolved before beginning the next fiscal year. This exercise provides assurance that any known deficiencies are corrected before the next fiscal year begins. A five-year variance trend for the General Fund is shown on the right.



Capital Asset and Debt Administration

Capital Assets

A *capital asset* is property owned by the County and regarded as having an initial individual value of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at *historical cost* or *estimated historical cost* if purchased or constructed. Donated capital assets are recorded at estimated fair market value (FMV) on the date of donation.

The County's infrastructure consists of roads and bridges. Improvements are capitalized, i.e., depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

Capital Assets – Governmental Activities beginning balance was \$13,751,370 with an ending balance of \$13,817,393. Governmental Activities Total Capital Assets – Net of Depreciation was \$5,907,451.

During 2024, the County's governmental capital asset additions totaled \$66,023. The additions consisted of a snowmobile and trailer, security camera project, CERT trailer, and radars. There were no current year disposals.

Capital Assets - Business Type Activities beginning balance was \$1,933,856 with an ending balance of \$2,532,004. Current year additions were \$598,148 and consisted of a Transit bus, a Transit pole barn, a Transit bus wash machine, and a Nature Park well. There were no current year disposals. Business-Type Activities Total Capital Assets – Net of Depreciation was \$804,525.

An expanded and detailed presentation may be seen in Note 5 of the audit, notes to financial statements.

Long-Term Debt

The Long-Term debt of the County, as noted on the financial statements contained herein, is comprised of debt related to direct business transactions by the Board of Commissioners or business trade activity on the part of a local unit of government.

At year's end, long-term debt amounted to \$4,756,876. Such debt includes *Bonds Payable* and the related *Deferred Amounts for Issuance Premium* (Primary Government), and *Compensated Absences*. That is, accumulated vested vacation benefits payable and contingent liability for the accumulated sick leave benefits of County employees. An expanded detailed presentation may be seen in Note 6 of the audit, notes to financial statements.

Net Pension Liability

On September 30, 2024, the County's Net Pension Liability amounted to \$8,393,812. This constitutes the unfunded pension benefit obligation as of the measurement date of the Municipal Employees' Retirement System Plan. Additional information on the County's Net Pension Liability can be found in Note 9 of this report.

Net OPEB Liability

On September 30, 2024, the County's Net OPEB Liability amounted to \$476,042. This constitutes the unfunded OPEB benefit obligation as of the measurement date of the Ogemaw County Retiree Medical Plan. Additional information on the County's Net OPEB Liability can be found in Note 10 of this report.

Economic Factors

Ogemaw County was originally created by the Michigan Legislature in 1840 from unorganized territory but was absorbed into Iosco County in 1867. It was re-created in 1873 and finally organized in 1875. The County is situated in Northeast Lower Michigan and features 96,000 acres of public land in the Huron National Forest, State Forest, and the Rifle River State Park. Ogemaw County has a wide network of trails used by outdoor enthusiasts of every sort, including several miles of groomed trails for cross country skiing, hiking, biking and ORVs.

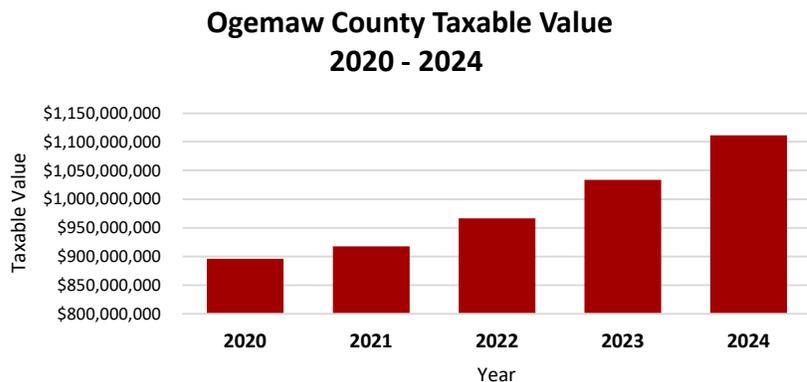
West Branch is an attractive place for business development. Interstate 75, the State’s major north-south artery, passes through the County and provides direct access to Saginaw, Flint and Detroit. State highways M-30, M-33, and M-55 also pass through the County and provide access to other areas of the State. Commercial and airfreight services are available from MBS International Airport in Freeland and Bishop International Airport in Flint. The West Branch Community Airport provides charter air service and daily services for overnight mail delivery companies.

According to the most recent American Community Survey data published by the United States Census Bureau (2022), the top 10 employment sectors for those who live in Ogemaw County are Health Care and Social Assistance (19.1%), Retail Trade (15.1%), Manufacturing (12.8%), Accommodation and Food Services (9.65%), Construction (7.62%), Educational Services (5.64%), Transportation and Warehousing (4.34%), Agriculture, Forestry, Fishing, and Hunting (4.18%), Other Services, Except Public Administration (3.79%), and Public Administration (3.53%).

The industries with the best median earnings for men are Transportation/Warehousing and Utilities (\$58,421), Information (\$50,893), and Public Administration (\$49,375). The industries with the best median earnings for women are Manufacturing (\$37,083), Construction (\$36,750), and Public Administration (\$34,688).

In 2021, the median household income grew 5.8% to \$44,165. Despite household income growth, 17% of the population live below the poverty line, a number that is higher than the national average of 12.6%.

Taxable values on real property increased by 7.5% from 2023 to 2024, which is significantly higher than the five-year average of 4.8%. Property taxes accounted for 67.3% of all General Fund revenue in Fiscal Year 2024. Revenue generated from service millages helped to reduce economic challenges in some areas of the county budget. The taxable value trend is illustrated in the graph on the right.



Component Units

Complete financial statements for the Ogemaw County Drains, Ogemaw County Economic Development Corporation, and Ogemaw County Land Bank Authority are included in this audit report.

Complete financial statements for the Ogemaw County Road Commission may be obtained from the Ogemaw County Road Commission’s administrative office located at 1250 South M-33, West Branch, Michigan 48661.

Requests for Information

This financial report is designed to provide a general overview of the County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ogemaw County Administrator/Controller, 806 W. Houghton Avenue, West Branch, Michigan 48661.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 3,986,323	\$ 6,208,017	\$ 10,194,340	\$ 344,771
Investments	723,892	1,940,092	2,663,984	2,341,218
Receivables:				
Property Taxes	1,099,149	0	1,099,149	0
Delinquent Taxes	0	1,585,505	1,585,505	0
Accounts, Net	17,784	1,242	19,026	5,165
Interest Receivable	3,763	13,441	17,204	230
Loans Receivable	0	0	0	2,194
Mortgages Receivable	43,153	0	43,153	0
Due from Local Units	88,983	37,839	126,822	39,349
Due from State	538,029	92,105	630,134	1,178,140
Due from Other Units of Government	261	20,357	20,618	0
Internal Balances	(351,478)	351,478	0	0
Prepaid Items	22,969	0	22,969	0
Inventory	0	0	0	988,364
Noncurrent Assets:				
Long-Term Mortgages Receivable	1,745,860	0	1,745,860	33,612
Long-Term Settlements Receivable	2,784,994	0	2,784,994	0
Wetland Credits	0	0	0	310,400
Capital Assets Not Being Depreciated	255,553	0	255,553	28,110,355
Capital Assets, Net of Accumulated Depreciation	5,651,898	804,525	6,456,423	8,783,422
Total Assets	<u>16,611,133</u>	<u>11,054,601</u>	<u>27,665,734</u>	<u>42,137,220</u>
Deferred Outflows of Resources				
Deferred Amounts Related to Pensions	2,696,360	151,452	2,847,812	1,401,323
Deferred Amounts Related to OPEB	2,537	0	2,537	40,574
Deferred Charge on Refunding	403,249	0	403,249	0
Total Deferred Outflows of Resources	<u>3,102,146</u>	<u>151,452</u>	<u>3,253,598</u>	<u>1,441,897</u>
Liabilities				
Accounts Payable	163,271	18,732	182,003	113,847
Due to State	0	0	0	11,547
Due to Other Units of Government	255,584	10,192	265,776	0
Advances Payable	0	0	0	233,098
Accrued Interest Payable	51,125	0	51,125	0
Accrued Liabilities	344,501	28,865	373,366	37,962
Unearned Revenue - Federal Grants	1,159,577	0	1,159,577	63
Long Term Liabilities:				
Due Within One Year	355,768	14,305	370,073	0
Due In More Than One Year	4,401,108	21,936	4,423,044	206,994
Net Pension Liability	8,072,960	320,852	8,393,812	3,756,366
Net OPEB Liability	476,042	0	476,042	142,445
Total Liabilities	<u>15,279,936</u>	<u>414,882</u>	<u>15,694,818</u>	<u>4,502,322</u>
Deferred Inflows of Resources				
Deferred Amounts Related to OPEB	470	0	470	32,246
Net Position				
Net Investment in Capital Assets	2,013,353	804,525	2,817,878	36,893,777
Restricted For:				
Judicial	1,030,709	0	1,030,709	0
Public Safety	273,852	0	273,852	0
Health and Welfare	277,540	0	277,540	0
Opioid Remediation	3,868,632	0	3,868,632	0
County Roads	0	0	0	1,883,515
Debt Service	3,824	0	3,824	0
Capital Projects	0	0	0	23,148
Community and Economic Development	1,835,885	0	1,835,885	178,661
Other State Mandated Programs	173,890	0	173,890	0
Unrestricted (Deficit)	(5,044,812)	9,986,646	4,941,834	65,448
Total Net Position	<u>\$ 4,432,873</u>	<u>\$ 10,791,171</u>	<u>\$ 15,224,044</u>	<u>\$ 39,044,549</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Function/Program	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			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General Government:								
Legislative and Executive	\$ 221,226	\$ 0	\$ 0	\$ 0	\$ (221,226)	\$ 0	\$ (221,226)	
Financial and Tax Administration	1,170,740	296,203	0	0	(874,537)	0	(874,537)	
Other General Government	2,088,545	449,495	65,860	0	(1,573,190)	0	(1,573,190)	
Judicial:								
Circuit Court	200,258	23,325	0	0	(176,933)	0	(176,933)	
District Court	617,874	353,984	13,064	0	(250,826)	0	(250,826)	
Probate Court	613,840	21,101	182,134	0	(410,605)	0	(410,605)	
Other Judicial	882,045	39,558	918,492	0	76,005	0	76,005	
Public Safety:								
Sheriff	1,643,866	41,725	61,464	0	(1,540,677)	0	(1,540,677)	
Jail	2,337,822	315,037	5,950	0	(2,016,835)	0	(2,016,835)	
Building and Zoning	0	3,760	0	0	3,760	0	3,760	
Other Public Safety	440,967	62,483	1,831,914	57,925	1,511,355	0	1,511,355	
Public Works:								
Airport	176,797	0	0	0	(176,797)	0	(176,797)	
Other Public Works	44,902	0	95,052	0	50,150	0	50,150	
Health and Welfare:								
Health Department	0	0	115,965	0	115,965	0	115,965	
Probate Child Care	688,956	68,039	423,325	0	(197,592)	0	(197,592)	
Other Health and Welfare	1,339,393	64,954	0	0	(1,274,439)	0	(1,274,439)	
Community and Economic Development								
	491,872	196,998	64,890	0	(229,984)	0	(229,984)	
Interest and Fees on Long- Term Debt								
	<u>152,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(152,417)</u>	<u>0</u>	<u>(152,417)</u>	
Total Governmental Activities	<u>13,111,520</u>	<u>1,936,662</u>	<u>3,778,110</u>	<u>57,925</u>	<u>(7,338,823)</u>	<u>0</u>	<u>(7,338,823)</u>	

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Function/Program	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			
					Governmental Activities	Business-Type Activities	Total	
Primary Government (Continued):								
Business-Type Activities:								
Delinquent Tax Revolving	\$ 14,187	\$ 160,850	\$ 0	\$ 0	\$ 0	\$ 146,663	\$ 146,663	
County Park	73,694	63,831	10,806	0	0	943	943	
Tax Reversion	53,715	206,275	0	0	0	152,560	152,560	
Commissary	87,625	269,854	0	0	0	182,229	182,229	
Public Transit	1,215,174	74,701	677,492	422,197	0	(40,784)	(40,784)	
Building Department	252,410	338,868	0	0	0	86,458	86,458	
Total Business-Type Activities	<u>1,696,805</u>	<u>1,114,379</u>	<u>688,298</u>	<u>422,197</u>	<u>0</u>	<u>528,069</u>	<u>528,069</u>	
Total Primary Government	<u>\$ 14,808,325</u>	<u>\$ 3,051,041</u>	<u>\$ 4,466,408</u>	<u>\$ 480,122</u>	<u>(7,338,823)</u>	<u>528,069</u>	<u>(6,810,754)</u>	
Component Units								
Drain Commission	\$ 19,324	\$ 0	\$ 0	\$ 0				\$ (19,324)
Road Commission	9,739,991	1,117,974	6,480,561	1,743,375				(398,081)
Economic Development	72,947	0	97,806	0				24,859
Land Bank Authority	167,433	0	175,914	0				8,481
Total Component Units	<u>\$ 9,999,695</u>	<u>\$ 1,117,974</u>	<u>\$ 6,754,281</u>	<u>\$ 1,743,375</u>				<u>(384,065)</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Function/Program	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		
General Revenues:								
Property Taxes Levied For:								
General Operating					\$ 6,727,804	\$ 0	\$ 6,727,804	\$ 0
Payment in Lieu of Taxes					1,284	0	1,284	0
Road Patrol					1,024,605	0	1,024,605	0
MSU Extension					149,778	0	149,778	0
Veterans Services					168,819	0	168,819	0
Public Transit					0	298,809	298,809	0
Senior Services					772,686	0	772,686	0
State Revenue Sharing					642,862	0	642,862	0
American Rescue Plan Act					587,281	0	587,281	0
Contributions from Local Units					268,527	0	268,527	0
Interest and Investment Earnings					117,349	594,754	712,103	144,710
Gain (Loss) on Disposal of Capital Assets					565	0	565	36,847
Other					242,048	726	242,774	59,999
Transfers					441,500	(441,500)	0	0
Total General Revenues and Transfers					<u>11,145,108</u>	<u>452,789</u>	<u>11,597,897</u>	<u>241,556</u>
Change in Net Position					3,806,285	980,858	4,787,143	(142,509)
Net Position - Beginning (Restated)					<u>626,588</u>	<u>9,810,313</u>	<u>10,436,901</u>	<u>39,187,058</u>
Net Position - Ending					<u>\$ 4,432,873</u>	<u>\$ 10,791,171</u>	<u>\$ 15,224,044</u>	<u>\$ 39,044,549</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	<u>Special Revenue Funds</u>				Other Governmental Funds	Total Governmental Funds
	<u>General Fund</u>	<u>Housing Program Fund</u>	<u>ARPA Fund</u>	<u>Opioid Fund</u>		
<u>Assets</u>						
Cash and Cash Equivalents	\$ 362,033	\$ 82,583	\$ 889,596	\$ 781,406	\$ 1,870,705	\$ 3,986,323
Investments	0	0	423,892	300,000	0	723,892
Receivables:						
Property Taxes	1,099,149	0	0	0	0	1,099,149
Accounts, Net	14,463	0	0	1,000	2,321	17,784
Interest Receivable	0	0	2,531	1,232	0	3,763
Mortgages Receivable	0	43,153	0	0	0	43,153
Due from Local Units	88,983	0	0	0	0	88,983
Due from State	357,503	96,320	0	0	84,206	538,029
Due from Other Units of Government	0	0	0	0	261	261
Prepaid Items	22,969	0	0	0	0	22,969
Noncurrent Assets:						
Long-Term Mortgages Receivable	0	1,745,860	0	0	0	1,745,860
Long-Term Settlements Receivable	0	0	0	2,784,994	0	2,784,994
Total Assets	<u>\$ 1,945,100</u>	<u>\$ 1,967,916</u>	<u>\$ 1,316,019</u>	<u>\$ 3,868,632</u>	<u>\$ 1,957,493</u>	<u>\$ 11,055,160</u>
<u>Liabilities</u>						
Accounts Payable	\$ 48,182	\$ 41,544	\$ 475	\$ 0	\$ 73,070	\$ 163,271
Due to Other Funds	351,478	0	0	0	0	351,478
Due to Other Units of Government	191,729	0	0	0	63,855	255,584
Accrued Liabilities	273,947	0	0	0	70,554	344,501
Unearned Revenue - Federal Grants	0	0	1,159,577	0	0	1,159,577
Total Liabilities	<u>865,336</u>	<u>41,544</u>	<u>1,160,052</u>	<u>0</u>	<u>207,479</u>	<u>2,274,411</u>
<u>Deferred Inflows of Resources</u>						
Unavailable Revenue - Property Taxes	393,049	0	0	0	0	393,049
Unavailable Revenue - Mortgages	0	1,789,013	0	0	0	1,789,013
Unavailable Revenue - Grants	58,632	96,320	0	0	0	154,952
Unavailable Revenue - Settlements	0	0	0	2,784,994	0	2,784,994
Total Deferred Inflows of Resources	<u>451,681</u>	<u>1,885,333</u>	<u>0</u>	<u>2,784,994</u>	<u>0</u>	<u>5,122,008</u>
<u>Fund Equity</u>						
Fund Balances:						
Nonspendable	22,969	0	0	0	0	22,969
Restricted	0	41,039	0	1,083,638	1,707,016	2,831,693
Committed	0	0	0	0	42,951	42,951
Assigned	9,139	0	155,967	0	47	165,153
Unassigned	595,975	0	0	0	0	595,975
Total Fund Equity	<u>628,083</u>	<u>41,039</u>	<u>155,967</u>	<u>1,083,638</u>	<u>1,750,014</u>	<u>3,658,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 1,945,100</u>	<u>\$ 1,967,916</u>	<u>\$ 1,316,019</u>	<u>\$ 3,868,632</u>	<u>\$ 1,957,493</u>	<u>\$ 11,055,160</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total Governmental Fund Balances		\$ 3,658,741
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. Capital assets at year end consist of:		
Capital Assets Cost	\$ 13,817,393	
Accumulated Depreciation	<u>(7,909,942)</u>	5,907,451
Other assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds:		
Real and Personal Property Taxes	393,049	
Mortgages Receivable	1,789,013	
Opioid Settlements Receivable	2,784,994	
Grants Receivable	<u>154,952</u>	5,122,008
Accrued Interest on Long-Term Liabilities		(51,125)
Governmental funds report actual pension and OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability and net OPEB liability as of the measurement date. Pension and OPEB contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension and OPEB plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:		
Deficit Investment Return - Pension	1,258,566	
Employer Pension Contributions	1,437,794	
Differences Between Expected and Actual Experience - OPEB	2,537	
Change in Assumptions - OPEB	<u>(470)</u>	2,698,427
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Bonds Payable (Net of Unamortized Premium and Deferred Amounts on Refunding)	(3,894,098)	
Net OPEB Liability	(476,042)	
Net Pension Liability	(8,072,960)	
Compensated Absences Payable	<u>(459,529)</u>	
Total Long-Term Liabilities		<u>(12,902,629)</u>
Total Net Position - Governmental Activities		<u>\$ 4,432,873</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Housing Program Fund	ARPA Fund	Opioid Fund		
Revenue						
Property Taxes	\$ 7,436,483	\$ 0	\$ 0	\$ 0	\$ 1,302,261	\$ 8,738,744
Federal Grants and Revenue	217,301	161,409	587,281	0	217,807	1,183,798
State Grants and Revenue	1,028,855	43,750	0	0	1,018,128	2,090,733
State Shared Revenue	541,159	0	0	0	0	541,159
Local Grants	0	64,890	0	0	0	64,890
Contributions from Other Governments	268,527	0	0	0	0	268,527
Licenses and Permits	83,046	0	0	0	0	83,046
Charges for Services	1,362,822	0	0	0	144,776	1,507,598
Fines and Forfeits	3,540	0	0	0	828	4,368
Interest and Rentals	61,627	882	89,939	14,481	8,177	175,106
Other Revenue	41,421	0	0	621,217	21,387	684,025
Total Revenue	<u>11,044,781</u>	<u>270,931</u>	<u>677,220</u>	<u>635,698</u>	<u>2,713,364</u>	<u>15,341,994</u>
Expenditures						
Current:						
General Government:						
Legislative and Executive	228,757	0	0	0	0	228,757
Financial and Tax Administration	1,218,003	0	0	0	0	1,218,003
Other General Government	1,898,976	0	27,945	0	27,911	1,954,832
Judicial	1,659,597	0	0	0	900,347	2,559,944
Public Safety	3,799,064	0	0	10,060	878,537	4,687,661
Public Works	226,510	0	0	0	1	226,511
Health and Welfare	1,249,209	338,194	0	0	798,012	2,385,415
Community and Economic Development	84,163	0	0	0	161,674	245,837
Other	0	0	0	93	1	94
Capital Outlay	95,780	0	59,364	0	1,748	156,892
Debt Service:						
Principal	0	0	0	0	235,000	235,000
Interest and Fiscal Charges	0	0	0	0	131,250	131,250
Total Expenditures	<u>10,460,059</u>	<u>338,194</u>	<u>87,309</u>	<u>10,153</u>	<u>3,134,481</u>	<u>14,030,196</u>
Excess of Revenue Over (Under) Expenditures	<u>584,722</u>	<u>(67,263)</u>	<u>589,911</u>	<u>625,545</u>	<u>(421,117)</u>	<u>1,311,798</u>
Other Financing Sources (Uses)						
Operating Transfers In	996,000	0	0	0	1,009,068	2,005,068
Operating Transfers Out	(994,068)	0	(500,000)	0	(69,500)	(1,563,568)
Total Other Financing Sources (Uses)	<u>1,932</u>	<u>0</u>	<u>(500,000)</u>	<u>0</u>	<u>939,568</u>	<u>441,500</u>
Net Change in Fund Balances	586,654	(67,263)	89,911	625,545	518,451	1,753,298
Fund Balances - Beginning of Year (Restated)	<u>41,429</u>	<u>108,302</u>	<u>66,056</u>	<u>458,093</u>	<u>1,231,563</u>	<u>1,905,443</u>
Fund Balances - End of Year	<u>\$ 628,083</u>	<u>\$ 41,039</u>	<u>\$ 155,967</u>	<u>\$ 1,083,638</u>	<u>\$ 1,750,014</u>	<u>\$ 3,658,741</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	1,753,298
Amounts reported for governmental activities in the statement of activities are different because:		
Receivables not currently available are reported as revenue when collected or when currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements:		
Real and Personal Property Taxes	\$	106,232
Mortgages Receivable		(54,533)
Opioid Settlements Receivable		1,059,838
Grants Receivable		<u>107,544</u>
		1,219,081
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 as depreciation expense.		
Capital Outlay		66,023
Depreciation Expense		<u>(406,935)</u>
		(340,912)
Principal repayments on long-term debt are reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The amount of repayments reported as expenditures in the governmental funds consist of:		
Bonds Payable		235,000
Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term liabilities is as follows:		
Amortization of Bond Costs/Premiums		(13,993)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Net Change in Net OPEB Liability and Related Deferred Inflows/Outflows of Resources		40,600
Net Change in Accrued Interest		2,938
Net Change in Net Pension Liability and Related Deferred Inflows/Outflows of Resources		847,207
Net Change in Accrued Compensated Absences		<u>63,066</u>
		<u>953,811</u>
Change in Net Position of Governmental Activities	\$	<u><u>3,806,285</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
<u>Assets</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,287,806	\$ 1,750,798	\$ 943,932	\$ 2,225,481	\$ 6,208,017
Investments	174,063	1,298,457	200,000	267,572	1,940,092
Receivables:					
Delinquent Taxes	0	16,132	1,344,286	225,087	1,585,505
Accounts, Net	1,242	0	0	0	1,242
Interest Receivable	1,723	10,120	0	1,598	13,441
Due from Local Units	0	0	0	37,839	37,839
Due from State	92,105	0	0	0	92,105
Due from Other Units of Government	1,015	0	0	19,342	20,357
Due from Other Funds	<u>0</u>	<u>3,098,196</u>	<u>0</u>	<u>0</u>	<u>3,098,196</u>
Total Current Assets	1,557,954	6,173,703	2,488,218	2,776,919	12,996,794
Noncurrent Assets:					
Capital Assets, Net of Accumulated Depreciation	<u>673,955</u>	<u>0</u>	<u>0</u>	<u>130,570</u>	<u>804,525</u>
Total Assets	<u>2,231,909</u>	<u>6,173,703</u>	<u>2,488,218</u>	<u>2,907,489</u>	<u>13,801,319</u>
<u>Deferred Outflows of Resources</u>					
Deferred Amounts Related to Pensions	<u>151,452</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,452</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts Payable	15,384	0	0	3,348	18,732
Due to Other Funds	0	0	2,350,750	395,968	2,746,718
Due to Other Units of Government	279	9,913	0	0	10,192
Accrued Liabilities	24,344	0	0	4,521	28,865
Current Portion of Long-Term Liabilities	<u>14,305</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,305</u>
Total Current Liabilities	<u>54,312</u>	<u>9,913</u>	<u>2,350,750</u>	<u>403,837</u>	<u>2,818,812</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
Long-Term Liabilities:					
Due in More Than One Year	\$ 21,936	\$ 0	\$ 0	\$ 0	\$ 21,936
Net Pension Liability	<u>320,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>320,852</u>
Total Long-Term Liabilities	<u>342,788</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>342,788</u>
 Total Liabilities	 <u>397,100</u>	 <u>9,913</u>	 <u>2,350,750</u>	 <u>403,837</u>	 <u>3,161,600</u>
 <u>Net Position</u>					
Net Investment in Capital Assets	673,955	0	0	130,570	804,525
Unrestricted	<u>1,312,306</u>	<u>6,163,790</u>	<u>137,468</u>	<u>2,373,082</u>	<u>9,986,646</u>
 Total Net Position	 <u>\$ 1,986,261</u>	 <u>\$ 6,163,790</u>	 <u>\$ 137,468</u>	 <u>\$ 2,503,652</u>	 <u>\$ 10,791,171</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
<u>Operating Revenue</u>					
Charges For Services	\$ 70,192	\$ 40	\$ 0	\$ 953,026	\$ 1,023,258
Tax Collection Fees	0	378	67,243	52,136	119,757
User Fees	0	0	0	63,831	63,831
Interest and Penalties on Taxes	0	11,992	59,761	227,922	299,675
Other Revenue	4,725	0	0	0	4,725
Total Operating Revenue	<u>74,917</u>	<u>12,410</u>	<u>127,004</u>	<u>1,296,915</u>	<u>1,511,246</u>
<u>Operating Expenses</u>					
Salaries and Wages	572,828	0	0	108,412	681,240
Payroll Taxes and Employee Benefits	293,102	0	0	106,816	399,918
Administrative Costs	42,788	0	0	0	42,788
Contractual Services	8,395	0	0	1,290	9,685
Depreciation	111,744	0	0	20,564	132,308
Dues and Subscriptions	1,114	0	0	6,422	7,536
Equipment	0	0	0	13,299	13,299
Equipment Rental	597	0	0	62	659
Gasoline and Oil	88,814	0	0	3,677	92,491
Insurance and Bonds	49,718	0	0	13,577	63,295
Licenses and Permits	93	0	0	225	318
Office Supplies	1,316	0	0	1,986	3,302
Office and Operating Supplies	0	0	0	1,000	1,000
Operating Supplies	252	0	0	101,823	102,075
Postage	0	0	0	1,630	1,630
Printing and Advertising	2,440	0	0	1,408	3,848
Professional Fees and Services	5,786	0	0	21,656	27,442
Rent	0	0	0	12,000	12,000
Repair and Maintenance	21,513	0	0	37,936	59,449
Telephone	3,676	0	0	0	3,676
Travel and Training	50	0	0	2,481	2,531
Uniforms	1,472	0	0	208	1,680
Utilities	9,476	0	0	38,988	48,464
Other	0	0	102	83,045	83,147
Total Operating Expenses	<u>1,215,174</u>	<u>0</u>	<u>102</u>	<u>578,505</u>	<u>1,793,781</u>
Operating Income (Loss)	<u>(1,140,257)</u>	<u>12,410</u>	<u>126,902</u>	<u>718,410</u>	<u>(282,535)</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
<u>Nonoperating Revenue (Expenses)</u>					
Property Taxes	\$ 298,809	\$ 0	\$ 0	\$ 0	\$ 298,809
State Grants and Revenue	468,742	0	0	0	468,742
Federal Grants and Revenue	208,750	0	0	0	208,750
Interest and Investment Earnings	70,436	111,601	10,566	102,260	294,863
Contributions	0	0	0	10,806	10,806
Rental and Other Income	651	0	0	75	726
Total Nonoperating Revenue (Expenses)	<u>1,047,388</u>	<u>111,601</u>	<u>10,566</u>	<u>113,141</u>	<u>1,282,696</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(92,869)</u>	<u>124,011</u>	<u>137,468</u>	<u>831,551</u>	<u>1,000,161</u>
<u>Capital Contributions and Transfers</u>					
Capital Contributions - Federal	337,758	0	0	0	337,758
Capital Contributions - State	84,439	0	0	0	84,439
Operating Transfers Out	0	(91,500)	0	(355,958)	(447,458)
Operating Transfers In	0	5,958	0	0	5,958
Total Capital Contributions and Transfers	<u>422,197</u>	<u>(85,542)</u>	<u>0</u>	<u>(355,958)</u>	<u>(19,303)</u>
Change in Net Position	329,328	38,469	137,468	475,593	980,858
Net Position - Beginning of Year (Restated)	<u>1,656,933</u>	<u>6,125,321</u>	<u>0</u>	<u>2,028,059</u>	<u>9,810,313</u>
Net Position - End of Year	<u>\$ 1,986,261</u>	<u>\$ 6,163,790</u>	<u>\$ 137,468</u>	<u>\$ 2,503,652</u>	<u>\$ 10,791,171</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
Cash Flows From Operating Activities					
Receipts From Customers and Taxpayers	\$ 74,422	\$ 12,410	\$ 127,004	\$ 1,319,088	\$ 1,532,924
Payments to Suppliers for Goods and Services	(236,939)	0	2,350,648	(2,510,693)	(396,984)
Payments to Employees for Services	(922,686)	0	0	(214,945)	(1,137,631)
Delinquent Taxes Collected (Purchased)	0	12,429	(1,344,286)	1,302,896	(28,961)
Net Cash Provided (Used) by Operating Activities	<u>(1,085,203)</u>	<u>24,839</u>	<u>1,133,366</u>	<u>(103,654)</u>	<u>(30,652)</u>
Cash Flows From Non-Capital Financing Activities					
Federal/State Operating Grants	727,821	0	0	0	727,821
Property Taxes	299,897	0	0	0	299,897
Operating Subsidies and Transfers From (To) Other Funds/Component Units	0	251,376	0	(893,626)	(642,250)
Rent and Other Income	651	0	0	75	726
Intergovernmental Contributions	0	0	0	10,806	10,806
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,028,369</u>	<u>251,376</u>	<u>0</u>	<u>(882,745)</u>	<u>397,000</u>
Cash Flows From Capital and Related Financing Activities					
Federal/State Capital Grants	422,197	0	0	0	422,197
Acquisition and Construction of Capital Assets	(589,408)	0	0	(8,740)	(598,148)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(167,211)</u>	<u>0</u>	<u>0</u>	<u>(8,740)</u>	<u>(175,951)</u>
Cash Flows From Investing Activities					
Interest Earned	68,713	101,481	10,566	100,662	281,422
Redemption (Purchase) of Investment Securities	144,238	(362,932)	(200,000)	(11,710)	(430,404)
Net Cash Provided (Used) by Investing Activities	<u>212,951</u>	<u>(261,451)</u>	<u>(189,434)</u>	<u>88,952</u>	<u>(148,982)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,094)	14,764	943,932	(906,187)	41,415
Cash and Cash Equivalents at Beginning of Year (Restated)	<u>\$ 1,298,900</u>	<u>\$ 1,736,034</u>	<u>\$ 0</u>	<u>\$ 3,131,668</u>	<u>\$ 6,166,602</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,287,806</u>	<u>\$ 1,750,798</u>	<u>\$ 943,932</u>	<u>\$ 2,225,481</u>	<u>\$ 6,208,017</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Enterprise Funds				
	Major Funds			Other Enterprise Funds	Total
	Ogemaw County Public Transit	Tax Umbrella	2023 DTRF		
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>					
Operating Income (Loss)	\$ (1,140,257)	\$ 12,410	\$ 126,902	\$ 718,410	\$ (282,535)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	111,744	0	0	20,564	132,308
Change in Assets and Liabilities:					
Receivables	(495)	12,429	(1,344,286)	1,325,069	(7,283)
Accounts and Other Payables	1,864	0	2,350,750	(2,167,697)	184,917
Net Pension Liability and Deferred Outflows and Inflows of Resources	(58,059)	0	0	0	(58,059)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,085,203)</u>	<u>\$ 24,839</u>	<u>\$ 1,133,366</u>	<u>\$ (103,654)</u>	<u>\$ (30,652)</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2024

	Primary Government					Component Unit	
	Custodial Funds					Pension (and Other Employee Benefit) Trust Fund	
	Custodial Fund	Library Penal Fines	Tax Fund	Inmate Fund	Public Employee Health Care Fund	Total	Ogemaw County Road Commission Retiree Health Care Trust
<u>Assets</u>							
Cash and Cash Equivalents	\$ 339,519	\$ 45,266	\$ 2,532,443	\$ 36,622	\$ 0	\$ 2,953,850	\$ 2,183
Investments	0	0	0	0	0	0	353,346
Receivables:							
Accounts, Net	<u>23,159</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,159</u>	<u>0</u>
Total Assets	<u>362,678</u>	<u>45,266</u>	<u>2,532,443</u>	<u>36,622</u>	<u>0</u>	<u>2,977,009</u>	<u>355,529</u>
<u>Liabilities</u>							
Accounts Payable	62,916	0	0	0	0	62,916	0
Due to Local Units	29,278	0	0	34,298	0	63,576	0
Due to State	198,373	0	2,530,124	0	0	2,728,497	0
Due to Other Units of Government	0	44,231	2,319	0	0	46,550	0
Due to Other Agencies and Individuals	<u>72,111</u>	<u>1,035</u>	<u>0</u>	<u>2,324</u>	<u>0</u>	<u>75,470</u>	<u>0</u>
Total Liabilities	<u>362,678</u>	<u>45,266</u>	<u>2,532,443</u>	<u>36,622</u>	<u>0</u>	<u>2,977,009</u>	<u>0</u>
<u>Net Position</u>							
Restricted For:							
Pensions	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 355,529</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2024

	Primary Government						Component Unit
	Custodial Funds						Pension (and Other Employee Benefit) Trust Fund
	Custodial Fund	Library Penal Fines	Tax Fund	Inmate Fund	Public Employee Health Care Fund	Total	Ogemaw County Road Commission Retiree Health Care Trust
Additions							
Property Taxes Collected for Other Governments	\$ 0	\$ 0	\$ 7,566,901	\$ 0	\$ 0	\$ 7,566,901	\$ 0
Other Collections for Other Governments	1,763,083	0	0	0	0	1,763,083	0
Other Collections for Individuals and Agencies	174,187	0	0	0	0	174,187	0
Contributions							
Employer	0	0	0	0	35,182	35,182	197,389
Penal Fines	0	158,691	0	0	0	158,691	0
Inmate	0	0	0	951,220	0	951,220	0
Investment Income							
Net Decrease in the Fair Value of Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,815</u>
Total Additions	<u>1,937,270</u>	<u>158,691</u>	<u>7,566,901</u>	<u>951,220</u>	<u>35,182</u>	<u>10,649,264</u>	<u>258,204</u>
Deductions							
Property Taxes Distributed to Other Governments	0	0	7,566,901	0	0	7,566,901	0
Other Distributions to Other Governments	1,763,083	0	0	0	0	1,763,083	0
Other Distributions to Individuals and Agencies	174,187	0	0	0	0	174,187	0
Benefit Payments	0	0	0	0	35,182	35,182	125,389
Distribution of Penal Fines	0	158,691	0	0	0	158,691	0
Distribution to Inmates	<u>0</u>	<u>0</u>	<u>0</u>	<u>951,220</u>	<u>0</u>	<u>951,220</u>	<u>0</u>
Total Deductions	<u>1,937,270</u>	<u>158,691</u>	<u>7,566,901</u>	<u>951,220</u>	<u>35,182</u>	<u>10,649,264</u>	<u>125,389</u>
Change in Net Position	0	0	0	0	0	0	132,815
Net Position - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>222,714</u>
Net Position - End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 355,529</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2024

	Ogemaw County Road Commission	Ogemaw County Drains	Economic Development Corporation	Ogemaw County Land Bank Authority	Total
Assets					
Cash and Cash Equivalents	\$ 165,452	\$ 23,148	\$ 90,723	\$ 65,448	\$ 344,771
Investments	2,289,316	0	51,902	0	2,341,218
Receivables:					
Accounts, Net	5,165	0	0	0	5,165
Interest Receivable	0	0	230	0	230
Loans Receivable	0	0	2,194	0	2,194
Due from Local Units	39,349	0	0	0	39,349
Due from State	1,178,140	0	0	0	1,178,140
Inventory	988,364	0	0	0	988,364
Noncurrent Assets:					
Long-Term Loans Receivable	0	0	33,612	0	33,612
Wetland Credits	310,400	0	0	0	310,400
Capital Assets Not Being Depreciated	28,110,355	0	0	0	28,110,355
Capital Assets, Net of Accumulated Depreciation	8,415,768	367,654	0	0	8,783,422
Total Assets	<u>41,502,309</u>	<u>390,802</u>	<u>178,661</u>	<u>65,448</u>	<u>42,137,220</u>
Deferred Outflows of Resources					
Deferred Amounts Related to Pensions	1,401,323	0	0	0	1,401,323
Deferred Amounts Related to OPEB	40,574	0	0	0	40,574
Total Deferred Outflows of Resources	<u>1,441,897</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,441,897</u>
Liabilities					
Current Liabilities:					
Accounts Payable	113,847	0	0	0	113,847
Due to State	11,547	0	0	0	11,547
Advances Payable	233,098	0	0	0	233,098
Accrued Liabilities	37,962	0	0	0	37,962
Unearned Revenue	63	0	0	0	63
Long-Term Liabilities:					
Due In More Than One Year	206,994	0	0	0	206,994
Net OPEB Liability	142,445	0	0	0	142,445
Net Pension Liability	3,756,366	0	0	0	3,756,366
Total Liabilities	<u>4,502,322</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,502,322</u>
Deferred Inflows of Resources					
Deferred Amounts Related to OPEB	32,246	0	0	0	32,246
Net Position					
Net Investment in Capital Assets	36,526,123	367,654	0	0	36,893,777
Restricted For:					
County Roads	1,883,515	0	0	0	1,883,515
Capital Projects	0	23,148	0	0	23,148
Economic Development	0	0	178,661	0	178,661
Unrestricted	0	0	0	65,448	65,448
Total Net Position	<u>\$ 38,409,638</u>	<u>\$ 390,802</u>	<u>\$ 178,661</u>	<u>\$ 65,448</u>	<u>\$ 39,044,549</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended September 30, 2024

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units				
					Ogemaw County Road Commission	Ogemaw County Drains	Economic Development Corporation	Ogemaw County Land Bank Authority	
Governmental Activities:									
Drains	\$ 19,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ (19,324)	\$ 0	\$ 0	\$ (19,324)
Road Commission	9,739,991	1,117,974	6,480,561	1,743,375	(398,081)	0	0	0	(398,081)
Economic Development	72,947	0	97,806	0	0	0	24,859	0	24,859
Business-Type Activities:									
Land Bank Authority	<u>167,433</u>	<u>0</u>	<u>175,914</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,481</u>	<u>8,481</u>
Total Component Units	<u>\$ 9,999,695</u>	<u>\$ 1,117,974</u>	<u>\$ 6,754,281</u>	<u>\$ 1,743,375</u>	<u>(398,081)</u>	<u>(19,324)</u>	<u>24,859</u>	<u>8,481</u>	<u>(384,065)</u>
General Revenues:									
Interest and Investment Earnings					143,912	74	529	195	144,710
Gain (Loss) on Disposal of Capital Assets					36,847	0	0	0	36,847
Other					<u>24,429</u>	<u>0</u>	<u>25,514</u>	<u>10,056</u>	<u>59,999</u>
Total General Revenue					<u>205,188</u>	<u>74</u>	<u>26,043</u>	<u>10,251</u>	<u>241,556</u>
Change in Net Position					(192,893)	(19,250)	50,902	18,732	(142,509)
Net Position - Beginning (Restated)					<u>38,602,531</u>	<u>410,052</u>	<u>127,759</u>	<u>46,716</u>	<u>39,187,058</u>
Net Position - Ending					<u>\$ 38,409,638</u>	<u>\$ 390,802</u>	<u>\$ 178,661</u>	<u>\$ 65,448</u>	<u>\$ 39,044,549</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Ogemaw (County) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governments. The following is a summary of the significant accounting policies:

A. Description of County Operations and Fund Types

The County of Ogemaw, (the County), was organized in 1875 and covers an area of 624 square miles divided into 14 townships, 1 village and 2 cities. The County seat is located in the City of West Branch. The County operates under a five member elected Board of Commissioners and provides services to its more than 21,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The primary government is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

In addition, the County is also financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

1. Discretely Presented Component Units

The component unit columns on the combined financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

a. Governmental Activity and Fund Type Component Units

The Ogemaw County Drains - The Ogemaw County Drains is the Agency through which the County carries on the activities related to construction and maintenance of County drains. The Drains is fiscally dependent on Ogemaw County. Public Act 40 (The Drain Code) of 1956 established each drainage district as a separate legal entity with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The Drains may issue debt and levy special assessments without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for debt of the drainage districts. The Drains deposits its receipts with the County Treasurer. The financial statements of the Drains are presented as part of Supplementary Information and are not audited separately.

The Ogemaw County Road Commission - The governing body of this component unit is elected by the residents of the County of Ogemaw. The Road Commission was established to control the expenditures of Michigan Transportation Fund money distributed to the County which is earmarked by law for street and highway construction and repair purposes. Complete financial statements for the Ogemaw County Road Commission can be obtained from the Ogemaw County Road Commission's administrative office located at 1250 South M-33, West Branch, Michigan 48661.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

The Ogemaw County Economic Development Corporation - The governing body of this component unit is appointed by the County Board of Commissioners. The EDC was established in 1977, under Public Act 338 of 1974, as amended. The EDC is governed by a 14 member board appointed by the County Board of Commissioners. The EDC's purpose is to support, enhance and sustain economic development in Ogemaw County. The financial statements of the EDC are presented as part of Supplementary Information and are not audited separately.

b. Business-Type Activity and Proprietary Fund Type Component Unit

The Ogemaw County Land Bank Authority - The Ogemaw County Land Bank Authority is a public corporation organized pursuant to the Michigan Land Bank Fast Track Public Act 258 and an intergovernmental agreement entered into between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ogemaw. The Authority was legally established February 14, 2008. The Authority Board is comprised of nine members, as follows: Treasurer of Ogemaw County, at least one supervisor of a township located in Ogemaw County, nine members that are residents of Ogemaw County and a representative from the City of West Branch or City of Rose City. All members, except the County Treasurer are appointed by the Ogemaw County Board. The Land Bank Authority was created to acquire, hold, manage, develop and dispose of vacant, abandoned and tax-foreclosed properties. The financial statements of the Authority, a Business-Type Activity, are presented as part of the Supplementary Information and are not audited separately.

C. Joint Ventures

The County has entered into three joint ventures with governmental entities as follows:

AuSable Valley Community Mental Health Services Board

Ogemaw County, along with Iosco and Oscoda Counties, contributes to the AuSable Valley Community Mental Health Services Board. This Board operates autonomously under an appointed board (12 members) and provides services to residents in these counties under a full management contract with the Michigan Department of Mental Health. Ogemaw County's 2024 contribution to the AuSable Valley Community Mental Health Services Board was \$56,944. On dissolution of the Mental Health Services Board, the net position of the Board will be shared by each county in proportion to each county's total economic contribution since the existence of the Board. The Mental Health Board deposits their receipts with the Iosco County Treasurer, is part of Iosco County's common bank account and has investments through the County. At September 30, 2023, the most recent financial statements available, the Mental Health Board had total net position of \$5,540,102. Complete financial statements for the AuSable Valley Community Mental Health Services Board can be obtained from the Mental Health Services Board's administrative offices at 1199 Harris, Tawas City, Michigan 48763.

District Health Department No. 2

Ogemaw County, along with Alcona, Iosco and Oscoda Counties, contributes to the District Health Department No. 2. This Board operates autonomously under an appointed board and provides various health services to residents of the above aforementioned counties. The funding formula is based prorata on each unit's population and equalized valuation to the District's total population and valuations. Ogemaw County's 2024 contribution to the District Health Department No. 2 was \$129,588. The District Health Department No. 2 deposits their receipts with the Ogemaw County Treasurer through the common cash bank account. At September 30, 2024, the most recent financial statements available, the District Health Department No. 2 had total net position of \$2,797,518. Complete financial statements for the District Health Department No. 2 can be obtained from the District's administrative offices at 630 Progress Street, West Branch, Michigan 48661.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Joint Ventures (Continued)

West Branch Community Airport

Ogemaw County, along with the City of West Branch, contributes to the West Branch Community Airport. The board operates autonomously under an appointed board and was established in 1965 to construct, maintain, and operate the Airport. Ogemaw County's 2024 contribution to the West Branch Community Airport was \$65,706. On dissolution of the West Branch Community Airport, the net position of the Airport will be shared by the municipalities equally. At September 30, 2024, the most recent financial statements available, the West Branch Community Airport had total net position of \$5,744,616. Complete financial statements for the West Branch Community Airport can be obtained from the Airport Board's administrative offices at 1519 W. Airport Road, West Branch, Michigan 48661.

D. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government and its component units, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues while business-type activities rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type, and are excluded from the government-wide financial statements.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Accounting

The County uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain County functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - This fund accounts for all financial resources, except those required to be accounted for in another fund. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenue.

Housing Program Fund - This fund accounts for federal, state and local funding used to obtain financing and construct or rehabilitate low income housing for qualified Ogemaw County residents.

ARPA Fund - This fund accounts for federal funding used in accordance with the requirements of the American Rescue Plan Act of 2021.

Opioid Fund - This fund accounts for the settlement funding used for opioid remediation.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

The County's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the County's major enterprise funds:

Public Transit - This fund accounts for all activity related to providing Transportation services to the residents of the County.

Tax Umbrella - This fund accounts for 2020 and prior delinquent property tax collection activity.

2023 DTRF - This fund accounts for the purchase of the 2023 delinquent taxes from other local taxing units and subsequent tax collections.

The other enterprise funds of the County account for the sale of property that was forfeited by property owners to pay delinquent property taxes; delinquent property tax collections; the accumulation of resources for, and the payment of debt; and for fees collected for park services by the County.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and OPEB) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own program. The County currently has one pension (and OPEB) trust fund through the Ogemaw County Road Commission. The County's custodial funds are used to account for amounts held for others in an agency capacity, primarily property tax collections, state-levied shared revenues, and fines and forfeitures.

F. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus.

All assets and all liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenue, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

G. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide, proprietary and fiduciary funds financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Basis of Accounting (Continued)

Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within 60 days of the fiscal year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including sales tax), grants, interest and rent.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Cash Equivalents

For presentation on the financial statements, investments in cash management pools and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Investments are reported at fair value, except for repurchase agreements and certificates of deposit which are reported at cost which approximates fair value. Fair value is based on quoted market prices. Mutual funds are reported at current share price.

I. Receivables

Receivables generally consist of accounts (fees), sales taxes, shared revenues, property taxes, mortgages receivable, special assessments, intergovernmental grants, and interest. All receivables are net of estimated uncollectible accounts. Receivables are recognized to the extent the amounts are determined material and substantiated, not only by supporting documentation but also by a reasonable systematic method of determining their existence, completeness, valuation, and collectability.

Using this criteria, the County has elected to not record child support arrearages in the agency funds. These amounts, while potentially significant, are not considered measurable, and because collections are significantly in arrears, the County is unable to determine a reasonable value.

The allowance for doubtful accounts at September 30, 2024 was \$0 for the primary government and the component units.

J. Interfund Receivables and Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "due from/to other funds". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. Balances due from/to component units are reported on the government-wide statement of net position.

K. Prepaid Items

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

L. Inventory

Inventory is presented at cost on a first-in, first-out method of accounting and is expensed when used.

Road Commission inventories are charged to road construction, maintenance, equipment repairs, and operations as used. No other County inventories have been recognized in the financial statements as they are not material and have been expensed when purchased.

M. Long-Term Mortgages Receivable

Long-term mortgages receivable represent amounts due from individuals for housing loans and grants received, and are reported at their gross value.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs relating to maintenance and repairs are charged to expense, whereas those for renewals and betterments, when significant in amount, are capitalized.

The County's infrastructure consists of roads, bridges, dams and water and sewer lines. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

Capital assets are depreciated using the straight-line method over the useful lives. Useful lives for Transit assets are as defined in the Local Public Transit Revenue and Expense Manual and/or as approved by the Bureau of Passenger Transportation. The useful lives for the Primary Government and all Component Units are as follows:

<u>Descriptions</u>	<u>Estimated Lives</u>
Land Improvements	15 years
Buildings	15 - 50 years
Machinery and Equipment	3 - 25 years
Equipment - Road	5 - 8 years
Equipment - Shop	10 years
Equipment - Office	3 - 10 years
Equipment - Engineer's	10 years
Equipment - Yard	10 - 30 years
Vehicles and Boats	5 years
Infrastructure	20 - 50 years
Infrastructure - Bridges	12 - 50 years
Infrastructure - Roads	8 - 30 years
Infrastructure - Whitney Drain	20 - 50 years
Infrastructure - Flowage Lake Dam	20 - 50 years
Infrastructure - Stylus Lake Dam	20 - 50 years

For the Ogemaw County Public Transit, the eligible depreciation of \$2,462 (\$111,744 total depreciation less ineligible depreciation of \$109,282) includes only the depreciation of assets purchased with local funds and where the useful life of the asset purchased has been approved by the Bureau of Passenger Transportation.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements at the time they are incurred, to the extent that they will be paid from current, expendable, financial resources. However, bonds and other long-term obligations, compensated absences, claims and judgments, contractually required pension contributions and special termination benefits that are paid from governmental funds are recognized as liabilities in the fund financial statements only to the extent that they are due for payment during the current year.

P. Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made based on accumulated sick leave and the employee wage rates at year end taking into consideration limits specified in the County's termination policy. The County records a liability for sick leave earned at varying rates depending on County policy. The County records a liability for accumulated unused vacation time when earned for all employees with more than six months of service.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, the current portion of unpaid compensated absences is recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts, if any, are recorded in the account "Accrued Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental fund financial statements. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Q. Net Pension Liability

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported 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.

R. Postemployment Benefits Other Than Pensions (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 Ogemaw County Retiree Medical Plan (the 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.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The County reports three categories of net position as follows:

Net investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the County's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. The restricted net position shown in the Statement of Net Position is the same as the restricted fund balances detailed in Note 17, plus the Unavailable Revenue - Mortgages balance, shown on the Housing Commission Fund's Balance Sheet, Unavailable Revenue - Grants balance, shown on the General Fund's Balance Sheet, and Unavailable Revenue - Settlements balance, shown on the Opioid Fund's Balance Sheet..

Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the County.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The County's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

T. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners—the County's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Fund Balances (Continued)

Assigned fund balance. This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but are neither restricted nor committed. The County Board of Commissioners has authorized the Budget & Finance Committee to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. If any portion of existing fund balance will be used to eliminate a projected deficit in the budget for the subsequent year, this amount would also be categorized as Assigned fund balance.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

U. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the County, these revenues are charges for services for camping at the County Park, fares collected for public transit, tax collections and title collection fees. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

V. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

W. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended September 30, 2024.

X. Budgets and Budgetary Accounting

The County of Ogemaw normally follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 1, the departments submit to the Board of Commissioners a proposed departmental operating budget for the fiscal year commencing the following October 1. This operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the governmental center to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Budgets and Budgetary Accounting (Continued)

4. All budget appropriations lapse at year-end. Budgetary amounts reported herein are as originally adopted, and as amended by the Board of Commissioners throughout the operating year.

The County adopts budgets for the General Fund and Special Revenue Funds.

The budgets of the County are prepared on the same basis of accounting as the financial statement presentation. The budgets were adopted at the activity level.

The legal level of control is at the activity level for the General Fund, and at fund expenditure totals for the Special Revenue Funds.

The County Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the County Board of Commissioners. The financial statements include budgetary amounts as amended.

Y. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Z. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Cash and Cash Equivalents	\$ 3,986,323	\$ 6,208,017	\$ 2,953,850	\$ 13,148,190	\$ 346,954
Investments	<u>723,892</u>	<u>1,940,092</u>	<u>0</u>	<u>2,663,984</u>	<u>2,694,564</u>
Total	<u>\$ 4,710,215</u>	<u>\$ 8,148,109</u>	<u>\$ 2,953,850</u>	<u>\$ 15,812,174</u>	<u>\$ 3,041,518</u>

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank Deposits (Checking and Savings Accounts and Certificates of Deposit)	\$ 10,748,730	\$ 1,092,727
Investments in Securities, Municipal Investment Account Pooled Funds, Repurchase Agreement Securities and Similar Vehicles	5,055,369	1,948,541
Petty Cash and Cash on Hand	8,075	250
Total	\$ 15,812,174	\$ 3,041,518

As of September 30, 2024, the County had the following investments.

Investment Type	Fair Value	Weighted Average Maturities
Primary Government:		
Investment Pools	\$ 5,055,369	Daily
Component Units:		
Mutual Funds	\$ 355,529	Daily
Investment Pools	1,593,012	Daily
	\$ 1,948,541	

Interest Rate Risk

In accordance with its investment policy, 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 operations, thereby avoiding the need to sell securities in the open market; and investing 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 known cash requirements.

Credit Risk

State law authorizes investments in accordance with Act 196, PA 1997 and in investment pools as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.111 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a local government unit in Michigan. The County's and the Road Commission's MBIA Asset Management Group investment pools are rated AAAM By Standard & Poors.

Custodial Credit Risk - Deposits - Primary Government

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of September 30, 2024, \$10,198,863 of the County's bank balance of \$10,948,863 was exposed to custodial credit risk because it was uninsured and uncollateralized.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Deposits - Component Units

In the case of deposits, this is the risk that in the event of a bank failure, the component unit's deposits may not be returned to it. As of September 30, 2024, \$0 of the Drains' bank balance of \$23,148 was exposed to custodial credit risk, \$0 of the Road Commission's bank balance of \$922,032 was exposed to custodial credit risk, \$32,034 of the Economic Development Corporation's bank balance of \$142,625, and \$65,448 of the Land Bank Authority's bank balance of \$65,448 was exposed to custodial credit risk because they were uninsured and uncollateralized.

Concentration of Credit Risk - Primary Government

The County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The County's investment policy requires that no more than 60% of the total investment portfolio, with the exception of U. S. Treasury Securities, can be invested in a single security type or with a single financial institution.

Concentration of Credit Risk - Component Units

The Component Units will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Component Unit's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County and its Component Units 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 and its Component Units will minimize custodial credit risk, by; limiting investments to the types of securities approved in the County's investment policy which is in accordance with State law, and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the County and its Component Units will do business.

Foreign Currency Risk

The County and its Component Units are not authorized to invest in investments which have this type of risk.

Investments

The County Board and its Component Units have adopted an investment policy in accordance with Act 196, PA 1997 which authorizes them to deposit and invest in the following:

- Accounts of federally insured banks, credit unions and savings and loan associations
- Bonds and other direct obligations of the United States or an agency or instrumentality of the United States
- United States government or federal agency obligation repurchase agreements
- Banker's acceptances of United States banks
- Commercial paper rated within the two highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks and credit unions that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States. The County's and its Component Units' deposits and investments are in accordance with statutory authority.

NOTE 3 - OGEMAW COUNTY PUBLIC TRANSIT STATE AND FEDERAL GRANTS RECEIVABLE (PAYABLE)

The following is a summary of the state and federal grants receivable (payable) for the Ogemaw County Public Transit as of September 30, 2023:

Federal Section 5311 Operating Assistance - FY21	17,940
Federal Section 5311 Operating Coronavirus Response and Relief Supplemental Appropriations Act - FY22	30,341
Federal Section 5311 Operating Coronavirus Response and Relief Supplemental Appropriations Act - FY23	12,286
Federal Section 5311 Operating Assistance - FY24	63,166
State Act 51 Operating Assistance - FY21	(42,741)
State Act 51 Operating Assistance - FY22	30
State Act 51 Operating Assistance - FY23	(8,684)
State Act 51 Operating Assistance - FY24	<u>19,767</u>
Total	<u>\$ 92,105</u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables as of September 30, 2024 were as follows:

Due to	Due from			Total
	General Fund	2023 DTRF	Non-major Enterprise Funds	
Tax Umbrella Fund	<u>\$ 351,478</u>	<u>\$ 2,350,750</u>	<u>\$ 395,968</u>	<u>\$ 3,098,196</u>

These balances result from the time lag between the dates that interfund goods and services are provided, transactions are recorded in the accounting system, and payments between funds are made.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the primary government for the fiscal year ended September 30, 2024, was as follows:

	Balance 10/01/23	Additions	Deletions	Balance 09/30/24
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 255,553	\$ 0	\$ 0	\$ 255,553
Capital Assets Being Depreciated:				
Land Improvements	75,262	0	0	75,262
Buildings	10,012,670	0	0	10,012,670
Machinery and Equipment	2,288,776	66,023	0	2,354,799
Vehicles and Boats	969,880	0	0	969,880
Infrastructure	149,229	0	0	149,229
Subtotal	13,495,817	66,023	0	13,561,840
Less Accumulated Depreciation for:				
Land Improvements	(66,733)	(5,017)	0	(71,750)
Buildings	(4,838,123)	(210,787)	0	(5,048,910)
Machinery and Equipment	(2,032,615)	(70,275)	0	(2,102,890)
Vehicles and Boats	(431,386)	(120,283)	0	(551,669)
Infrastructure	(134,150)	(573)	0	(134,723)
Subtotal	(7,503,007)	(406,935)	0	(7,909,942)
Capital Assets Being Depreciated	5,992,810	(340,912)	0	5,651,898
Governmental Activities Total	\$ 6,248,363	\$ (340,912)	\$ 0	\$ 5,907,451
Capital Assets - Net of Depreciation	\$ 6,248,363	\$ (340,912)	\$ 0	\$ 5,907,451
	Balance 10/01/23	Additions	Deletions	Balance 09/30/24
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated:				
Land Improvements	\$ 77,336	\$ 8,740	\$ 0	\$ 86,076
Buildings	497,223	402,211	0	899,434
Machinery and Equipment	204,880	34,850	0	239,730
Vehicles	1,146,977	152,347	0	1,299,324
Infrastructure	7,440	0	0	7,440
Subtotal	1,933,856	598,148	0	2,532,004
Less Accumulated Depreciation for:				
Land Improvements	(6,566)	(5,035)	0	(11,601)
Buildings	(486,320)	(6,426)	0	(492,746)
Machinery and Equipment	(184,867)	(9,295)	0	(194,162)
Vehicles	(916,643)	(111,180)	0	(1,027,823)
Infrastructure	(775)	(372)	0	(1,147)
Subtotal	(1,595,171)	(132,308)	0	(1,727,479)
Business-Type Activities Total	\$ 338,685	\$ 465,840	\$ 0	\$ 804,525
Capital Assets - Net of Depreciation	\$ 338,685	\$ 465,840	\$ 0	\$ 804,525

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

General Government:

Judicial:

Other Judicial \$ 5,846

Other General Government 139,111

Public Safety:

Sheriff 104,212

Jail 135,990

Other Public Safety 21,201

Public Works:

Other Public Works 575

Total Governmental Activities \$ 406,935

Business-Type Activities

County Park \$ 5,604

Public Transit 111,744

Tax Reversion 6,127

Building Department 8,833

Total Business-Type Activities \$ 132,308

Capital asset activity of the Drains for the current year is as follows:

	Balance 10/01/23	Additions	Deletions	Balance 09/30/24
<u>Governmental Activities</u>				
Capital Assets Being Depreciated:				
Infrastructure - Whitney Drain	\$ 36,504	\$ 0	\$ 0	\$ 36,504
Infrastructure - Flowage Lake Dam	525,000	0	0	525,000
Infrastructure - Stylus Lake Dam	<u>192,697</u>	<u>0</u>	<u>0</u>	<u>192,697</u>
Subtotal	<u>754,201</u>	<u>0</u>	<u>0</u>	<u>754,201</u>
Less Accumulated Depreciation for:				
Infrastructure - Whitney Drain	(11,681)	(730)	0	(12,411)
Infrastructure - Flowage Lake Dam	(291,375)	(10,500)	0	(301,875)
Infrastructure - Stylus Lake Dam	<u>(68,407)</u>	<u>(3,854)</u>	<u>0</u>	<u>(72,261)</u>
Subtotal	<u>(371,463)</u>	<u>(15,084)</u>	<u>0</u>	<u>(386,547)</u>
Governmental Activities Total				
Capital Assets - Net of Depreciation	<u>\$ 382,738</u>	<u>\$ (15,084)</u>	<u>\$ 0</u>	<u>\$ 367,654</u>

Depreciation expense was charged to programs of the Drains as follows:

Governmental Activities

Public Works \$ 15,084

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the Road Commission for the current year is as follows:

	Balance 10/01/23	Additions	Deletions	Balance 09/30/24
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 27,715,364	\$ 394,991	\$ 0	\$ 28,110,355
Capital Assets Being Depreciated:				
Buildings	1,658,090	52,806	0	1,710,896
Equipment - Road	9,587,645	852,326	(468,977)	9,970,994
Equipment - Shop	274,712	799	(20,300)	255,211
Equipment - Office	202,127	7,979	(37,633)	172,473
Equipment - Engineer's	4,652	0	(675)	3,977
Equipment - Yard	315,343	13,838	0	329,181
Infrastructure - Bridges	2,364,092	0	0	2,364,092
Infrastructure - Roads	16,337,668	938,993	(1,762,505)	15,514,156
Subtotal	30,744,329	1,866,741	(2,290,090)	30,320,980
Less Accumulated Depreciation for:				
Buildings	(1,220,654)	(51,362)	0	(1,272,016)
Equipment - Road	(8,195,727)	(691,986)	468,657	(8,419,056)
Equipment - Shop	(186,436)	(14,158)	20,300	(180,294)
Equipment - Office	(183,525)	(6,394)	37,633	(152,286)
Equipment - Engineer's	(3,167)	(240)	675	(2,732)
Equipment - Yard	(278,077)	(4,001)	162	(281,916)
Infrastructure - Bridges	(1,474,956)	(64,315)	0	(1,539,271)
Infrastructure - Roads	(10,788,906)	(1,031,240)	1,762,505	(10,057,641)
Subtotal	(22,331,448)	(1,863,696)	2,289,932	(21,905,212)
Capital Assets Being Depreciated	8,412,881	3,045	(158)	8,415,768
Governmental Activities Total				
Capital Assets - Net of Depreciation	\$ 36,128,245	\$ 398,036	\$ (158)	\$ 36,526,123

Depreciation expense was charged to programs of the Road Commission as follows:

<u>County</u>	
Direct Equipment Expense	\$ 691,986
Indirect Equipment Expense	64,412
Administrative Expense	11,745
Infrastructure	1,095,553
Total Depreciation Expense	\$ 1,863,696

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 6 - LONG-TERM LIABILITIES

Primary Government:

A. Bonds Payable

	<u>Governmental</u>	<u>Business-Type</u>
Limited Tax General Obligation Refunding Bonds, Series 2022	\$ <u>4,090,000</u>	\$ <u>0</u>

B. Detailed Long-Term Debt Disclosures

Direct Borrowing

Primary Government:

2022 Limited Tax General Obligation Refunding Bonds

The Limited Tax General Obligation Refunding Bonds, Series 2022, dated February 22, 2022 for the purpose of advance refunding the \$6,390,000 2012 Limited Tax General Obligation Refunding Bonds in the amount of \$4,670,000. The bonds bear interest at the rate of 3.00% and are due in annual installments through May 1, 2038. The original bonds were issued for the purpose of constructing a new jail. Payments are made from the Jail Renovation Debt Service Fund. The full faith and credit of the County have been pledged for the prompt payment of principal and interest on the Bonds. The Bonds are a first budget obligation of the County, payable from ad valorem taxes on all taxable property in the County.

C. Compensated Absences Payable

The County has an accrued liability for accumulated vested vacation and sick leave benefits of its employees. As of September 30, 2024, the accumulated vested vacation and sick leave benefits of the employees of various County departments and its component units were as follows:

	<u>Current Liability</u>	<u>Long-Term Liability</u>	<u>Total Balance</u>
<u>Accrued Employee Benefits Payable</u>			
<u>Primary Government</u>			
Governmental Activities	\$ 100,957	\$ 358,572	\$ 459,529
Business-Type Activities	<u>14,305</u>	<u>21,936</u>	<u>36,241</u>
	<u>\$ 115,262</u>	<u>\$ 380,508</u>	<u>\$ 495,770</u>
<u>Component Unit</u>			
Road Commission	<u>\$ 0</u>	<u>\$ 206,994</u>	<u>\$ 206,994</u>

The employment policies for accumulation of vacation and sick leave benefits vary based on union membership and employee group.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the County for the year ended September 30, 2024:

	<u>Balance 10/01/23</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09/30/24</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Primary Government:					
Direct Borrowing:					
Bonds Payable	\$ 4,325,000	\$ 0	\$ (235,000)	\$ 4,090,000	\$ 240,000
Deferred Amounts for Issuance Premium	<u>222,158</u>	<u>0</u>	<u>(14,811)</u>	<u>207,347</u>	<u>14,811</u>
Total Bonds Payable	4,547,158	0	(249,811)	4,297,347	254,811
Compensated Absences	<u>522,595</u>	<u>0</u>	<u>(63,066)*</u>	<u>459,529</u>	<u>100,957</u>
Total Primary Government	<u>\$ 5,069,753</u>	<u>\$ 0</u>	<u>\$ (312,877)</u>	<u>\$ 4,756,876</u>	<u>\$ 355,768</u>
Component Units:					
Compensated Absences	<u>\$ 193,345</u>	<u>\$ 13,649</u> *	<u>\$ 0</u>	<u>\$ 206,994</u>	<u>\$ 0</u>
Total Component Units	<u>\$ 193,345</u>	<u>\$ 13,649</u>	<u>\$ 0</u>	<u>\$ 206,994</u>	<u>\$ 0</u>
<u>Business-Type Activities</u>					
Primary Government:					
Compensated Absences	<u>\$ 36,593</u>	<u>\$ 0</u>	<u>\$ (352)*</u>	<u>\$ 36,241</u>	<u>\$ 14,305</u>

*Represents net of additions and retirements for the year.

The interest expenditures on long-term obligations for the year were \$152,417.

Compensated absences for the governmental funds are generally liquidated by the General Fund and various Special Revenue Funds.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

The annual aggregate maturities for all debt outstanding (excluding compensated absences) as of September 30, 2024 are as follows:

Direct Borrowing:

Primary Government

Bonds Payable	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 240,000	\$ 122,700	\$ 0	\$ 0	\$ 362,700
2026	245,000	115,500	0	0	360,500
2027	255,000	108,150	0	0	363,150
2028	260,000	100,500	0	0	360,500
2029	270,000	92,700	0	0	362,700
2030 - 2034	1,480,000	336,900	0	0	1,816,900
2035 - 2038	<u>1,340,000</u>	<u>102,000</u>	<u>0</u>	<u>0</u>	<u>1,442,000</u>
 Total	 <u>\$ 4,090,000</u>	 <u>\$ 978,450</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 5,068,450</u>

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real property and tangible personal property located in the County. Property taxes become an enforceable lien on property as of December 1, 2023 for winter taxes and July 1, 2024 for summer taxes. Taxes are levied on December 1, 2023 and July 1, 2024 and are payable by February 28, 2024 and September 15, 2024, respectively. The cities and townships within the County bill and collect the property taxes for the County.

County taxes levied December 1, 2023, are collected in and are intended to finance 2024 operations. The taxable value of real and personal property for the December 1, 2023 levy was \$1,035,190,400. The 2023 tax rate is currently 0.1247 for veteran's 0.0400 for soldiers and sailors relief, 0.7486 mills for seniors, 0.1461 mills for MSU extension, 0.2994 mills for public transit, and 0.9983 mills for road patrol.

County taxes levied July 1, 2024, are collected in and are intended to finance 2024 operations. The taxable value of real and personal property for the July 1, 2024 levy was \$1,124,421,911. The 2024 tax rate is currently 6.0778 mills for operations.

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. County funds were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to replenish County funds. This activity is recorded in the Delinquent Tax Revolving Funds, which are Enterprise Funds.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 8 - OPERATING TRANSFERS

During the year ended September 30, 2024, the following transfers were made:

Transfer to	Transfer from					Total
	General Fund	ARPA Fund	Tax Umbrella Fund	Non-major Governmental Funds	Non-major Business-Type Funds	
General Fund	\$ 0	\$ 500,000	\$ 91,500	\$ 69,500	\$ 335,000	\$ 996,000
Non-major Governmental Funds	994,068	0	0	0	15,000	1,009,068
Tax Umbrella Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,958</u>	<u>5,958</u>
	<u>\$ 994,068</u>	<u>\$ 500,000</u>	<u>\$ 91,500</u>	<u>\$ 69,500</u>	<u>\$ 355,958</u>	<u>\$ 2,011,026</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED

Defined Benefit Plan

Primary Government

Plan Description

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

Benefits Provided

<u>01 - General: Closed to new hires</u>	
	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	50/25 55/15
Early Retirement (Reduced):	0
Final Average Compensation:	3 years
COLA for Future Retirees:	2.50% (Non-Compound)
Employee Contributions:	5.50%
DC Plan for New Hires:	10/1/2006
Act 88:	No

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Benefit Plan (Continued)

Primary Government (Continued)

Benefits Provided (Continued)

02 - Sheriff: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	50/25 55/15
Early Retirement (Reduced):	0
Final Average Compensation:	3 years
COLA for Future Retirees:	2.50% (Non-Compound)
Employee Contributions:	5.50%
DC Plan for New Hires:	10/1/2007
Act 88:	No

11 - Admin-Super: Closed to new hires

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	50/25 55/15
Early Retirement (Reduced):	0
Final Average Compensation:	3 years
COLA for Future Retirees:	2.50% (Non-Compound)
Employee Contributions:	0%
DC Plan for New Hires:	10/1/2007
Act 88:	No

20 - Command Officers: Open Division

	<u>2023 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	20 and Out
Early Retirement (Reduced):	55/15
Final Average Compensation:	3 years
COLA for Future Retirees:	2.50% (Non-Compound)
Employee Contributions:	7.50%
Act 88:	No

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Benefit Plan (Continued)

Primary Government (Continued)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	11
Active employees	18
Pending refunds	4
	<u>152</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions were as follows:

<u>Division</u>	<u>Contribution Range</u>
General: Closed	\$77,697 to \$79,133 per month
Sheriff: Closed	\$46,020 to \$47,177 per month
Admin-Super: Closed	\$14,858 to \$16,437 per month
Command Officers: Open	170.10% to 194.02% of annual payroll

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:

Inflation: 2.5%

Salary increases: 3.00% in the long-term, plus a percentage based on an age-related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 6.93%, net of administrative and investment expenses, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

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

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Benefit Plan (Continued)

Primary Government (Continued)

Actuarial Assumptions (Continued)

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

<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	60.0%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.0%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.0%	9.50%	1.90%	2.50%	1.40%
Total	<u>100.0%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Benefit Plan (Continued)

Primary Government (Continued)

Changes in Net Pension Liability

Calculating the Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 12/31/22	\$ 34,415,881	\$ 24,318,046	\$ 10,097,835
Changes for the Year			
Service Cost	178,896	0	178,896
Interest on Total Pension Liability	2,422,862	0	2,422,862
Changes in benefits	0	0	0
Difference between expected and actual experience	(26,686)	0	(26,686)
Changes in assumptions	241,181	0	241,181
Employer contributions	0	1,816,682	(1,816,682)
Employee contributions	0	56,363	(56,363)
Net investment income	0	2,704,615	(2,704,615)
Benefit payments, including employee refunds	(2,173,075)	(2,173,075)	0
Administrative expense	0	(57,385)	57,385
Other changes	(1)	0	(1)
Net changes	643,177	2,347,200	(1,704,023)
Balances as of 12/31/23	\$ 35,059,058	\$ 26,665,246	\$ 8,393,812

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 7.18%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
County's Net Pension Liability	\$ 12,174,614	\$ 8,393,812	\$ 5,200,375

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Benefit Plan (Continued)

Primary Government (Continued)

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 \$1,088,213. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Investment Returns	\$ 1,311,487	\$ 0
Contributions Subsequent to the Measurement Date*	1,536,325	0
Total	<u>\$ 2,847,812</u>	<u>\$ 0</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2025.

Amounts reported as deferred inflows of resources related to net investment returns will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Pension Expense</u>
2025	\$ 242,706
2026	471,163
2027	788,520
2028	(190,902)

Road Commission

Plan Description

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

The Ogemaw County Road Commission's net pension liability as of September 30, 2024 was \$3,756,366. The 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 the annual actuarial valuation as of December 31, 2023. For the year ended, September 30, 2024, the Ogemaw County Road Commission recognized pension expense of \$808,732. At September 30, 2024 the Ogemaw County Road Commission reported total deferred outflows of \$1,401,323 and deferred inflows of \$0.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 9 - RETIREMENT SYSTEM - MERS OPERATED (CONTINUED)

Defined Contribution Plan

Primary Government

Plan Description

The County's defined contribution pension plan provides retirement benefits to plan members and beneficiaries. The plan covers employees hired on or after October 1, 2006 for new employees that would have formerly been eligible as part of the General Members of the defined benefit plan and employees hired on or after October 1, 2007 for new employees that would have formerly been eligible as part of the Sheriff and Admin-Super Members of the defined benefit plan. The plan is affiliated with the Municipal Employees Retirement System (MERS) of Michigan, an agent multiple-employer, state-wide, public employee pension created under Public Act 135 of 1945, and now operated under Public Act 220 of 1996, and the MERS Plan Document as revised. The plan services are provided by an Alliance Agreement of May 1997 by MERS, exclusively through the ICMA Retirement Corporation as the plan administrator. Any municipality within the State may elect to become a participating member of MERS or elect to terminate participation by a majority vote of the municipality's governing body. Changes in benefit coverage are available to bargaining units after approval by a majority of the municipality's governing body. The MERS of Michigan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing MERS of Michigan, 1134 Municipal Way, Lansing, Michigan, 48917 or by calling 1-800-767-6377.

Funding Policy

The County is required to match employee contributions up to 7% of each eligible employee's earnings for the plan year, subject to the limitations of sections 415(c) and (e) of the Internal Revenue Code. Employees are not required to contribute. However, when an employee is hired they can elect to contribute up to 7% of eligible earnings.

Vesting

Employees become vested in the plan at the rate of 25% per year after two years of service with 100% vesting after six years of service.

Plan Contributions

During the year ended September 30, 2024, the County contributed \$210,812 on behalf of eligible employees. Employee contributions amounted to \$210,812.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Primary Government

Plan Description

The Ogemaw County Retiree Medical Plan is a single-employer defined benefit postemployment health care plan administered by the County.

The Public Employee Health Care fund financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan provisions and contribution requirements are established and may be amended by the County Board. The Plan does not issue a separate or stand-alone report.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Benefits Provided

Eligibility

- USWA - Any retiree who has applied for a MERS annuity and retired on or before October 1, 2009.
- POAM 2 - Closed group of retirees. No new retirees may join.
- POLC - Any retiree who has applied for a MERS annuity and was hired before December 4, 2012.
- Teamsters - Sheriff/Jail employees (including POAM 1) are eligible if hired on or before October 1, 2014. Court employees are not eligible.

Benefits

- USWA - \$100 for all Medicare and non-Medicare retirees with no CPI.
- POAM 2 - \$100 for all Medicare and non-Medicare retirees with no CPI.
- POLC - \$100 for all Medicare and non-Medicare retirees with no CPI.
- Teamsters (Sheriffs and POAM1) - \$100 for all Medicare and non-Medicare retirees with no CPI excepts that current POAM 1 retirees receive \$86.89 with CPI inflation. Employees hired after June 23, 2010 (ratification date of Union Agreement) are not entitled to the benefit.
- Teamsters (Court Employees): No retiree health benefits.
- 34th Circuit Court: \$158.48 with CPI inflation.

Employees Covered by Benefit Terms

As of September 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>8</u>
	<u><u>36</u></u>

Contributions

The County Commissioners have the authority to establish and amend the contribution requirements of the County and employees to the Plan. The Board of Commissioners establishes rates based on an actuarially determined rate. For the year ended September 30, 2024, the County contributed \$35,182. Employees are not required to contribute to the plan.

Net OPEB Liability

The County's net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of that date.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Actuarial Assumptions

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate: 4.09% as of September 30, 2024 based on the expected return of assets expected to be available to pay plan benefits.

Mortality rates used were based on Pub 2010 General Headcount-weighted mortality table (Employee, Disabled and Healthy Annuitant, and male and female, as appropriate).

Projection: General projection using Projection Scale MP-2021 (male and female as appropriate).

Employee turnover/withdrawal: MERS for all employees. Rates are shown in the table below.

<u>Year of Service</u>	<u>Rate</u>
0	23.40%
1	19.50%
2	15.80%
3	12.50%
4	10.30%
5	8.30%
10	5.40%
15	4.00%
20	3.10%
25 and over	2.60%

Disablement: MERS disability rates for all employees. Rates are shown in the table below.

<u>Age</u>	<u>Percent Becoming Disabled Within One Year</u>
20	0.02%
25	0.02%
30	0.02%
35	0.05%
40	0.08%
45	0.20%
50	0.29%
55	0.38%
60	0.39%
65	0.39%

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Retirement rates are based on the "replacement index" as follows: Age 75+, 100%.

<u>Years of Service</u>	<u>Rate</u>
5-9	5%
10-14	15%
15-19	20%
20-24	20%
25-29	20%
30-34	30%
35+	40%

Participation rate: 100% of current employees are expected to participate in Ogemaw County's retiree health insurance plan.

CPI: 2.5% compounded annually.

Actual monthly 2024 medical costs per retiree:

<u>Age</u>	<u>"POAM 1" Group</u>	<u>34th Circuit Court</u>	<u>All Other Groups</u>
64	N/A	154.61	\$100
65	84.77	154.61	\$100

Salary increases: 3.5% compounded annually. For groups whose reimbursement benefits include a CPI increase, an annual increase of 2.5% is assumed.

Discount Rate

The discount rate used to measure the total OPEB liability is 4.09%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at the 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 OPEB payments for current active and inactive employees. 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.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Changes in Net OPEB Liability

Calculating the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 9/30/23	\$ 481,368	\$ 0	\$ 481,368
Changes for the Year			
Service Cost	2,376	0	2,376
Interest on Total OPEB Liability	18,747	0	18,747
Effect of Economic/Demographic Gains and Losses	10,719	0	10,719
Effect of Assumptions Changes or Inputs	(1,986)	0	(1,986)
Employer Contributions	0	35,182	(35,182)
Benefit Payments, Including Employee Refunds	(35,182)	(35,182)	0
Net Changes	(5,326)	0	(5,326)
Balances as of 9/30/24	\$ 476,042	\$ 0	\$ 476,042

Sensitivity of the Net OPEB Liability to changes in the discount rate

The following presents the Net OPEB Liability of the County, as well as what the County's Net OPEB Liability would be using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current discount rate.

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
County's net OPEB liability (asset)	\$ 526,424	\$ 476,042	\$ 433,473

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates

The following presents the Net OPEB Liability of the County, as well as what the County's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rate	1% Increase
County's net OPEB liability (asset)	\$ 471,268	\$ 476,042	\$ 481,388

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

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 negative OPEB expense of \$5,418. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 0	\$ 470
Differences Between Expected and Actual Experience	2,537	0

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

Year Ended	OPEB Expense
2025	\$ (2,067)

Road Commission

Plan Description

The Ogemaw County Road Commission Retiree Medical Plan is a single-employer defined benefit postemployment health care plan administered by the Road Commission and can be amended at its discretion. Plan provisions and contribution requirements are established and may be amended by the Road Commission Board. The Plan is reported as an other employee benefit trust fund in the accompanying financial statements. The Plan does not issue a separate or stand-alone report.

The Ogemaw County Road Commission's net OPEB liability as of September 30, 2024 was \$142,445. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by the annual actuarial valuation as of September 30, 2024. For the year ended, September 30, 2024, the Ogemaw County Road Commission recognized OPEB expense of \$25,162. At September 30, 2024 the Ogemaw County Road Commission reported total deferred outflows of \$40,574 and deferred inflows of \$32,246.

NOTE 11 - DEFERRED COMPENSATION PLAN

The County offers all its employees a deferred compensation plan created in accordance with the Internal Revenue Code (IRC) Section 457. The assets of the plans are held in trust, in a custodial account as described in IRC Section 457 (g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the County for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement No. 32, plan balances and activities are not reflected in the County's financial statements.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The County has purchased commercial insurance for risks of loss. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

NOTE 13 - CONTINGENCIES AND COMMITMENTS

The County participates in a number of federally assisted grant programs which are subject to program compliance audits. The audits of these programs for and including the year ended September 30, 2024, have been conducted and have been reported in this audit report. However, the compliance audit reports have not yet been accepted by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time; although the County expects such amounts, if any, to be immaterial.

The County is currently a defendant in multiple lawsuits. The outcome of these lawsuits is not presently determinable. In the opinion of the County's attorneys, it is too premature to determine whether or not the resolution of these matters will have a material adverse effect on the financial condition of the County.

On October 27, 2022, the Board of Commissioners approved to purchase a Ford Class IV 14 passenger van for the Transit from Hoekstra Transportation for a total cost of \$98,077.

On September 26, 2024, the Board of Commissioners approved a quote from Hodgins Asphalt Paving for a Transit paving project at a total cost not to exceed \$115,800.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 14 - PRIOR PERIOD ADJUSTMENTS

The following prior period adjustment was required to adjust the balances as of September 30, 2023:

PPA 1 - To adjust prior year revenue and due from state for prior year state and federal projects that were closed out during the current year. These projects are reimbursement based and calculated from audited numbers and subject to availability of funds, making the receivables estimates until the projects are finalized and closed out.

PPA 2 - In the current year, two new funds were created, Veterans Memorial Fund and Veterans Peacetime Relief Fund. These funds were previously included as part of the custodial funds. This adjustment also included moving past expenditures that were recorded in the Soldiers' and Sailors' Relief Fund (included in the General Fund), to the new Veterans Peacetime Relief Fund.

PPA 3 - A prior period adjustment was recorded to close out 2020 Delinquent Tax Revolving Fund activity as of September 30, 2023 into the Tax Umbrella Fund. The remaining activity that flowed through the 2020 Delinquent Tax Revolving Fund in the current fiscal year was transferred to the Tax Umbrella Fund prior to year end.

PPA 4 - A prior period adjustment was recorded to move donations previously recorded in the Veterans Office Fund to the Soldiers' and Sailors' Relief Fund, which is part of the General Fund for financial statement presentation purposes.

	Net Position/Fund Balance - Beginning	PPA 1	PPA 2	PPA 3	PPA 4	Net Position/Fund Balance - Beginning (Restated)
Governmental Activities	\$ 621,930	\$ 0	\$ 4,658	\$ 0	\$ 0	\$ 626,588
Business-Type Activities	9,769,017	41,296	0	0	0	9,810,313
Ogemaw County Public Transit	1,615,637	41,296	0	0	0	1,656,933
Tax Umbrella	5,749,252	0	0	376,069	0	6,125,321
2020 DTRF	376,069	0	0	(376,069)	0	0
General Fund	34,436	0	685	0	6,308	41,429
Veterans Office Fund	260,716	0	(8,190)	0	(6,308)	246,218
Veterans Memorial Fund	0	0	1,088	0	0	1,088
Veterans Peacetime Relief Fund	0	0	11,075	0	0	11,075

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 15 - FUND BALANCES

Amounts for specific purposes by fund and fund balance classifications for the year ended September 30, 2024, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	
Nonspendable		
General Fund	Prepaid Expenses	\$ <u>22,969</u>
Restricted:		
Friend of the Court	Child Support Establishment and Enforcement	112,439
Housing Program Fund	Home Rehabilitation	41,039
Jail Renovation Debt Service Fund	Debt Service Activities for Jail Renovation	3,824
Liquor Law Enforcement Fund	Liquor Law Enforcement	200
MSU Extension Fund	MSU Extension Activities	5,833
Veterans Memorial Maintenance Fund	Veterans Memorial Maintenance	721
Veterans Peacetime Relief Fund	Veterans Peacetime Relief	12,803
Veterans Office Fund	Veterans Relief	264,016
Indigent Defense Counsel	Indigent Defense Counsel	504,817
Local Corrections Officer's Training Fund	Training of Corrections Officers	30,572
Register of Deeds Automation	Register of Deeds Equipment	61,451
Road Patrol Fund	Road Patrol Activities	170,685
Opioid Fund	Opioid Remediation Activities	1,083,638
Concealed Weapons Licensing Fund	Concealed Weapons Licensing	18,999
ORV Fund	ORV Law Enforcement	2,209
MCOLES CPE Fund	Continuing Education for Law Enforcement	9,011
Probate Child Care Fund	Probate Child Care	479,042
Sheriff K-9 Fund	Sheriff Department K-9 Unit	7,401
Drug Forfeiture Fund	Prosecutor's Office Drug Enforcement	1,497
Law Enforcement Drug Forfeiture Fund	Sheriff Department Drug Enforcement	13,105
Community Corrections Fund	Community Corrections	8,391
Total Restricted		<u>2,831,693</u>
Committed:		
Marriage Counseling Fund	Marriage Counseling Activities	37,471
Streets and Address Committee Fund	Streets and Address Committee Activities	3,623
Capital Improvement Fund	Capital Projects	1,857
Total Committed		<u>42,951</u>
Assigned:		
General Fund	Sheriff's Posse	9,139
ARPA Fund	ARPA Approved Activities	155,967
COVID Emergency Supplemental Funding Fund	COVID Related Activities	47
Total Assigned		<u>165,153</u>
Unassigned:		
General Fund	County Operations	<u>595,975</u>
Total Fund Balances		<u>\$ <u>3,658,741</u></u>

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 16 - SUBSEQUENT EVENTS

On December 12, 2024, the Board of Commissioners accepted quotes for the following projects:

- County Building Window Replacement from Jack Morris Construction for \$661,500 with a 10% contingency of \$66,150 for a total of \$727,650.
- County Building Energy Efficient Lighting from Jack Morris Construction for \$87,972 with a 10% contingency of \$8,797 for a total of \$96,769.
- County Building ADA-Compliant Restrooms from Jack Morris Construction for \$100,860 with a 10% contingency of \$110,946.

On December 19, 2024, Board of Commissioners approved the boiler project bid with Wise Heating and Cooling at a total cost of \$384,890 using the delinquent tax revolving fund.

NOTE 17 - PUBLIC TRANSIT ASSURANCES

Cost Allocation Plans

The Ogemaw County Public Transit has one cost allocation plan in use in the year ended September 30, 2024 where the methodology has been approved by the Office of Passenger Transportation (OPT). This cost allocation plan was for central service costs and was adhered to in the preparation of these statements.

Explanation of Ineligible Expenses per the OPT R&E Manual

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual).

Ogemaw County Public Transit utilizes the services of a third party to attract advertisers and negotiate terms. Subsequently, the Transit receives proceeds from the advertising. As a result, Ogemaw County Public Transit did not incur any expenses associated with #40615 advertising revenue and, therefore no expenses are subtracted out as ineligible on the Nonurban Regular Service Expense Report on page 94.

Audit costs are typically the only costs in which eligibility differs from the State R&E Manual and the Uniform Guidance. Since the audit costs included on page 94 did not include a Single Audit, conducted under the provisions of the Uniform Guidance, these costs are eligible in the current year for State Assistance but considered ineligible in the current year for Federal Assistance.

The Nonurban Regular Service Revenue Report on page 93 shows Other Revenue (including Other Nontransportation Revenue) of \$71,087. None of this amount is applicable to 40710 Sale of Maintenance Services, but \$651 of the balance is applicable to 44000 Refunds and Credits and the associated expenses are subtracted out as ineligible. None of the Other Revenue is applicable to the other 406/407 codes. The entire remaining amount of \$70,436 was interest income and no expenses were incurred as a result of the nature of the interest income.

Depreciation

Depreciation Expense included as eligible only includes assets purchased with local funds where the useful life of the asset has been approved by the OPT.

Capital Grants

Capital grant funds used to pay operating expenses are required to be treated as ineligible for calculating state and federal operating assistance. During the current year, the Transit did not have any of these type of grants that were used to pay for operating expenses.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 17 - PUBLIC TRANSIT ASSURANCES (CONTINUED)

Retirement Benefits

Ogemaw County has a Defined Benefit Plan and a Defined Contribution Plan in which Transit employees can participate. Pension costs incurred for the plans were calculated pursuant to the MERS GASB 68 Implementation Guide. The total Defined Contribution Plan pension expense recognized and expensed on the books is \$12,804. The total Defined Benefit Plan pension expense recognized as calculated in Step 6 of the guide and expensed on the books is \$69,790. The Transit paid \$127,850, therefore, (\$58,060) (\$69,790 less the amount paid) is subtracted out under 58020 Ineligible DB Pension. Although the County has an Other Post-Employment Benefit (OPEB) retirement plan, the Transit does not participate in it. Therefore, no OPEB costs were expensed on the Transit's books.

Nonfinancial Data

The methodology used for compiling mileage for regular service on the Nonurban Regular Service Nonfinancial Report has been reviewed and the recording has been found to be adequate and reliable.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF CHANGES IN EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
For the Year Ended September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 178,896	\$ 203,518	\$ 194,727	\$ 194,455	\$ 245,154	\$ 263,615	\$ 331,939	\$ 333,442	\$ 333,410	\$ 356,817
Interest	2,422,862	2,435,523	2,440,207	2,272,857	2,369,141	2,300,820	2,245,458	2,251,213	2,073,677	1,994,791
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience	(26,686)	(662,962)	(245,193)	323,003	(1,377,284)	90,514	(211,558)	(295,647)	(60,499)	0
Changes of assumptions	241,181	0	1,194,671	1,455,490	1,005,938	0	0	0	1,379,696	0
Benefit payments, including employee refunds	(2,173,075)	(2,103,708)	(2,103,047)	(1,984,898)	(1,866,789)	(1,716,616)	(1,562,684)	(1,520,098)	(1,439,456)	(1,327,999)
Other	(1)	(1)	0	0	0	0	(2)	(60,653)	0	1
Net Change in Total Pension Liability	643,177	(127,630)	1,481,365	2,260,907	376,160	938,333	803,153	708,257	2,286,828	1,023,610
Total Pension Liability - Beginning	<u>34,415,881</u>	<u>34,543,511</u>	<u>33,062,146</u>	<u>30,801,239</u>	<u>30,425,079</u>	<u>29,486,746</u>	<u>28,683,593</u>	<u>27,975,336</u>	<u>25,688,508</u>	<u>24,664,898</u>
Total Pension Liability - Ending	<u>\$ 35,059,058</u>	<u>\$ 34,415,881</u>	<u>\$ 34,543,511</u>	<u>\$ 33,062,146</u>	<u>\$ 30,801,239</u>	<u>\$ 30,425,079</u>	<u>\$ 29,486,746</u>	<u>\$ 28,683,593</u>	<u>\$ 27,975,336</u>	<u>\$ 25,688,508</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 1,816,682	\$ 1,969,928	\$ 1,696,133	\$ 1,356,953	\$ 1,103,097	\$ 962,177	\$ 822,418	\$ 666,043	\$ 612,364	\$ 536,464
Employee contributions	56,363	64,053	65,943	79,539	81,295	103,635	113,029	115,921	120,865	133,658
Net investment income	2,704,615	(2,829,332)	3,414,096	2,794,202	2,753,116	(870,135)	2,690,340	2,149,759	(298,632)	1,232,098
Benefit payments, including employee refunds	(2,173,075)	(2,103,708)	(2,103,047)	(1,984,898)	(1,866,789)	(1,716,616)	(1,562,684)	(1,520,098)	(1,439,456)	(1,327,999)
Administrative expense	(57,385)	(50,628)	(39,146)	(44,196)	(47,176)	(43,409)	(42,615)	(42,465)	(43,757)	(45,180)
Other	0	0	0	(1)	(916,035)	0	0	0	1	0
Net Change in Plan Fiduciary Net Position	2,347,200	(2,949,687)	3,033,979	2,201,599	1,107,508	(1,564,348)	2,020,488	1,369,160	(1,048,615)	529,041
Plan Fiduciary Net Position - Beginning	<u>24,318,046</u>	<u>27,267,733</u>	<u>24,233,754</u>	<u>22,032,155</u>	<u>20,924,647</u>	<u>22,488,995</u>	<u>20,468,507</u>	<u>19,099,347</u>	<u>20,147,962</u>	<u>19,618,921</u>
Plan Fiduciary Net Position - Ending	<u>\$ 26,665,246</u>	<u>\$ 24,318,046</u>	<u>\$ 27,267,733</u>	<u>\$ 24,233,754</u>	<u>\$ 22,032,155</u>	<u>\$ 20,924,647</u>	<u>\$ 22,488,995</u>	<u>\$ 20,468,507</u>	<u>\$ 19,099,347</u>	<u>\$ 20,147,962</u>
Employer Net Pension Liability	<u>\$ 8,393,812</u>	<u>\$ 10,097,835</u>	<u>\$ 7,275,778</u>	<u>\$ 8,828,392</u>	<u>\$ 8,769,084</u>	<u>\$ 9,500,432</u>	<u>\$ 6,997,751</u>	<u>\$ 8,215,086</u>	<u>\$ 8,875,989</u>	<u>\$ 5,540,546</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76 %	71 %	79 %	73 %	72 %	69 %	76 %	71 %	68 %	78 %
Covered Employee Payroll	\$ 1,015,842	\$ 1,154,119	\$ 1,190,964	\$ 1,243,220	\$ 1,583,115	\$ 1,755,714	\$ 2,172,507	\$ 2,179,119	\$ 2,211,482	\$ 2,364,946
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	826 %	875 %	611 %	710 %	554 %	541 %	322 %	377 %	401 %	234 %

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
For the Year Ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 1,816,682	\$ 1,969,928	\$ 1,694,290	\$ 1,356,953	\$ 1,103,097	\$ 962,177	\$ 822,418	\$ 666,043	\$ 612,364	\$ 536,464
Contributions in relation to the actuarially determined contribution	<u>1,816,682</u>	<u>1,969,928</u>	<u>1,694,290</u>	<u>1,356,953</u>	<u>1,103,097</u>	<u>962,177</u>	<u>822,418</u>	<u>666,043</u>	<u>651,018</u>	<u>536,464</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (38,654)</u>	<u>\$ 0</u>				
Covered employee payroll	\$ 1,015,842	\$ 1,154,119	\$ 1,190,964	\$ 1,243,220	\$ 1,583,115	\$ 1,755,714	\$ 2,172,507	\$ 2,179,119	\$ 2,211,482	\$ 2,364,946
Contributions as a percentage of covered employee payroll	179 %	171 %	142 %	109 %	70 %	55 %	38 %	31 %	28 %	23 %

Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.0%
Investment rate of return	6.93%
Retirement age	60; 50 with 25 years of service or 55 with 15 years of service, unreduced, for closed plans. 60; 20 years of service and out, unreduced, or 55 with 15 years of service, reduced, for open plans.
Mortality	Pub-2010 and fully generational MP-2019

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF CHANGES IN EMPLOYER'S
NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 2,376	\$ 3,846	\$ 4,660	\$ 4,012	\$ 3,119	\$ 3,437	\$ 3,879
Interest	18,747	13,208	13,251	15,530	21,112	19,861	18,210
Effect of economic/demographic gains or losses	10,719	0	16,228	0	(3,410)	0	0
Changes of assumptions	(1,986)	(98,318)	(12,718)	30,617	91,029	(30,120)	(37,250)
Benefit payments, including employee refunds	<u>(35,182)</u>	<u>(35,628)</u>	<u>(35,988)</u>	<u>(34,107)</u>	<u>(33,712)</u>	<u>(33,197)</u>	<u>(34,552)</u>
Net Change in Total OPEB Liability	(5,326)	(116,892)	(14,567)	16,052	78,138	(40,019)	(49,713)
Total OPEB Liability - Beginning	<u>481,368</u>	<u>598,260</u>	<u>612,827</u>	<u>596,775</u>	<u>518,637</u>	<u>558,656</u>	<u>608,369</u>
Total OPEB Liability - Ending	<u>\$ 476,042</u>	<u>\$ 481,368</u>	<u>\$ 598,260</u>	<u>\$ 612,827</u>	<u>\$ 596,775</u>	<u>\$ 518,637</u>	<u>\$ 558,656</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 35,182	\$ 35,628	\$ 35,988	\$ 34,107	\$ 33,712	\$ 33,197	\$ 34,552
Benefit payments, including employee refunds	<u>(35,182)</u>	<u>(35,628)</u>	<u>(35,988)</u>	<u>(34,107)</u>	<u>(33,712)</u>	<u>(33,197)</u>	<u>(34,552)</u>
Net Change in Plan Fiduciary Net Position	0	0	0	0	0	0	0
Plan Fiduciary Net Position - Beginning	<u>0</u>						
Plan Fiduciary Net Position - Ending	<u>\$ 0</u>						
County's Net OPEB Liability	<u>\$ 476,042</u>	<u>\$ 481,368</u>	<u>\$ 598,260</u>	<u>\$ 612,827</u>	<u>\$ 596,775</u>	<u>\$ 518,637</u>	<u>\$ 558,656</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Covered Employee Payroll	N/A						
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A						

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
For the Year Ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 35,182	\$ 35,628	\$ 35,988	\$ 34,107	\$ 33,712	\$ 33,197	\$ 34,552
Contributions in relation to the actuarially determined contribution	<u>35,182</u>	<u>35,628</u>	<u>35,988</u>	<u>34,107</u>	<u>33,712</u>	<u>33,197</u>	<u>34,552</u>
Contribution deficiency (excess)	<u>\$ 0</u>						
Covered employee payroll	N/A						
Contributions as a percentage of covered employee payroll	N/A						

Notes to Schedule

Actuarial cost method	Entry age
Discount rate	4.09%
Inflation	2.50%
Salary increases including inflation	3.50%
Retirement age	100% at age 75
Mortality	Pub-2010 General Headcount-weighted mortality table (Employee, Disabled and Healthy Annuitant, and male and female as appropriate) with generational projection using MP-2021 (male and female as appropriate)

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenue</u>				
Property Taxes	\$ 7,298,200	\$ 7,719,627	\$ 7,436,483	\$ (283,144)
Federal Grants and Revenue	183,000	153,471	217,301	63,830
State Grants and Revenue	639,947	1,084,585	1,028,855	(55,730)
State Shared Revenue	551,325	541,159	541,159	0
Contributions from Other Governments	231,310	268,527	268,527	0
Licenses and Permits	17,350	79,286	83,046	3,760
Charges for Services	1,418,200	1,318,782	1,362,822	44,040
Fines and Forfeits	3,600	3,540	3,540	0
Interest and Rentals	78,825	60,567	61,627	1,060
Other Revenue	18,000	41,421	41,421	0
Total Revenue	10,439,757	11,270,965	11,044,781	(226,184)
<u>Expenditures</u>				
Current:				
Legislative				
Board of Commissioners	113,330	102,711	102,711	0
Chief Executive				
County Administrator	129,005	126,046	126,046	0
Financial and Tax Administration				
Clerk	488,815	455,115	455,115	0
Audit	45,000	44,015	44,015	0
Information Technology	116,800	111,605	111,605	0
County Survey and Remonumentation	45,390	49,713	49,713	0
Treasurer	329,100	332,223	339,709	(7,486)
Assessor/Equalization Department	342,470	335,317	335,317	0
Other General Government				
Elections	59,400	181,589	181,636	(47)
Building and Grounds	493,710	424,177	424,178	(1)
County Counsel	130,200	84,179	84,179	0
Register of Deeds	280,305	277,378	277,378	0
Miscellaneous Other General Government	382,150	342,080	342,210	(130)
Judicial				
Circuit Court	238,175	202,916	201,234	1,682
District Court	808,580	711,881	711,881	0
Law Library	16,502	9,668	9,668	0
Probate Court	705,970	626,810	626,810	0
Prosecuting Attorney	538,900	557,858	557,858	0
Jury Board	3,650	2,319	2,274	45
Crime Victims Advocate	77,335	71,904	71,924	(20)
Public Safety				
Sheriff	858,970	992,432	992,431	1
County Building Security	58,430	49,999	49,999	0
School Resource Officer	155,255	172,428	172,428	0
Sheriff's Posse	0	9,683	9,683	0
Criminal Justice	2,400	0	0	0
Tether	12,000	8,440	8,440	0
Secondary Road Patrol	0	125,789	125,789	0
Marine Law Enforcement	13,785	12,860	12,759	101
Snowmobile Law Enforcement	5,000	1,112	1,112	0
ORV Grant	10,505	12,198	12,198	0
Jail	2,228,460	2,330,593	2,334,445	(3,852)
Parole	675	669	669	0
Emergency Management Homeland Security	34,300	29,906	30,313	(407)
Animal Control	45,430	34,643	34,643	0
Other Public Safety	3,000	3,090	670	2,420

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance - Favorable (Unfavorable)
<u>Expenditures (Continued)</u>				
Public Works				
Drain Commissioner	\$ 15,840	\$ 13,070	\$ 13,070	\$ 0
Airport	146,310	176,797	176,797	0
Health and Welfare				
Health Department	130,000	245,553	245,553	0
Substance Abuse	57,000	57,833	57,833	0
Medical Examiner	89,700	112,657	89,688	22,969
Mental Health	57,000	56,944	56,944	0
Child Care-Department of Human Services (DHS)	10,000	10,000	10,000	0
Agency on Aging	772,500	720,145	772,686	(52,541)
Veterans' Burials	19,015	16,505	16,505	0
Community and Economic Development				
Planning	87,540	84,164	83,991	173
Zoning	0	0	172	(172)
Construction Board of Appeals	450	0	0	0
Capital Outlay	32,750	70,825	95,780	(24,955)
Total Expenditures	10,191,102	10,397,839	10,460,059	(62,220)
Excess of Revenue Over (Under) Expenditures	248,655	873,126	584,722	(288,404)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	936,500	996,000	996,000	0
Operating Transfers Out	(1,000,336)	(993,841)	(994,068)	(227)
Total Other Financing Sources (Uses)	(63,836)	2,159	1,932	(227)
Net Change in Fund Balances	184,819	875,285	586,654	(288,631)
Fund Balances - Beginning of Year (Restated)	41,429	41,429	41,429	0
Fund Balances - End of Year	\$ 226,248	\$ 916,714	\$ 628,083	\$ (288,631)

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING PROGRAM FUND - SPECIAL REVENUE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenue</u>				
Federal Grants and Revenue	\$ 0	\$ 186,011	\$ 161,409	\$ (24,602)
State Grants and Revenue	0	43,750	43,750	0
Local Grants	0	85,567	64,890	(20,677)
Interest and Rentals	0	1,054	882	(172)
Total Revenue	0	316,382	270,931	(45,451)
 <u>Expenditures</u>				
Current:				
Health and Welfare				
Housing Commission	0	370,270	338,194	32,076
Excess of Revenue Over (Under) Expenditures	0	(53,888)	(67,263)	(13,375)
Fund Balances - Beginning of Year	108,302	108,302	108,302	0
Fund Balances - End of Year	\$ 108,302	\$ 54,414	\$ 41,039	\$ (13,375)

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ARPA FUND - SPECIAL REVENUE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenue</u>				
Federal Grants and Revenue	\$ 75,000	\$ 0	\$ 587,281	\$ 587,281
Interest and Rentals	<u>0</u>	<u>82,518</u>	<u>89,939</u>	<u>7,421</u>
Total Revenue	<u>75,000</u>	<u>82,518</u>	<u>677,220</u>	<u>594,702</u>
<u>Expenditures</u>				
Current:				
Other General Government				
Miscellaneous Other General Government	0	27,945	27,945	0
Capital Outlay	<u>75,000</u>	<u>59,364</u>	<u>59,364</u>	<u>0</u>
Total Expenditures	<u>75,000</u>	<u>87,309</u>	<u>87,309</u>	<u>0</u>
Excess of Revenue Over (Under) Expenditures	0	(4,791)	589,911	594,702
<u>Other Financing Sources (Uses)</u>				
Operating Transfers Out	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Net Change in Fund Balances	0	(504,791)	89,911	594,702
Fund Balances - Beginning of Year	<u>66,056</u>	<u>66,056</u>	<u>66,056</u>	<u>0</u>
Fund Balances - End of Year	<u>\$ 66,056</u>	<u>\$ (438,735)</u>	<u>\$ 155,967</u>	<u>\$ 594,702</u>

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OPIOID FUND - SPECIAL REVENUE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenue</u>				
Interest and Rentals	\$ 0	\$ 13,248	\$ 14,481	\$ 1,233
Other Revenue	<u>0</u>	<u>620,217</u>	<u>621,217</u>	<u>1,000</u>
Total Revenue	<u>0</u>	<u>633,465</u>	<u>635,698</u>	<u>2,233</u>
 <u>Expenditures</u>				
Public Safety				
Opioid Remediation	0	10,060	10,060	0
Other Public Safety	<u>0</u>	<u>93</u>	<u>93</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,153</u>	<u>10,153</u>	<u>0</u>
 Net Change in Fund Balances	0	623,312	625,545	2,233
 Fund Balances - Beginning of Year	<u>458,093</u>	<u>458,093</u>	<u>458,093</u>	<u>0</u>
 Fund Balances - End of Year	<u>\$ 458,093</u>	<u>\$ 1,081,405</u>	<u>\$ 1,083,638</u>	<u>\$ 2,233</u>

SUPPLEMENTARY INFORMATION

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
September 30, 2024

	Special Revenue Funds											
	Sheriff K-9 Unit	Liquor Law Enforcement Fund	Friend of the Court	Marriage Counseling Fund	MCOLES CPE Fund	Register of Deeds Automation Fund	Road Patrol Fund	Community Corrections Fund	Local Corrections Officer's Training Fund	Concealed Weapons Licensing	Drug Forfeiture Fund	Law Enforcement Drug Forfeiture
Assets												
Cash and Cash Equivalents	\$ 7,401	\$ 0	\$ 107,338	\$ 37,471	\$ 9,011	\$ 61,451	\$ 234,571	\$ 8,391	\$ 30,572	\$ 18,549	\$ 1,497	\$ 12,277
Receivables:												
Accounts, Net	0	0	845	0	0	0	0	0	0	648	0	828
Due from State	0	0	17,615	0	0	0	0	0	0	0	0	0
Due from Other Units of Government	0	261	0	0	0	0	0	0	0	0	0	0
Total Assets	\$ 7,401	\$ 261	\$ 125,798	\$ 37,471	\$ 9,011	\$ 61,451	\$ 234,571	\$ 8,391	\$ 30,572	\$ 19,197	\$ 1,497	\$ 13,105
Liabilities												
Accounts Payable	\$ 0	\$ 0	\$ 1,991	\$ 0	\$ 0	\$ 0	\$ 16,540	\$ 0	\$ 0	\$ 198	\$ 0	\$ 0
Due to Other Units of Government	0	0	400	0	0	0	0	0	0	0	0	0
Accrued Liabilities	0	61	10,968	0	0	0	47,346	0	0	0	0	0
Total Liabilities	0	61	13,359	0	0	0	63,886	0	0	198	0	0
Fund Equity												
Fund Balances:												
Restricted	7,401	200	112,439	0	9,011	61,451	170,685	8,391	30,572	18,999	1,497	13,105
Committed	0	0	0	37,471	0	0	0	0	0	0	0	0
Assigned	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	7,401	200	112,439	37,471	9,011	61,451	170,685	8,391	30,572	18,999	1,497	13,105
Total Liabilities and Fund Equity	\$ 7,401	\$ 261	\$ 125,798	\$ 37,471	\$ 9,011	\$ 61,451	\$ 234,571	\$ 8,391	\$ 30,572	\$ 19,197	\$ 1,497	\$ 13,105

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
September 30, 2024

	Special Revenue Funds									Debt Service Fund	Capital Project Fund	Total Other Governmental Funds
	Street and Address Committee	MSU Extension	Indigent Defense Fund	COVID Emergency Supplemental Funding	Probate Child Care Fund	Veterans Office	Veterans Memorial Maintenance Fund	Veterans Peacetime Relief Fund	ORV Fund	Jail Renovation Debt Service Fund	Capital Improvement Fund	
Assets												
Cash and Cash Equivalents	\$ 3,623	\$ 7,665	\$ 548,525	\$ 47	\$ 492,131	\$ 268,771	\$ 721	\$ 12,803	\$ 2,209	\$ 3,824	\$ 1,857	\$ 1,870,705
Receivables:												
Accounts, Net	0	0	0	0	0	0	0	0	0	0	0	2,321
Due from State	0	0	0	0	66,591	0	0	0	0	0	0	84,206
Due from Other Units of Government	0	0	0	0	0	0	0	0	0	0	0	261
Total Assets	\$ 3,623	\$ 7,665	\$ 548,525	\$ 47	\$ 558,722	\$ 268,771	\$ 721	\$ 12,803	\$ 2,209	\$ 3,824	\$ 1,857	\$ 1,957,493
Liabilities												
Accounts Payable	\$ 0	\$ 245	\$ 43,708	\$ 0	\$ 8,819	\$ 1,569	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,070
Due to Other Units of Government	0	0	0	0	63,455	0	0	0	0	0	0	63,855
Accrued Liabilities	0	1,587	0	0	7,406	3,186	0	0	0	0	0	70,554
Total Liabilities	0	1,832	43,708	0	79,680	4,755	0	0	0	0	0	207,479
Fund Equity												
Fund Balances:												
Restricted	0	5,833	504,817	0	479,042	264,016	721	12,803	2,209	3,824	0	1,707,016
Committed	3,623	0	0	0	0	0	0	0	0	0	1,857	42,951
Assigned	0	0	0	47	0	0	0	0	0	0	0	47
Total Fund Equity	3,623	5,833	504,817	47	479,042	264,016	721	12,803	2,209	3,824	1,857	1,750,014
Total Liabilities and Fund Equity	\$ 3,623	\$ 7,665	\$ 548,525	\$ 47	\$ 558,722	\$ 268,771	\$ 721	\$ 12,803	\$ 2,209	\$ 3,824	\$ 1,857	\$ 1,957,493

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue Funds											
	Sheriff K-9 Unit	Liquor Law Enforcement Fund	Friend of the Court	Marriage Counseling Fund	MCOLES CPE Fund	Register of Deeds Automation Fund	Road Patrol Fund	Community Corrections Fund	Local	Concealed Weapons Licensing	Drug Forfeiture Fund	Law
									Corrections Officer's Training Fund			Enforcement Drug Forfeiture
Revenue												
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,024,605	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants and Revenue	0	0	217,807	0	0	0	0	0	0	0	0	0
State Grants and Revenue	0	0	27,788	0	9,000	0	47,783	0	0	0	0	0
Charges for Services	0	0	26,219	1,755	0	29,930	0	0	5,481	19,012	0	0
Fines and Forfeits	0	0	0	0	0	0	0	0	0	0	0	828
Interest and Rentals	40	0	137	217	12	308	1,064	46	172	105	8	67
Other Revenue	675	1,276	100	0	0	0	0	0	0	0	0	0
Total Revenue	715	1,276	272,051	1,972	9,012	30,238	1,073,452	46	5,653	19,117	8	895
Expenditures												
Current:												
General Government:												
Judicial	0	1,303	396,709	8,259	0	0	0	0	0	0	0	0
Other General Government	0	0	0	0	0	27,911	0	0	0	0	0	0
Public Safety	550	0	0	0	0	0	866,679	2	7,868	3,434	0	3
Public Works	0	0	0	0	0	0	0	0	0	0	0	0
Health and Welfare	0	0	0	0	0	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	1	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	1,748	0	0
Debt Service:												
Principal	0	0	0	0	0	0	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	550	1,303	396,709	8,259	1	27,911	866,679	2	7,868	5,182	0	3
Excess of Revenue Over (Under) Expenditures	165	(27)	(124,658)	(6,287)	9,011	2,327	206,773	44	(2,215)	13,935	8	892
Other Financing Sources (Uses)												
Operating Transfers In	0	227	141,795	0	0	0	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	(59,500)	0	0	(10,000)	0	0
Total Other Financing Sources (Uses)	0	227	141,795	0	0	0	(59,500)	0	0	(10,000)	0	0
Net Change in Fund Balances	165	200	17,137	(6,287)	9,011	2,327	147,273	44	(2,215)	3,935	8	892
Fund Balances - Beginning of Year (Restated)	7,236	0	95,302	43,758	0	59,124	23,412	8,347	32,787	15,064	1,489	12,213
Fund Balances - End of Year	\$ 7,401	\$ 200	\$ 112,439	\$ 37,471	\$ 9,011	\$ 61,451	\$ 170,685	\$ 8,391	\$ 30,572	\$ 18,999	\$ 1,497	\$ 13,105

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue Funds								Debt Service	Capital	Total Other	
	Street and Address Committee	MSU Extension	Indigent Defense Fund	COVID Emergency Supplemental Funding	Probate Child Care Fund	Veterans Office	Veterans Memorial Maintenance Fund	Veterans Peacetime Relief Fund	ORV Fund	Jail Renovation Debt Service Fund		Capital Improvement Fund
Revenue												
Property Taxes	\$ 0	\$ 149,778	\$ 0	\$ 0	\$ 0	\$ 127,878	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,302,261
Federal Grants and Revenue	0	0	0	0	0	0	0	0	0	0	0	217,807
State Grants and Revenue	0	0	510,232	0	423,325	0	0	0	0	0	0	1,018,128
Charges for Services	0	0	0	0	62,379	0	0	0	0	0	0	144,776
Fines and Forfeits	0	0	0	0	0	0	0	0	0	0	0	828
Interest and Rentals	20	111	2,595	0	1,672	1,577	0	0	12	4	10	8,177
Other Revenue	0	25	0	0	10,735	50	0	3,710	116	4,700	0	21,387
Total Revenue	20	149,914	512,827	0	498,111	129,505	0	3,710	128	4,704	10	2,713,364
Expenditures												
Current:												
General Government:												
Judicial	0	0	494,076	0	0	0	0	0	0	0	0	900,347
Other General Government	0	0	0	0	0	0	0	0	0	0	0	27,911
Public Safety	0	0	0	0	0	0	0	0	1	0	0	878,537
Public Works	1	0	0	0	0	0	0	0	0	0	0	1
Health and Welfare	0	0	0	0	683,956	111,707	367	1,982	0	0	0	798,012
Community and Economic Development	0	161,674	0	0	0	0	0	0	0	0	0	161,674
Other	0	0	0	0	0	0	0	0	0	0	0	1
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	1,748
Debt Service:												
Principal	0	0	0	0	0	0	0	0	0	235,000	0	235,000
Interest and Fiscal Charges	0	0	0	0	0	0	0	0	0	131,250	0	131,250
Total Expenditures	1	161,674	494,076	0	683,956	111,707	367	1,982	1	366,250	0	3,134,481
Excess of Revenue Over (Under) Expenditures	19	(11,760)	18,751	0	(185,845)	17,798	(367)	1,728	127	(361,546)	10	(421,117)
Other Financing Sources (Uses)												
Operating Transfers In	0	15,000	149,007	0	338,289	0	0	0	0	364,750	0	1,009,068
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	(69,500)
Total Other Financing Sources (Uses)	0	15,000	149,007	0	338,289	0	0	0	0	364,750	0	939,568
Net Change in Fund Balances	19	3,240	167,758	0	152,444	17,798	(367)	1,728	127	3,204	10	518,451
Fund Balances - Beginning of Year (Restated)	3,604	2,593	337,059	47	326,598	246,218	1,088	11,075	2,082	620	1,847	1,231,563
Fund Balances - End of Year	\$ 3,623	\$ 5,833	\$ 504,817	\$ 47	\$ 479,042	\$ 264,016	\$ 721	\$ 12,803	\$ 2,209	\$ 3,824	\$ 1,857	\$ 1,750,014

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
September 30, 2024

	County Park	Tax Reversion Fund	Building Department Fund	Commissary Fund	2022 DTRF	2021 DTRF	2020 DTRF	Total
Assets								
Cash and Cash Equivalents	\$ 11,062	\$ 912,820	\$ 306,902	\$ 7,670	\$ 572,595	\$ 414,432	\$ 0	\$ 2,225,481
Investments	0	267,572	0	0	0	0	0	267,572
Receivables:								
Delinquent Taxes	0	0	0	0	217,707	7,380	0	225,087
Interest Receivable	0	1,598	0	0	0	0	0	1,598
Due from Local Units	0	0	0	37,839	0	0	0	37,839
Due from Other Units of Government	0	19,342	0	0	0	0	0	19,342
Noncurrent Assets:								
Capital Assets, Net of Accumulated Depreciation	81,753	4,653	44,164	0	0	0	0	130,570
Total Assets	<u>92,815</u>	<u>1,205,985</u>	<u>351,066</u>	<u>45,509</u>	<u>790,302</u>	<u>421,812</u>	<u>0</u>	<u>2,907,489</u>
Liabilities								
Current Liabilities:								
Accounts Payable	1,435	51	1,194	668	0	0	0	3,348
Due to Other Funds	0	0	0	0	395,968	0	0	395,968
Accrued Liabilities	0	0	4,521	0	0	0	0	4,521
Total Liabilities	<u>1,435</u>	<u>51</u>	<u>5,715</u>	<u>668</u>	<u>395,968</u>	<u>0</u>	<u>0</u>	<u>403,837</u>
Net Position								
Net Investment in Capital Assets	81,753	4,653	44,164	0	0	0	0	130,570
Unrestricted	9,627	1,201,281	301,187	44,841	394,334	421,812	0	2,373,082
Total Net Position	<u>\$ 91,380</u>	<u>\$ 1,205,934</u>	<u>\$ 345,351</u>	<u>\$ 44,841</u>	<u>\$ 394,334</u>	<u>\$ 421,812</u>	<u>\$ 0</u>	<u>\$ 2,503,652</u>

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
OTHER ENTERPRISE FUNDS
For the Year Ended September 30, 2024

	County Park	Tax Reversion Fund	Building Department Fund	Commissary Fund	2022 DTRF	2021 DTRF	2020 DTRF	Total
Operating Revenue								
Charges For Services	\$ 0	\$ 280,712	\$ 338,868	\$ 269,854	\$ 42,919	\$ 20,223	\$ 450	\$ 953,026
Tax Collection Fees	0	0	0	0	44,780	7,220	136	52,136
User Fees	63,831	0	0	0	0	0	0	63,831
Interest and Penalties on Taxes	0	0	0	0	161,868	64,312	1,742	227,922
Total Operating Revenue	<u>63,831</u>	<u>280,712</u>	<u>338,868</u>	<u>269,854</u>	<u>249,567</u>	<u>91,755</u>	<u>2,328</u>	<u>1,296,915</u>
Operating Expenses								
Salaries and Wages	1,204	0	107,208	0	0	0	0	108,412
Payroll Taxes and Employee Benefits	0	0	106,816	0	0	0	0	106,816
Contractual Services	1,290	0	0	0	0	0	0	1,290
Depreciation	5,604	6,127	8,833	0	0	0	0	20,564
Dues and Subscriptions	100	746	5,576	0	0	0	0	6,422
Equipment	0	10,884	0	2,415	0	0	0	13,299
Equipment Rental	0	0	62	0	0	0	0	62
Gasoline and Oil	250	0	3,427	0	0	0	0	3,677
Insurance and Bonds	150	8,373	5,054	0	0	0	0	13,577
Licenses and Permits	0	0	225	0	0	0	0	225
Office Supplies	0	0	1,986	0	0	0	0	1,986
Office and Operating Supplies	1,000	0	0	0	0	0	0	1,000
Operating Supplies	14,995	1,639	0	85,189	0	0	0	101,823
Postage	0	1,626	0	4	0	0	0	1,630
Printing and Advertising	0	1,408	0	0	0	0	0	1,408
Professional Fees and Services	0	21,656	0	0	0	0	0	21,656
Rent	0	0	12,000	0	0	0	0	12,000
Repair and Maintenance	10,769	27,167	0	0	0	0	0	37,936
Travel and Training	0	2,326	155	0	0	0	0	2,481
Uniforms	208	0	0	0	0	0	0	208
Utilities	37,998	0	990	0	0	0	0	38,988
Other	126	46,200	78	17	28,091	8,356	177	83,045
Total Operating Expenses	<u>73,694</u>	<u>128,152</u>	<u>252,410</u>	<u>87,625</u>	<u>28,091</u>	<u>8,356</u>	<u>177</u>	<u>578,505</u>
Operating Income (Loss)	<u>(9,863)</u>	<u>152,560</u>	<u>86,458</u>	<u>182,229</u>	<u>221,476</u>	<u>83,399</u>	<u>2,151</u>	<u>718,410</u>
Nonoperating Revenue (Expenses)								
Interest and Investment Earnings	35	48,164	1,418	413	35,956	12,467	3,807	102,260
Contributions	10,806	0	0	0	0	0	0	10,806
Rental and Other Income	0	0	0	75	0	0	0	75
Total Nonoperating Revenue (Expenses)	<u>10,841</u>	<u>48,164</u>	<u>1,418</u>	<u>488</u>	<u>35,956</u>	<u>12,467</u>	<u>3,807</u>	<u>113,141</u>
Operating Transfers Out	<u>0</u>	<u>(110,000)</u>	<u>(15,000)</u>	<u>(225,000)</u>	<u>0</u>	<u>0</u>	<u>(5,958)</u>	<u>(355,958)</u>
Change in Net Position	978	90,724	72,876	(42,283)	257,432	95,866	0	475,593
Net Position - Beginning of Year (Restated)	<u>90,402</u>	<u>1,115,210</u>	<u>272,475</u>	<u>87,124</u>	<u>136,902</u>	<u>325,946</u>	<u>0</u>	<u>2,028,059</u>
Net Position - End of Year	<u>\$ 91,380</u>	<u>\$ 1,205,934</u>	<u>\$ 345,351</u>	<u>\$ 44,841</u>	<u>\$ 394,334</u>	<u>\$ 421,812</u>	<u>\$ 0</u>	<u>\$ 2,503,652</u>

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
For the Year Ended September 30, 2024

	County Park	Tax Reversion Fund	Building Department Fund	Commissary Fund	2022 DTRF	2021 DTRF	2020 DTRF	Total
Cash Flows From Operating Activities								
Receipts from Customers and Taxpayers	\$ 63,831	\$ 290,383	\$ 338,868	\$ 282,356	\$ 249,567	\$ 91,755	\$ 2,328	\$ 1,319,088
Payments to Suppliers for Goods and Services	(66,246)	(121,997)	(29,337)	(106,489)	(2,178,091)	(8,356)	(177)	(2,510,693)
Payments to Employees for Services	(1,204)	0	(213,741)	0	0	0	0	(214,945)
Delinquent Taxes Collected (Purchased)	0	0	0	0	1,122,240	180,656	0	1,302,896
Net Cash Provided (Used) by Operating Activities	<u>(3,619)</u>	<u>168,386</u>	<u>95,790</u>	<u>175,867</u>	<u>(806,284)</u>	<u>264,055</u>	<u>2,151</u>	<u>(103,654)</u>
Cash Flows From Non-Capital Financing Activities								
Operating Subsidies and Transfers From (To) Other Funds/Component Units	0	(110,000)	(15,000)	(225,000)	0	(537,668)	(5,958)	(893,626)
Intergovernmental Contributions	10,806	0	0	0	0	0	0	10,806
Rent and Other Income	0	0	0	75	0	0	0	75
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>10,806</u>	<u>(110,000)</u>	<u>(15,000)</u>	<u>(224,925)</u>	<u>0</u>	<u>(537,668)</u>	<u>(5,958)</u>	<u>(882,745)</u>
Cash Flows From Capital and Related Financing Activities								
Acquisition and Construction of Capital Assets	<u>(8,740)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,740)</u>
Cash Flows From Investing Activities								
Interest Earned	35	46,566	1,418	413	35,956	12,467	3,807	100,662
Redemption (Purchase) of Investment Securities	0	(11,710)	0	0	0	0	0	(11,710)
Net Cash Provided (Used) by Investing Activities	<u>35</u>	<u>34,856</u>	<u>1,418</u>	<u>413</u>	<u>35,956</u>	<u>12,467</u>	<u>3,807</u>	<u>88,952</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,518)	93,242	82,208	(48,645)	(770,328)	(261,146)	0	(906,187)
Cash and Cash Equivalents at Beginning of Year (Restated)	<u>12,580</u>	<u>819,578</u>	<u>224,694</u>	<u>56,315</u>	<u>1,342,923</u>	<u>675,578</u>	<u>0</u>	<u>3,131,668</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,062</u>	<u>\$ 912,820</u>	<u>\$ 306,902</u>	<u>\$ 7,670</u>	<u>\$ 572,595</u>	<u>\$ 414,432</u>	<u>\$ 0</u>	<u>\$ 2,225,481</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities								
Operating Income (Loss)	\$ (9,863)	\$ 152,560	\$ 86,458	\$ 182,229	\$ 221,476	\$ 83,399	\$ 2,151	\$ 718,410
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation Expense	5,604	6,127	8,833	0	0	0	0	20,564
Change in Assets and Liabilities:								
Receivables	0	9,671	0	12,502	1,122,240	180,656	0	1,325,069
Accounts and Other Payables	640	28	499	(18,864)	(2,150,000)	0	0	(2,167,697)
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,619)</u>	<u>\$ 168,386</u>	<u>\$ 95,790</u>	<u>\$ 175,867</u>	<u>\$ (806,284)</u>	<u>\$ 264,055</u>	<u>\$ 2,151</u>	<u>\$ (103,654)</u>

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING BALANCE SHEET
 OGEMAW COUNTY DRAINS - COMPONENT UNIT
 GOVERNMENTAL FUNDS
September 30, 2024

	Capital Project Funds				Total
	Ausable Lake Assessment	Stylus Lake Assessment	Tee Lake Assessment	Flowage Lake Dam Fund	Governmental Funds
<u>Assets</u>					
Cash and Cash Equivalents	\$ <u>3,744</u>	\$ <u>2,632</u>	\$ <u>12,112</u>	\$ <u>4,660</u>	\$ <u>23,148</u>
Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fund Equity</u>					
Fund Balances:					
Restricted For:					
Capital Projects	<u>3,744</u>	<u>2,632</u>	<u>12,112</u>	<u>4,660</u>	<u>23,148</u>
Total Liabilities and Fund Equity	\$ <u>3,744</u>	\$ <u>2,632</u>	\$ <u>12,112</u>	\$ <u>4,660</u>	\$ <u>23,148</u>

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY DRAINS - COMPONENT UNIT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2024

Total Governmental Fund Balances		\$	23,148
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. Capital assets at year end consist of:			
Capital Assets Cost	\$	754,201	
Accumulated Depreciation		<u>(386,547)</u>	
			<u>367,654</u>
Total Net Position - Governmental Activities	\$	<u><u>390,802</u></u>	

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF
 REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 OGEMAW COUNTY DRAINS - COMPONENT UNIT - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Debt Retirement Fund	Capital Project Funds			Total Governmental Funds
	Ausable Lake Assessment	Stylus Lake Assessment	Tee Lake Assessment	Flowage Lake Dam Fund	
<u>Revenue</u>					
Interest Income	\$ 12	\$ 11	\$ 36	\$ 15	\$ 74
<u>Expenditures</u>					
Current:					
Public Works	<u>260</u>	<u>2,480</u>	<u>0</u>	<u>1,500</u>	<u>4,240</u>
Excess of Revenue Over (Under) Expenditures	(248)	(2,469)	36	(1,485)	(4,166)
Fund Balances - Beginning of Year	<u>3,992</u>	<u>5,101</u>	<u>12,076</u>	<u>6,145</u>	<u>27,314</u>
Fund Balances - End of Year	<u><u>\$ 3,744</u></u>	<u><u>\$ 2,632</u></u>	<u><u>\$ 12,112</u></u>	<u><u>\$ 4,660</u></u>	<u><u>\$ 23,148</u></u>

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY DRAINS - COMPONENT UNIT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	(4,166)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation Expense		<u>(15,084)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(19,250)</u></u>

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING BALANCE SHEET
 ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT
 GOVERNMENTAL FUNDS
September 30, 2024

	Special Revenue Funds		
	EDC Alliance Fund	Local Development Finance Authority	Total Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ 58,813	\$ 31,910	\$ 90,723
Investments	51,902	0	51,902
Receivables:			
Interest Receivable	230	0	230
Loans Receivable	0	2,194	2,194
Noncurrent Assets:			
Long-Term Loans Receivable	0	33,612	33,612
Total Assets	\$ 110,945	\$ 67,716	\$ 178,661
Liabilities	\$ 0	\$ 0	\$ 0
<u>Deferred Inflows of Resources</u>			
Unavailable Revenue - Loans	0	35,806	35,806
<u>Fund Equity</u>			
Fund Balances:			
Restricted For:			
Economic Development	110,945	31,910	142,855
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$ 110,945	\$ 67,716	\$ 178,661

COUNTY OF OGEMAW
West Branch, Michigan

ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2024

Total Governmental Fund Balances	\$	142,855
Amounts reported for governmental activities in the statement of net assets are different because:		
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds:		
Loans Receivable		<u>35,806</u>
Total Net Assets - Governmental Activities	\$	<u><u>178,661</u></u>

COUNTY OF OGEMAW
West Branch, Michigan

COMBINING STATEMENT OF
REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue Funds		
		Local Development Finance Authority	Total Governmental Funds
	EDC Alliance Fund		
<u>Revenue</u>			
Federal Grants and Revenue	\$ 0	\$ 62,000	\$ 62,000
Interest Income	491	38	529
Other Revenue	20,640	4,874	25,514
Total Revenue	21,131	66,912	88,043
<u>Expenditures</u>			
Current:			
Community and Economic Development	35,945	37,002	72,947
Excess of Revenue Over (Under) Expenditures	(14,814)	29,910	15,096
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	2,000	2,000
Operating Transfers Out	(2,000)	0	(2,000)
Total Other Financing Sources (Uses)	(2,000)	2,000	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(16,814)	31,910	15,096
Fund Balances - Beginning of Year	127,759	0	127,759
Fund Balances - End of Year	\$ 110,945	\$ 31,910	\$ 142,855

COUNTY OF OGEMAW
West Branch, Michigan

ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ 15,096
Amounts reported for governmental activities in the statement of activities are different because:	
Receivables not currently available are reported as revenue when collected or when currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements:	
Loans Receivable	<u>35,806</u>
Change in Net Assets of Governmental Activities	<u>\$ 50,902</u>

COUNTY OF OGEMAW
West Branch, Michigan

BALANCE SHEET
OGEMAW COUNTY LAND BANK AUTHORITY - COMPONENT UNIT
GOVERNMENTAL FUND
September 30, 2024

	<u>Special Revenue Fund</u> Ogemaw County Land Bank Authority
<u>Assets</u>	
Cash and Cash Equivalents	\$ <u>65,448</u>
<u>Liabilities</u>	\$ 0
<u>Fund Equity</u>	
Fund Balance:	
Unassigned	<u>65,448</u>
Total Liabilities and Fund Equity	\$ <u>65,448</u>

COUNTY OF OGEMAW
West Branch, Michigan

STATEMENT OF
REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
OGEMAW COUNTY LAND BANK AUTHORITY - COMPONENT UNIT - GOVERNMENTAL FUND
For the Year Ended September 30, 2024

	<u>Special Revenue Fund</u> <u>Ogemaw County Land Bank Authority</u>
<u>Revenue</u>	
Federal Grants and Revenue	\$ 49,125
State Grants and Revenue	126,789
Interest and Rentals	195
Other Revenue	<u>10,056</u>
Total Revenue	186,165
<u>Expenditures</u>	
Current:	
Community and Economic Development	<u>167,433</u>
Excess of Revenue Over Expenditures	18,732
Fund Balances - Beginning of Year	<u>46,716</u>
Fund Balances - End of Year	\$ <u><u>65,448</u></u>

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY PUBLIC TRANSIT
NONURBAN REGULAR SERVICE REVENUE REPORT
For the Year Ended September 30, 2024

	<u>Ogemaw County Public Transit</u>
Farebox Revenue	
Passenger Fares	\$ 47,962
Contract Fares	22,230
NonTrans Revenues	
Advertising Revenue	4,725
Other Nontransportation Revenue - Pole Barn Reimbursement	651
Local Revenue	
Taxes Levied Directly for/by Transit Agency	298,809
State Formula and Contracts	
State Operating Assistance	468,742
State Capital Grants	84,439
Federal Contracts	
Section 5311 (Operating Funds Only)	208,750
Federal Capital Grants	337,758
Other Revenue	
Interest Income	<u>70,436</u>
	<u>\$ 1,544,502</u>

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY PUBLIC TRANSIT
NONURBAN REGULAR SERVICE EXPENSE REPORT
For the Year Ended September 30, 2024

	<u>Ogemaw County Public Transit</u>
Labor	
Operator's Salaries & Wages	\$ 330,255
Other Salaries & Wages	119,449
Dispatchers' Salaries & Wages	123,124
Fringe Benefits	
Other Fringe Benefits	210,508
Pensions	82,594
Services	
Audit Cost	3,430
Other Services	63,096
Material and Supplies	
Fuel & Lubricants	88,814
Tires & Tubes	7,819
Other Materials & Supplies	12,841
Utilities	
Utilities	10,021
Insurance	
Liability Insurance	47,956
Other Insurance	1,762
Misc Expenses	
Travel, Meetings, & Training	50
Association Dues & Subscriptions	1,114
Other Misc Expenses	597
Depreciation	
Depreciation	<u>111,744</u>
Total Expenses	<u>1,215,174</u>
Ineligible Expenses	
Ineligible Depreciation	109,282
Ineligible Other Nontransportation Revenue - Scrap Metal Sales	651
Ineligible Percent of Assoc. Dues	148
Excess Pensions Costs Paid but Not Expensed	<u>(58,060)</u>
Total Ineligible Expenses	<u>52,021</u>
Total Eligible Expenses	<u>\$ 1,163,153</u>

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY PUBLIC TRANSIT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended September 30, 2024

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal ALN	Grant Number	Program Award Amount	Current Year Expenditures			Prior Year Expenditures	Award Amount Remaining
				Total	Federal	State		
<u>U.S. Department of Transportation</u>								
Passed Through Michigan Department of Transportation								
Operating Assistance - Section 5311	20.509	2022-0117/P5	\$ 208,750	\$ 208,750	\$ 208,750	\$ 0	\$ 0	\$ 0
Federal Transit Capital Grants								
Capital Grant	20.509	2022-0110/P3	274,597	121,878	121,878	0	0	152,719
Capital Grant	20.526	2017-0110/P13	325,600	188,000	188,000	0	0	137,600
Capital Grant	20.509	2017-0110/P16	54,800	27,880	27,880	0	3,927	22,993
Total Federal Transit Capital Grants			654,997	337,758	337,758	0	3,927	313,312
<u>Michigan Department of Transportation</u>								
State Transit Capital Grants								
Capital Grant	N/A	2022-0110/P3	68,649	30,469	0	30,469	0	38,180
Capital Grant	N/A	2017-0110/P13	81,400	47,000	0	47,000	0	34,400
Capital Grant	N/A	2017-0110/P16	13,700	6,970	0	6,970	982	5,748
Total State Transit Capital Grants			163,749	84,439	0	84,439	982	78,328
Non Urban Operating Assistance - Act 51 Current Year	N/A	N/A	468,742	468,742	0	468,742	0	0
Total Federal and State Grants			\$ 1,496,238	\$ 1,099,689	\$ 546,508	\$ 553,181	\$ 4,909	\$ 391,640

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY PUBLIC TRANSIT
 OPERATING ASSISTANCE CALCULATION
For the Year Ended September 30, 2024

	2022-0117/P5 Federal Section 5311 Operating Formula Grants	State Operating Assistance
	<u> </u>	<u> </u>
Total Expenses	\$ <u>1,215,174</u>	\$ <u>1,215,174</u>
Less Ineligible Expenses		
Pole Barn Reimbursement	651	651
Depreciation (Less Eligible)	109,282	109,282
Audit Cost	3,430	0
Association Dues	148	148
Pension Costs Expensed but Not Paid	<u>(58,060)</u>	<u>(58,060)</u>
Total Ineligible Expenses	<u>55,451</u>	<u>52,021</u>
Net Eligible Expenses	\$ <u>1,159,723</u>	\$ <u>1,163,153</u>
Maximum Federal Reimbursement	\$ <u>208,750</u>	
State Operating Assistance		\$ <u>468,742</u>

Federal Reimbursement includes 41301 Section 5311 Revenue at a reimbursement rate computed at 18.0% of the current eligible expenses. Federal 5311 expenses are only those expenses incurred in providing service to nonurbanized areas. The State Operating Assistance is to be computed at 40.2993% of the current eligible expenses.

COUNTY OF OGEMAW
West Branch, Michigan

OGEMAW COUNTY PUBLIC TRANSIT
NONURBAN REGULAR SERVICE NONFINANCIAL REPORT (UNAUDITED)
For the Year Ended September 30, 2024

<u>Code</u>	<u>Description</u>	<u>Weekday</u>	<u>Saturday</u>	<u>Sunday</u>	<u>Total</u>
611	Vehicle Miles	283,145	0	0	283,145



Stephenson & Company, P.C.
Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE

Alan J. Stephenson, CPA

March 21, 2025

Management and the Board
County of Ogemaw
West Branch, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ogemaw for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 18, 2024. Professional standards also require that we communicate to you the following information related to our audit. The appendices to this letter set forth those communications as follows:

I Communication with Those Charged with Governance

II Management Comments

We discussed these matters with various personnel of the County during the audit and met with management on March 14, 2025. We would also be pleased to meet with you to discuss these matters at your convenience.

This information is intended solely for the information and use of management, the Board of Commissioners, others within the County and the Michigan Department of Treasury, and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

Stephenson & Company, P.C.

APPENDIX I COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Significant Audit Matters

Qualitative Aspects of Accounting Practices

- Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Ogemaw are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the County of Ogemaw during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County of Ogemaw's financial statements were:

Management's estimates of depreciation expense for the current period, the net pension liability, and the net OPEB liability are based on an estimate of the useful lives of the capital assets and pension and OPEB obligations and actuarial reports. We evaluated the key factors and assumptions used to develop the useful lives for the capital assets, the net pension liability, and annual required contribution for post-employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

- The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined the effects of the unadjusted audit differences are immaterial, both individually and in the aggregate, to the financial statements as a whole, and material misstatements provided to management on March 14, 2025 were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 21, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

**APPENDIX I
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

Other Matters

We applied certain limited procedures to management's discussion and analysis, the required pension and OPEB schedules, and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, Ogemaw County Drains – component unit fund financial statements, Economic Development Corporation – component unit fund financial statements, Ogemaw County Land Bank Authority – component unit fund financial statements, Ogemaw County Public Transit – Nonurban Regular Service Revenue Report, Ogemaw County Public Transit – Nonurban Regular Service Expense Report, Ogemaw County Public Transit – Schedule of Expenditures of Federal and State Awards, and Ogemaw County Public Transit – Operating Assistance Calculation, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Ogemaw County Public Transit – Nonurban Regular Service Nonfinancial Report, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

APPENDIX II MANAGEMENT COMMENTS

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ogemaw as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Ogemaw's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Ogemaw's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Ogemaw's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified one deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

FINANCIAL STATEMENT PREPARATION CONTROLS

In conjunction with our audit, we have been contracted to prepare the financial statements and related disclosures based on the information provided to us by Management. We would like to stress that this service is allowable under AICPA ethics guidelines and may be the most efficient and effective method for preparation of the County's financial statements. However, if at any point in the audit we as auditors are part of the County's control system for producing reliable financial statements, auditing standards indicate that the County has a control deficiency. If Management is not able to prepare financial statements, including disclosures, and the auditors are contracted to prepare these statements, this is considered a control deficiency. The effect of this material weakness is that reporting errors or omissions could occur in the preparation of the annual financial report that would be departures from Generally Accepted Accounting Principles (GAAP) and the County would not be in a position to detect the errors or omissions. We recommend that Management and those charged with governance evaluate and document their decision on the costs and benefits of whether to contract for this service with our firm.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency.

NATURE PARK CASH RECEIPTS

Our review of the County's procedures related to the collection and deposit of donations received by the nature park indicated that there is a lack of control in the receiving and depositing of cash receipts. We recommend first, that management implement procedures where the key to the lock box at the nature park is kept at the County Treasurer's office. Periodically, on at least a bi-weekly basis, the nature park employees would then bring the lock box in to be opened with an employee of the Treasurer's office. The funds would then be counted together, with both individuals documenting the dollars received on a cash count sheet with their initials/signature. This signed sheet would then be used by the Treasurer's office to reconcile and support the deposit being made.

BUDGETED DEFICIT FUND BALANCE

The ARPA Fund's Final Budget, approved by the Commissioners for the September 30, 2024 fiscal year, was unbalanced, creating a budgeted deficit fund balance in the ARPA Fund of \$438,735. We would like to note that the recognition of unearned revenue as revenue simply was not budgeted for in conjunction with the budgeted expenditures resulting in the budgeted deficit. Had the amount budgeted for expenditures also been included as the revenue budget, the deficit would not have existed. The Bulletin for Audits of Local Units of Governments does

**APPENDIX II
MANAGEMENT COMMENTS**

not permit for governments to adopt unbalanced budgets. Therefore, we recommend that precautions be taken for future budgets to ensure that all budgets are, in fact, in balance prior to their approval.

PAYROLL TRACKING CONTROLS

Adequate tracking of payroll is crucial to ensuring employees are being paid appropriately according to their respective employee agreements. During our audit, we noted that the Sheriff’s Office and the Jail were the only two departments that were not making full use of the new time system for clocking in and clocking out, which could open up the possibility of human error that the software could help prevent. We recommend that management work with the Sheriff’s Office and the Jail to find practical ways to implement the new software.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various governmental unit personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

STATUS OF PRIOR YEAR COMMENTS:

We have reviewed the status of comments and recommendations made in the prior year. The status of prior year comments is as follows:

<u>Comment</u>	<u>Implemented/ Situation Corrected</u>	<u>Management Decision To Not Implement</u>	<u>Unable To Be Tested in Current Year</u>	<u>Situation Still Exists</u>
Financial Statement Preparation Control		X		
Nature Park Cash Receipts				X
Budget Control	X			
Sheriff’s Department Fundraising			X	
Payroll Tracking Controls				X
District Court Cash Reconciliations	X			



Stephenson & Company, P.C.

Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE

Alan J. Stephenson, CPA

COUNTY OF OGEMAW
WEST BRANCH, MICHIGAN

SINGLE AUDIT REPORTS
YEAR ENDED SEPTEMBER 30, 2024

INDEX

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1 - 2
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	3 - 5
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	6 - 7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8 - 10
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS	12
COUNTY PREPARED DOCUMENTS	
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	
CORRECTIVE ACTION PLAN	



Stephenson & Company, P.C.

Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE

Alan J. Stephenson, CPA

March 21, 2025

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

Board of Commissioners
County of Ogemaw
West Branch, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major, fund and the aggregate remaining fund information of the County of Ogemaw as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Ogemaw's basic financial statements and have issued our report thereon dated March 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The County of Ogemaw's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County of Ogemaw's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County of Ogemaw's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Stephenson & Company, P.C.



Stephenson & Company, P.C.
Certified Public Accountants & Consultants

Donald W. Brannan, CPA
Kyle E. Troyer, CPA
Robert J. Morand, CPA
Brenden A. Stephenson, CPA/PFS, CFP®
Cynthia R. Scott, CPA, CFE
Alan J. Stephenson, CPA

March 21, 2025

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

Board of Commissioners
County of Ogemaw
West Branch, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Ogemaw's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Ogemaw's major federal programs for the year ended September 30, 2024. The County of Ogemaw's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Ogemaw's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Ogemaw's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ogemaw as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Ogemaw's basic financial statements. We issued our report thereon dated March 21, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Stephenson & Company, P.C.

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

Summary of Auditors' Results

1. The auditors' report expresses unmodified opinions on the financial statements of the County of Ogemaw.
2. One material weakness and no significant deficiencies in internal control relating to the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the County of Ogemaw, which are required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses relating to the audit of internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the County of Ogemaw expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the County of Ogemaw are reported in this schedule.
7. The programs tested as major programs were: Buses and Bus Facilities Program, ALN 20.526 and Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The County of Ogemaw does not qualify as a low-risk auditee.

Findings - Financial Statement Audit

2024-001

Financial Statement Preparation Controls

Condition and Criteria: Accounting principles require personnel of the County of Ogemaw to have the knowledge to review and determine that the financial report is a complete presentation in accordance with Generally Accepted Accounting Principles. the County of Ogemaw personnel prepare financial information throughout the year to assess the operations and the financial condition of the County of Ogemaw. However, prior to the closing of the year end, multiple journal entries, material to the financial statements, were proposed by their Independent Audit Firm. Also, the County of Ogemaw relies on their Independent Audit Firm to assist in reporting the annual financial report in accordance with Generally Accepted Accounting Principles (GAAP).

Effect: As a result, the County of Ogemaw is considered to have a material weakness, since reporting errors or omissions could occur in the preparation of the annual financial report that would be departures from Generally Accepted Accounting Principles and the County of Ogemaw would not be in a position to detect the errors or omissions.

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

Findings - Financial Statement Audit (Continued)

2024-001

Financial Statement Preparation Controls (Continued)

Cause: The County relies on their Independent Audit Firm to assist in reporting the annual financial report in accordance with GAAP as well as propose material journal entries to the financial statements.

Context: The County of Ogemaw has individuals on staff to review the financial report and Schedule of Expenditures of Federal Awards to ensure it is accurate, and that the financial information reflects the recording of the proposed entries. However, the individuals do not review and determine that the financial report and Schedule of Expenditures of Federal Awards is a complete presentation in accordance with Generally Accepted Accounting Principles.

Auditors' Recommendation: We recommend that Management and those charged with governance evaluate and document their decision on the cost and benefits of whether to contract for this service with their independent audit firm.

Views of Responsible Officials and Planned Corrective Actions: The Board of Commissioners understands the risk of having the auditors prepare the financial statements and has determined to accept this risk as they feel the benefit outweighs the risk itself. However, to mitigate this risk, the 2024 PPC Governmental Disclosure Checklist was received and reviewed by management as part of reviewing and approving their financial statements, to assist in ensuring that all required disclosures are properly included in the financial statements.

Findings and Questioned Costs - Major Federal Award Programs Audit

There were no findings or questioned costs related to the major federal award program audit for the year ended September 30, 2024.

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor or Pass Through Grantor Program Title/Grantor's Number	Federal ALN	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at 10/1/23	Current Year Expenditures	Current Year Receipts (Cash Basis)	Adjustments	Accrued (Deferred) Revenue at 9/30/24	Current Year Cash Transferred to Subrecipients
<u>U.S. Department of Agriculture</u>									
Direct Program:									
Rural Business Development Grant Revolving Loan Fund	10.351	\$ 95,000	\$ 0	\$ 0	\$ 66,910	\$ 66,910	\$ 0	\$ 0	\$ 0
Direct Program:									
Rural Housing Preservation Grant Housing Preservation Grant Program Income	10.433	N/A	0	0	20,517	20,517	0	0	0
Housing Preservation Grant 10-533 '2021 - 2022		87,200	9,733	0	48,198	48,198	0	0	0
		<u>87,200</u>	<u>9,733</u>	<u>0</u>	<u>68,715</u>	<u>68,715</u>	<u>0</u>	<u>0</u>	<u>0</u>
Passed through Michigan Department of Natural Resources:									
Schools and Roads Grant to States - Secure Rural Schools - 2023	10.665	32,493	0	0	32,493	32,493	0	0	32,493
Schools and Roads Grant to States - Oil/Gas/Mineral Royalties - 2023		609	609	609	0	609	0	0	609
Schools and Roads Grant to States - Oil/Gas/Mineral Royalties - 2024		217	0	0	217	0	0	217	0
		<u>33,319</u>	<u>609</u>	<u>609</u>	<u>32,710</u>	<u>33,102</u>	<u>0</u>	<u>217</u>	<u>33,102</u>
Total U.S. Department of Agriculture		<u>215,519</u>	<u>10,342</u>	<u>609</u>	<u>168,335</u>	<u>168,727</u>	<u>0</u>	<u>217</u>	<u>33,102</u>
<u>U.S. Department of Housing and Urban Development</u>									
Passed through Michigan State Housing Development Authority:									
Community Development Block Grant Program Income	14.228	N/A	0	0	92,694	92,694	0	0	0
<u>U.S. Department of Interior</u>									
Passed through the Michigan State Housing Development Authority:									
Payment in Lieu of Taxes Program	15.226	9,004	0	0	9,004	9,004	0	0	0
Bankhead-Jones Farm Tenant Act - Title III - 2023		7,419	0	0	7,419	7,419	0	0	0
		<u>16,423</u>	<u>0</u>	<u>0</u>	<u>16,423</u>	<u>16,423</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>U.S. Department of Justice</u>									
Direct Program									
Bulletproof Vest Partnership Grant FY2020 Regular Fund	16.607	2,700	2,700	2,700	0	2,700	0	0	0

The accompanying notes are an integral part of this schedule.

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor or Pass Through Grantor Program Title/Grantor's Number	Federal ALN	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at 10/1/23	Current Year Expenditures	Current Year Receipts (Cash Basis)	Adjustments	Accrued (Deferred) Revenue at 9/30/24	Current Year Cash Transferred to Subrecipients
<u>U.S. Department of Transportation</u>									
Passed through Michigan Department of Transportation:									
Formula Grants for Rural Areas									
Operating Assistance - Section 5311 12-0146 131734	20.509	\$ 176,063	\$ 176,063	\$ 178	\$ 0	\$ 0	\$ (178)	\$ 0	\$ 0
Operating Assistance - Section 5311 2017-0110/P10/R1		331,845	331,845	(31,150)	0	8,248	39,398	0	0
Operating Assistance - Section 5311 2017-0110/P12		343,703	177,941	17,940	0	0	0	17,940	0
CRRSAA Act Revenue (COVID-19) 2022-0117/P1		410,059	410,059	30,341	0	0	0	30,341	0
CRRSAA Act Revenue (COVID-19) 2022-0117/P2		394,819	394,819	125,513	0	113,227	0	12,286	0
Operating Assistance - Section 5311 2022-0117/P5		200,538	0	0	208,750	145,584	0	63,166	0
Capital Grant - Section 5311 2017-0110/P16 - Bus Wash System		54,800	0	0	27,880	27,880	0	0	0
		<u>1,911,827</u>	<u>1,490,727</u>	<u>142,822</u>	<u>236,630</u>	<u>294,939</u>	<u>39,220</u>	<u>123,733</u>	<u>0</u>
Passed through Michigan Department of Transportation:									
Buses and Bus Facilities Program									
Capital Grant - Section 5339 2022-0117/P3 - Replacement Bus	20.526	274,597	0	0	121,878	121,878	0	0	0
Capital Grant - Section 5339(b) 2017-0110/P13 - Inside Bus Parking		325,600	0	0	188,000	188,000	0	0	0
		<u>600,197</u>	<u>0</u>	<u>0</u>	<u>309,878</u>	<u>309,878</u>	<u>0</u>	<u>0</u>	<u>0</u>
Passed through Michigan Department of Transportation:									
Hazardous Material Emergency Preparedness Grant									
22-23 693JK32240063HMEP	20.703	1,500	1,500	1,500	0	1,500	0	0	0
23-24 693JK32240063HMEP		1,840	0	0	250	0	0	250	0
		<u>3,340</u>	<u>1,500</u>	<u>1,500</u>	<u>250</u>	<u>1,500</u>	<u>0</u>	<u>250</u>	<u>0</u>
Total U.S. Department of Transportation		<u>2,515,364</u>	<u>1,492,227</u>	<u>144,322</u>	<u>546,758</u>	<u>606,317</u>	<u>39,220</u>	<u>123,983</u>	<u>0</u>
<u>U.S. Department of Treasury</u>									
Passed through Michigan Department of Treasury:									
COVID-19 - Coronavirus Relief Local Government Grants Program	21.027	4,178,421	2,431,833	(1,746,858)	587,281	0	0	(1,159,577)	0
Passed through State Land Bank Authority:									
COVID-19 - Blight Elimination Program SLBA-00338	21.027	500,000	0	0	49,125	49,125	0	0	0
Passed through Michigan State Housing Development Authority:									
COVID-19 - ARP CSLFRF MI-HOPE Grant #ARP-2023-324-MIH	21.027	262,500	0	0	96,320	0	0	96,320	0
Total U.S. Department of Treasury		<u>4,940,921</u>	<u>2,431,833</u>	<u>(1,746,858)</u>	<u>732,726</u>	<u>49,125</u>	<u>0</u>	<u>(1,063,257)</u>	<u>0</u>

The accompanying notes are an integral part of this schedule.

COUNTY OF OGEMAW
West Branch, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor or Pass Through Grantor Program Title/Grantor's Number	Federal ALN	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at 10/1/23	Current Year Expenditures	Current Year Receipts (Cash Basis)	Adjustments	Accrued (Deferred) Revenue at 9/30/24	Current Year Cash Transferred to Subrecipients
<u>U.S. Department of Health and Human Services</u>									
Child Support Enforcement									
Passed through Michigan Department of Human Services									
Prosecuting Attorney CS-PA17-65002	93.563	\$ 292,631	\$ 295,246	\$ 4,300	\$ 0	\$ 4,300	\$ 0	\$ 0	\$ 0
Prosecuting Attorney CS-PA24-65002		366,118	0	0	56,860	47,792	0	9,068	0
Friend of the Court Title IV D CS/FOC-17-65001		1,669,504	1,573,499	13,291	0	13,291	0	0	0
Friend of the Court Title IV D CS/FOC-24-65001		2,183,679	0	0	231,455	215,080	0	16,375	0
Performance Incentive Payments		31,802	0	0	31,802	31,802	0	0	0
		<u>4,543,734</u>	<u>1,868,745</u>	<u>17,591</u>	<u>320,117</u>	<u>312,265</u>	<u>0</u>	<u>25,443</u>	<u>0</u>
<u>U.S. Department of Homeland Security</u>									
Passed through Michigan Department of Natural Resources:									
Boating Safety Financial Assistance - 2023	97.012	6,700	6,700	6,700	0	6,700	0	0	0
Boating Safety Financial Assistance - 2024		7,900	0	0	7,900	0	0	7,900	0
		<u>14,600</u>	<u>6,700</u>	<u>6,700</u>	<u>7,900</u>	<u>6,700</u>	<u>0</u>	<u>7,900</u>	<u>0</u>
Passed through Michigan State Police:									
Emergency Management Performance Grant - 2021 ARPA	97.042	5,884	3,426	0	2,458	2,458	0	0	0
Emergency Management Performance Grant - 2023		5,946	5,946	5,946	0	5,946	0	0	0
Emergency Management Performance Grant - 2024		3,196	0	0	3,196	0	0	3,196	0
		<u>15,026</u>	<u>9,372</u>	<u>5,946</u>	<u>5,654</u>	<u>8,404</u>	<u>0</u>	<u>3,196</u>	<u>0</u>
Passed through District Health Department No. 2:									
Homeland Security Grant EMW-2021-SS-00011-S01	97.067	19,835	15,074	0	4,761	4,761	0	0	0
Homeland Security Grant EMW-2022-SS-00031-S01		39,350	0	0	39,350	6,453	0	32,897	0
Homeland Security Grant EMW-2023-SS-00022-S01		14,250	0	0	14,250	0	0	14,250	0
		<u>73,435</u>	<u>15,074</u>	<u>0</u>	<u>58,361</u>	<u>11,214</u>	<u>0</u>	<u>47,147</u>	<u>0</u>
Total U.S. Department of Homeland Security		<u>103,061</u>	<u>31,146</u>	<u>12,646</u>	<u>71,915</u>	<u>26,318</u>	<u>0</u>	<u>58,243</u>	<u>0</u>
Total Federal Financial Awards		<u>\$ 12,337,722</u>	<u>\$ 5,836,993</u>	<u>\$ (1,568,990)</u>	<u>\$ 1,948,968</u>	<u>\$ 1,274,569</u>	<u>\$ 39,220</u>	<u>\$ (855,371)</u>	<u>\$ 33,102</u>

The accompanying notes are an integral part of this schedule.

COUNTY OF OGEMAW
West Branch, Michigan

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Ogemaw under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Ogemaw, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Ogemaw .

Note 2 - Summary of Significant Accounting Policies

- A. The Schedule of Expenditures of Federal Awards is a summary of the cash activity of the County's federal awards and does not present transactions that would be included in financial statements of the County presented on the accrual basis of accounting, as contemplated by accounting principles generally accepted in the United States of America.
- B. The County of Ogemaw did not elect to use a flat de minimus rate of 10% of modified total direct costs for their indirect cost rate.

Note 3 - Reconciliation to Financial Statements:

Federal revenue presented in the financial statements:

Governmental Funds	\$ 1,183,798
Proprietary Funds	546,508
Component Unit - Ogemaw County Land Bank Authority	49,125
Component Unit - Economic Development Corporation	62,000
	1,841,431

Accounts receivable for the year ended September 30, 2023 received more than 60 days after year-end and recognized as federal revenue in the fiscal year

September 30, 2024 financial statements:

Emergency Management Performance Grant - 2023	(5,946)
HMEP 22-23	(1,500)
Bulletproof Vest Partnership Grant FY2020 Regular Fund	(2,700)

Accounts receivable for the year ended September 30, 2024 received more than 60 days after year-end and to be recognized as federal revenue in fiscal year

September 30, 2025 financial statements:

Boating Safety Financial Assistance - 2024	7,900
Prosecuting Attorney CS-PA24-65002	4,671
Emergency Management Performance Grant - 2024	3,196
Homeland Security Grant EMW-2022-SS-00031-S01	436
HMEP 23-24	250
MI-HOPE Program ARP-2023-324-MIH	96,320

First year of Revolving Loan Fund for #10.351 Rural Business Development Grant recognized as revenue for the year ended September 30, 2024 (62,000)

Revolving Loan Fund Capital Base

#10.351 Rural Business Development Grant	66,910
--	--------

Federal revenue on the Schedule of Expenditures of Federal Awards \$ 1,948,968

Note 4 - Calculation of the amount on the Schedule of Expenditures of Federal Awards for #10.351 Rural Business Deveopment Grant - Revolving Loan Fund

Balance of the loans outstanding at September 30, 2024	\$ 35,000
Cash and investment balance at September 30, 2024	31,910
Administration expenses	0
Unpaid principal of loans written off during the year	0
Total	\$ 66,910
Federal participation rate	100%

County of Ogemaw
West Branch, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PROVIDED TO SUBRECIPIENTS
For the Year Ended September 30, 2024

<u>Federal Program Title/Subrecipient</u>	<u>Project Number</u>	<u>Federal ALN</u>	<u>Approved Grant Award Amount</u>	<u>Due to Subrecipient October 1, 2023</u>	<u>Current Year Transfer to Subrecipient</u>	<u>Current Year Subrecipient Federal Expenditures</u>	<u>Due to Subrecipient September 30, 2024</u>
Schools & Roads Grants - Secure Rural Schools - 2023	N/A	10.665	N/A				
West Branch Rose City Schools				\$ 0	\$ 24,370	\$ 24,370	\$ 0
Rose Township				0	3,412	3,412	0
Goodar Township				0	4,711	4,711	0
				<u>0</u>	<u>32,493</u>	<u>32,493</u>	<u>0</u>
Schools & Roads Grants - Oil/Gas/Mineral Royalties - 2023	N/A	10.665	N/A				
West Branch Rose City Schools				457	457	0	0
Rose Township				64	64	0	0
Goodar Township				88	88	0	0
				<u>609</u>	<u>609</u>	<u>0</u>	<u>0</u>
Schools & Roads Grants - Oil/Gas/Mineral Royalties - 2024	N/A	10.665	N/A				
West Branch Rose City Schools				0	0	163	163
Rose Township				0	0	23	23
Goodar Township				0	0	31	31
				<u>0</u>	<u>0</u>	<u>217</u>	<u>217</u>
Bankhead-Jones Farm Tenant Act - 2023	N/A	15.226	N/A				
West Branch Rose City Schools				0	0	5,564	5,564
Rose Township				0	0	779	779
Goodar Township				0	0	1,076	1,076
				<u>0</u>	<u>0</u>	<u>7,419</u>	<u>7,419</u>
Total Federal Awards Provided to Subrecipients				<u>\$ 609</u>	<u>\$ 33,102</u>	<u>\$ 40,129</u>	<u>\$ 7,636</u>

The accompanying notes are an integral part of this schedule.

CAREN PIGLOWSKI
OGEMAW COUNTY TREASURER
806 W. Houghton Ave. Rm#103, West Branch, MI 48661
989-345-0084

Summary Schedule of Prior Year Audit Findings:

Findings – Financial Statements Audit

2023-001 - Financial Statement Preparation Controls

Finding: The County of Ogemaw's personnel prepare financial information throughout the year to assess the operations and the financial condition of the County. However, prior to the closing of the year end, various entries material to the financial statements were proposed by our firm. Also, the County relies on our firm to assist in reporting the annual financial report in accordance with Generally Accepted Accounting Principles.

Year of Initial Occurrence: September 30, 2007

Status: This situation still exists. See the current year Corrective Action Plan.

2023-002 – District Court Cash Reconciliations

Finding: District Court bank reconciliations were not being sent to the Treasurer's office and there were not proper secondary reviews of the bank reconciliations being performed.

Year of Initial Occurrence: September 30, 2023

Status: This situation has been corrected.

Findings and Questioned Costs – Major Federal Award Programs Audit

There were no related findings or questioned costs related to the major federal award program audit for the year ended September 30, 2023.

Ogemaw County Administrator/Controller

806 W. Houghton Avenue
West Branch, MI 48661
(989) 516-9020

Corrective Action Plan 2023-2024 Fiscal Year

2024-001 - Financial Statement Preparation Controls

Condition: The County of Ogemaw's personnel prepare financial information throughout the year to assess the operations and the financial condition of the County. However, prior to the closing of the year end, various entries material to the financial statements were proposed by the external CPA firm. Also, the County relies on the external CPA firm to assist in reporting the annual financial report in accordance with Generally Accepted Accounting Principles.

Corrective Action: The County understands the risk of having the auditors prepare the financial statements and has determined to accept this risk as they feel the benefit outweighs the risk itself. However, to mitigate this risk, the 2024 PPC Governmental Disclosure Checklist is received and reviewed by the County Treasurer and Clerk as part of reviewing and approving their financial statements to assist in ensuring that all required disclosures are properly included in the financial statements.

Contact Person Responsible for Corrective Action: Caren Piglowski, County Treasurer and Tim Dolehanty, County Administrator/Controller.

Anticipated Completion Date: Ongoing, with annual review by the County Treasurer, County Administrator/Controller, Board of Commissioners, and Auditor.