

County of
Newaygo, Michigan



Year Ended
September 30,
2025

Financial
Statements

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COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Elected Officials	1
Independent Auditors' Report	3
Management's Discussion and Analysis	7
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Change in Fund Balances – Governmental Funds	32
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	35
Statement of Revenues, Expenditures and Change in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual: General Fund	36
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual:	
Sheriff Road Patrol	39
County Jail	40
Opioid Settlement	41
American Rescue Plan	42
Commission on Aging	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Change in Fund Net Position – Proprietary Funds	45
Statement of Cash Flows – Proprietary Funds	46
Statement of Fiduciary Net Position – Fiduciary Funds	48
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	49
Combining Statement of Net Position – Discretely Presented Component Units	50
Combining Statement of Activities – Discretely Presented Component Units	52
Notes to Financial Statements	55

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Required Supplementary Information	
MERS Agent Multiple-Employer Defined Benefit Pension Plan:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	104
Schedule of Contributions	106
Single-Employer Other Postemployment Benefits Plan:	
Schedule of Changes in the County's Net OPEB (Asset) Liability and Related Ratios	108
Schedule of Contributions	110
Schedule of Investment Returns	111
Notes to Required Supplementary Information	112
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet	118
Combining Statement of Revenues, Expenditures and Change in Fund Balances	119
Combining Balance Sheet – Nonmajor Special Revenue Funds	120
Combining Statement of Revenues, Expenditures and Change in Fund Balances – Nonmajor Special Revenue Funds	124
Schedule of Revenues, Expenditures and Change in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	128
Combining Balance Sheet – Nonmajor Debt Service Funds	137
Combining Statement of Revenues, Expenditures and Change in Fund Balances – Nonmajor Debt Service Funds	138
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	140
Combining Statement of Revenues, Expenses and Change in Fund Net Position	142
Combining Statement of Cash Flows	144
Internal Service Funds:	
Combining Statement of Net Position	150
Combining Statement of Revenues, Expenses and Change in Fund Net Position	154
Combining Statement of Cash Flows	158

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules (Concluded)	
Custodial Funds:	
Combining Statement of Fiduciary Net Position	168
Combining Statement of Changes in Fiduciary Net Position	169
Component Units:	
Drain Commissioner:	
Combining Balance Sheet	172
Reconciliation of Fund Balances for Governmental Funds to Net Position of Component Unit	175
Combining Statement of Revenues, Expenditures and Change in Fund Balances	176
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Component Unit	179
Brownfield Redevelopment Authority:	
Balance Sheet / Statement of Net Position	180
Statement of Revenues, Expenditures and Change in Fund Balance / Statement of Activities	181



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COUNTY OF NEWAYGO, MICHIGAN

ELECTED OFFICIALS

For the Year Ended September 30, 2025

BOARD OF COMMISSIONERS

Paul Mellema, District 1
Bryan Kolk, District 2
D. Charles Trapp, District 3

James Maike, Jr., District 4
Lori Tubbergen Clark, District 5
Brenda Bird, District 6
Michael Kruithoff, District 7

COUNTY OFFICIALS

Jason Vanderstelt, Clerk
Jason O'Connell, Treasurer
Dale E. Twing, Drain Commissioner

Rachel Robinson, Prosecuting Attorney
Stewart K. Sanders, Register of Deeds
Robert W. Mendham, Sheriff

DISTRICT COURT JUDGE

Ellsworth J. Stay, Jr.

CIRCUIT COURT JUDGE

Robert D. Springstead

PROBATE COURT JUDGE

Melissa K. Dykman

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INDEPENDENT AUDITORS' REPORT

March 6, 2026

Board of Commissioners
County of Newaygo, Michigan
White Cloud, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Newaygo, Michigan** (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entities, which represent the indicated percentages of total aggregate discretely presented component units:

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Newaygo County Road Commission	73.6%	55.0%	76.8%
Newaygo Medical Care Facility	18.3%	37.5%	17.5%



Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 6, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

As management of the *County of Newaygo, Michigan* (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2025.

Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2025 fiscal year by \$64,197,304 (*net position*). Of this amount, \$47,145,746 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
2. When utilizing the Non-GAAP Budgetary Basis, at the end of the 2025 fiscal year, fund balance for the general fund was \$10,141,830 or 52.2% of expenditures (including transfers out). The following table provides historical information on fund balance of the general fund and the amount as a percentage of that fiscal year's expenditures and transfers out:

Fiscal Year	Fund Balance	% of Exp. and Trans. Out
2025	\$ 10,141,830	52.2%
2024	8,730,470	52.2%
2023	7,967,217	52.2%
2022	6,648,063	46.1%
2021	6,383,697	46.5%

3. The general fund for 2025 increased fund balance by \$1,411,360 applying the Non-GAAP Budgetary Basis and \$1,350,574 according to the GAAP Basis.
4. Within the general fund, fund balance is classified as follows: \$375,816 nonspendable, \$108,371 restricted, \$37,666 committed, and \$95,783 assigned. The remaining \$9,524,194 is available as unassigned fund balance (Non-GAAP Budgetary Basis). Unassigned fund balance (Non-GAAP Budgetary Basis) as a percentage of expenditures and transfers out was 49.0%.
5. At the end of the 2025 fiscal year, fund balance for the general fund according to the GAAP Basis was \$8,951,103. Of this amount, \$8,333,467 is available as unassigned fund balance. Unassigned fund balance as a percentage of expenditures and transfers out was 42.9%.
6. As of the close of the 2025 fiscal year, the County's governmental funds reported combined ending fund balances of \$21,672,866. This amount is a \$2,417,181 increase from the previous year. \$18,138,809 or 83.7% of the total is available for spending at the government's discretion (committed, assigned, and unassigned).
7. The County's financial statements classify property taxes that have been billed but remain uncollected as of 60 days subsequent to year-end as deferred inflows of resources. Therefore, a budgetary/accounting basis reconciliation has been included for clarification in the notes to the financial statements.

Overview of the Financial Statements

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

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and welfare, recreation and cultural, legislative, judicial, and community and economic development. The business-type activities include the administration of the delinquent property tax system, public works projects, the jail commissary, and the operation of the building authority.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Central Dispatch Authority (E-911), legally separate Drainage Districts, a legally separate Brownfield Redevelopment Authority, a legally separate Road Commission, and a legally separate Medical Care Facility, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, sheriff road patrol fund, county jail fund, opioid settlement fund, American Rescue Plan fund, commission on aging fund and the capital improvement fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with this budget. Budgets are adopted for the debt service and capital projects funds, although this information is used for internal purposes only and is not presented in the audited financial statements.

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for collection and administration of delinquent property taxes, compliance with public act 123, sanitary sewer construction for other local units, the activity of the building authority, and the jail commissary. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for various central services, information technology, its motor pool, and risk management and employee benefit programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the 2022 and prior delinquent tax fund, 2024 delinquent tax fund, and P.A. 123 fund which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of Newaygo County, assets and deferred outflows exceeded liabilities and deferred inflows by \$64,197,304 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 38,016,590	\$ 36,589,907	\$ 25,468,010	\$ 25,225,576	\$ 63,484,600	\$ 61,815,483
Capital assets, net	11,105,015	11,710,941	149,961	180,570	11,254,976	11,891,511
Total assets	49,121,605	48,300,848	25,617,971	25,406,146	74,739,576	73,706,994
Deferred outflows of resources						
	1,210,594	1,374,461	-	-	1,210,594	1,374,461
Liabilities						
Long-term liabilities	6,767,972	8,321,192	-	24,180	6,767,972	8,345,372
Other liabilities	3,972,553	5,086,950	91,401	81,766	4,063,954	5,168,716
Total liabilities	10,740,525	13,408,142	91,401	105,946	10,831,926	13,514,088
Deferred inflows of resources						
	920,940	1,151,521	-	-	920,940	1,151,521
Net position						
Net investment in capital assets	9,169,366	8,663,068	149,961	180,570	9,319,327	8,843,638
Restricted	7,724,973	8,654,675	7,258	8,640	7,732,231	8,663,315
Unrestricted	21,776,395	17,797,903	25,369,351	25,110,990	47,145,746	42,908,893
Total net position	\$ 38,670,734	\$ 35,115,646	\$ 25,526,570	\$ 25,300,200	\$ 64,197,304	\$ 60,415,846

A portion of the County's net position of \$9,319,327 (14.5%) represents its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$7,732,231 (12.1%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$47,145,746 or 73.4%) may be used to meet the County's ongoing obligations to citizens and creditors.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 10,322,763	\$ 10,694,641	\$ 1,976,167	\$ 2,014,400	\$ 12,298,930	\$ 12,709,041
Operating grants	6,189,941	6,320,634	-	-	6,189,941	6,320,634
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	15,608,155	14,877,750	-	-	15,608,155	14,877,750
Unrestricted grants	2,769,671	3,710,466	-	-	2,769,671	3,710,466
Unrestricted investment earnings	860,617	929,298	961,767	1,210,938	1,822,384	2,140,236
Total revenues	35,751,147	36,532,789	2,937,934	3,225,338	38,689,081	39,758,127
Expenses						
General government	3,333,908	4,395,951	-	-	3,333,908	4,395,951
Public safety	13,507,164	12,232,224	-	-	13,507,164	12,232,224
Public works	871,390	867,529	-	-	871,390	867,529
Health and welfare	6,809,805	6,065,209	-	-	6,809,805	6,065,209
Recreation and cultural	1,030,003	1,524,704	-	-	1,030,003	1,524,704
Legislative	385,302	365,216	-	-	385,302	365,216
Judicial	7,219,489	6,478,186	-	-	7,219,489	6,478,186
Community and economic development	1,111,981	852,860	-	-	1,111,981	852,860
Interest on long-term debt	54,171	75,455	-	-	54,171	75,455
Delinquent tax admin	-	-	377,396	312,985	377,396	312,985
Public works projects	-	-	196	596	196	596
Jail commissary	-	-	114,888	137,877	114,888	137,877
Building authority	-	-	91,930	89,882	91,930	89,882
Total expenses	34,323,213	32,857,334	584,410	541,340	34,907,623	33,398,674
Change in net position, before transfers	1,427,934	3,675,455	2,353,524	2,683,998	3,781,458	6,359,453
Transfers	2,127,154	629,850	(2,127,154)	(629,850)	-	-
Change in net position	3,555,088	4,305,305	226,370	2,054,148	3,781,458	6,359,453
Net position:						
Beginning of year	35,115,646	30,810,341	25,300,200	23,246,052	60,415,846	54,056,393
End of year	\$ 38,670,734	\$ 35,115,646	\$ 25,526,570	\$ 25,300,200	\$ 64,197,304	\$ 60,415,846

As described on the following pages, the County's net position increased by \$3,781,458 during the last fiscal year.

Governmental Activities. Governmental activities increased the County's net position by \$3,555,088.

Revenues (Statement of Activities) - Revenues decreased by \$781,642 in 2025 from the prior year.

Charges for services: Program charges for services decreased by \$371,878 or 3.5%, primarily due to opioid settlement revenues and the related change in the deferred inflow of resources from the long-term receivable.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Operating grants and contributions: Program grant revenue decreased by \$130,693 or 2.1%. This reduction was primarily due to the completion of the Dragon Trail construction project in the prior fiscal year which was allocated a portion of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). In addition, court equity funding received from the State experienced a reduction of \$118,355 compared to the prior fiscal year.

Property taxes: Property taxes increased by \$730,405 or 4.9%. The primary factor related to the increase is taxable values experienced growth of 6.14% from 2024 to 2025.

Grants and contributions not restricted to specific programs: Unrestricted grants and contributions decreased by \$940,795 or 25.4%. Revenue recorded related to the use of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) on eligible expenditures in the 2025 fiscal year were significantly reduced as several capital projects allocated funding under SLFRF reached completion.

Unrestricted investment earnings: Unrestricted investment earnings decreased by \$68,681 or 7.4%. During the 2025 fiscal year, investments experienced a reduction in interest rates compared to the prior fiscal year.

Expenses for Governmental Activities (Statement of Activities)

General government. General government activities include expenses related to support departments of the County such as administration, clerk, treasurer, equalization, human resources, finance, and payroll.

Public safety. Public safety activities include expenses related to the sheriff's office and road patrol, animal control, county jail, emergency services, and building safety and permits.

Public works. Public works activities include expenses related to the drain commissioner, board of public works, county drain tax at large, soil erosion/conservation, and recycling.

Health and welfare. Health and welfare activities include expenses related to the medical examiner services, child care, commission on aging, and veterans' services.

Recreation and cultural. Recreation and cultural activities include expenses related to the County parks system and the Dragon Trail construction project.

Legislative. Legislative activities include expenses related to the Board of Commissioners.

Judicial. Judicial activities include expenses related to the administration of the circuit court/friend of the court, district court, probate court, prosecuting attorney, jury board, county guardian, and the county law library.

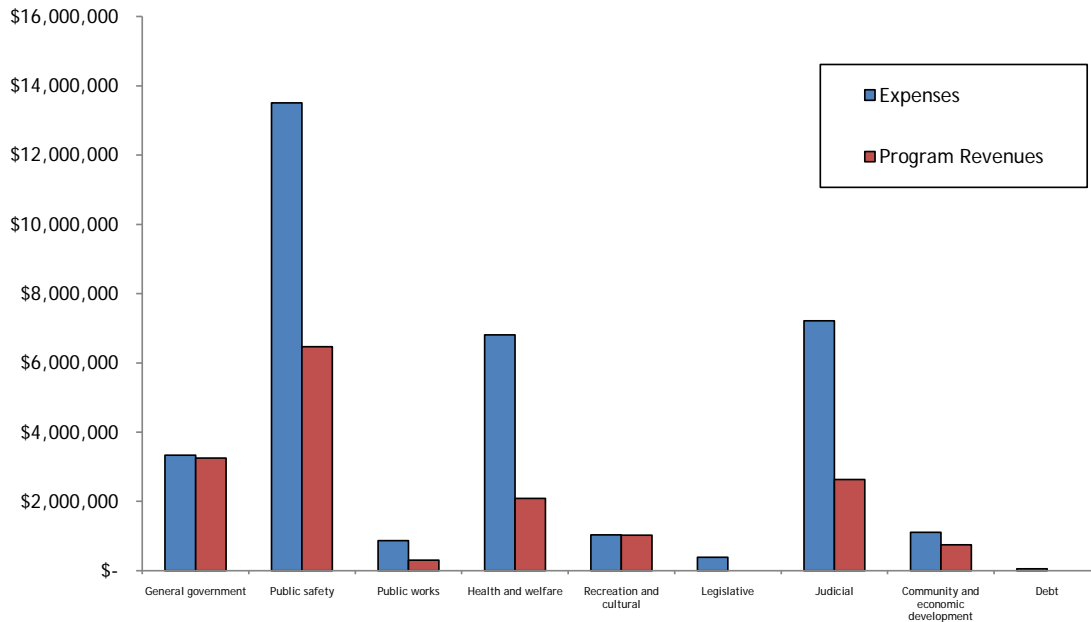
Community and economic development. Community and economic development activities include expenses related to cooperative extension services, register of deeds, economic development, and land use educator services.

Overall expenses increased by \$1,465,879, or 4.5%, from the prior year, including a decrease of \$1,062,043 in general government expenses, offset by an increase of \$1,274,940 in public safety expenses along with other expense increases. The primary reasons for the decrease in general government expenses are 1) the one-time use of State and Local Fiscal Recovery Funds provided under the American Rescue Plan in the prior fiscal year, 2) a one-time contribution to the health insurance program by the general fund in the prior fiscal year, 3) and a reduction in the cost of election supplies when compared to the prior fiscal year due to election cycles. The public safety increase was primarily due to 1) the movement of Campus Security to the General Fund Court Security activity, 2) the Wildfire Hazard Mitigation - Cooperative Forestry Assistance Grant Project; and 3) an overall increase in Sheriff's Road Patrol budget including increases to indirect costs and vehicle lease additions, as well as increased personnel costs.

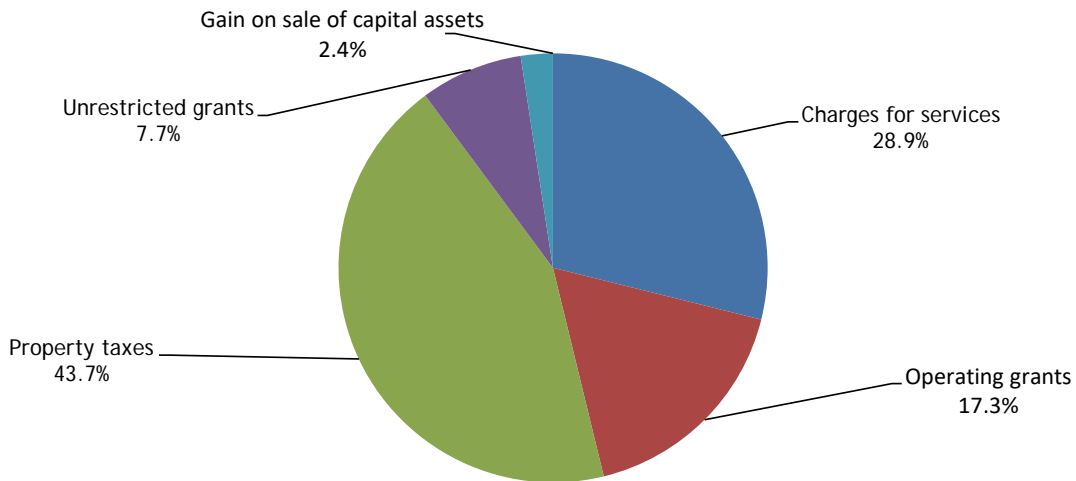
COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

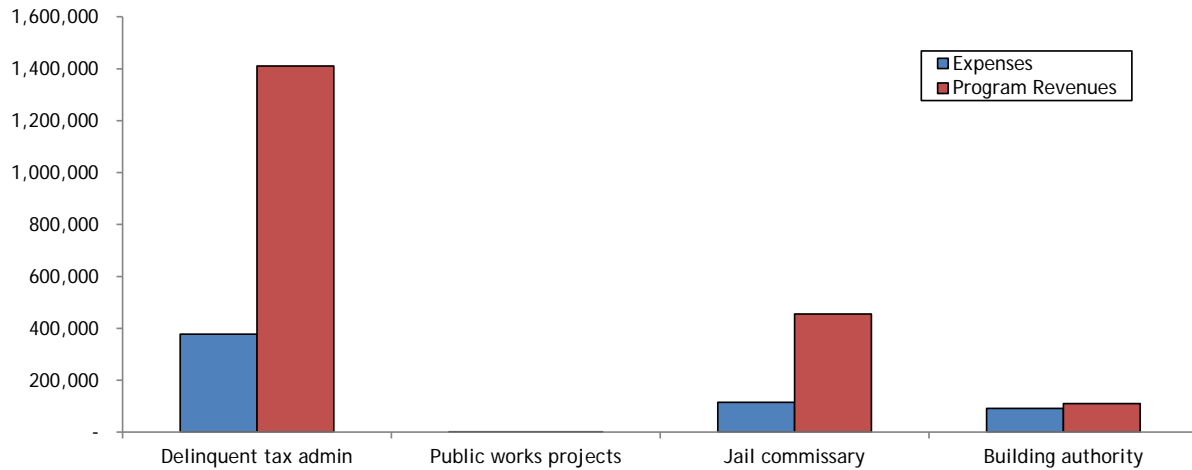


Business-type Activities. Business type activities increased the County's net position by \$226,370. The key revenues for the business-type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. The primary reasons for the increase in net position are auction proceeds from the sale of tax delinquent property under Public Act 123; penalties, interest, and administration fees on delinquent taxes, offset by a decrease in investment earnings. Expenses related to delinquent taxes were minimal.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Expenses and Program Revenues - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds, not the County as a whole. The County uses funds to help manage money for specific purposes as well as to show accountability for certain activities such as a special property tax millage or grant funded programs. The County's major funds for 2025 include the general fund, sheriff road patrol, county jail, opioid settlement, American Rescue Plan, commission on aging, capital improvement, 2022 and prior and 2024 delinquent tax administration funds, and P.A. 123 funds.

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

The general fund is the chief operating fund of the County. When utilizing the GAAP Basis, at the end of the 2025 fiscal year, the County's ending fund balance for the general fund was \$8,951,103. Of that amount \$375,816 is nonspendable, \$108,371 is restricted, \$37,666 is committed, \$95,783 is assigned, and \$8,333,467 is unassigned.

The sheriff road patrol fund increased its fund balance by \$4,331 from \$316,732 at the beginning of the year to an ending balance of \$321,063. Of that amount, \$22,144 is nonspendable, \$13,247 is restricted, and \$285,672 is assigned. No amount is considered committed at the end of the 2025 fiscal year.

The county jail fund increased its fund balance by \$419,571 from \$1,060,767 at the beginning of the year to an ending balance of \$1,480,338. Of that amount, \$13,565 is nonspendable, \$37,799 is restricted, and \$1,428,974 is committed. No amount is considered assigned at the end of the 2025 fiscal year.

The opioid settlement fund, which was established in 2023 to account for current and future payments to be received from various opioid settlements, had a current year decrease in fund balance of \$184,045 resulting in an ending fund balance of \$641,344, all of which is restricted.

The American Rescue Plan fund decreased its fund balance by \$152,021 from \$575,495 at the beginning of the year to an ending balance of \$423,474. Of that amount, \$423,474 is considered assigned.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

The commission on aging fund decreased its fund balance by \$448,749 from \$2,281,575 at the beginning of the year to an ending balance of \$1,832,826. Of that amount, \$3,194 is nonspendable, \$189,067 is restricted and \$1,640,565 is assigned.

The capital improvement fund increased its fund balance by \$1,069,084 from \$1,963,031 at the beginning of the year to an ending balance of \$3,032,115. Of that amount, \$3,032,115 is considered committed.

Nonmajor governmental funds decreased their collective fund balances by \$358,436 from \$4,632,167, at the beginning of the year to an ending balance of \$4,990,603. Of that amount, \$15,304 is nonspendable, \$2,114,206 is restricted, \$1,507,392 is committed, and \$1,353,701 is assigned.

Revenues (Statement of Revenues, Expenditures and Changes in Fund Balance)

Taxes: Taxes totaled \$15,547,369. This amount marked an increase of \$923,767 from the prior year. On a GAAP basis, taxes for the General Fund increased 8.4% or \$862,567. Newaygo County's property tax revenues increased primarily due to the state-mandated inflation rate multiplier, new construction, and the uncapping of taxable values upon property transfers.

Charges for services: Charges for services in the governmental funds totaled \$9,699,083. The amount was generated by General Fund charges of \$3,468,305, Sheriff Road Patrol charges of \$147,140, County Jail charges of \$3,946,519, Opioid Settlement revenues of \$256,231, Commission on Aging charges of \$47,869, and nonmajor fund charges of \$1,833,019. The total reflected an overall increase of \$618,187 from the previous year. Although there was an increase from the prior year, this was mainly due to increased internal departmental indirect cost charges and opioid settlement revenues.

Investment earnings and rentals. Investment earnings and rentals totaled \$1,163,893. The general fund totaled \$960,322. This amount was a decrease from the prior year due to market conditions during fiscal year 2025. Historical information on investment earnings (loss) and rentals of the general fund is presented in the following table:

Fiscal Year	Investment Earnings (Loss) and Rentals
2025	\$ 960,322
2024	1,025,038
2023	658,780
2022	(97,845)
2021	129,073

Expenditures (Statement of Revenues, Expenditures and Changes in Fund Balance)

Legislative: Legislative expenditures were \$383,279. The expenditures are an overall increase from the previous year of \$4,500 (1.1%).

Judicial: Judicial expenditures were \$6,653,522 which included General Fund and other governmental fund expenditures. Expenditures increased by \$630,937 (10.5%) from the previous year. Indirect costs for the various services provided by other County departments to judicial activities increased by \$337,670. Personnel costs for judicial activities increased by \$132,268. Indigent Defense [MIDC] expenditures increased by \$102,039 from the prior fiscal year. While expert witness fees, travel, and training decreased, attorney fees increased significantly due to mandated hourly rate increases, and fees for the County's MIDC consultant increased as well.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

General government: General government expenditures were \$2,781,752. The general government category equated to approximately 10.1% of total expenditures. When compared to the previous fiscal year, there was a reduction of \$786,179 in expenditures. The primary reasons for the decrease in general government expenses are 1) the one-time use of State and Local Fiscal Recovery Funds provided under the American Rescue Plan in the prior fiscal year, 2) a one-time contribution to the health insurance program by the general fund in the prior fiscal year, and 3) a reduction in the cost of election supplies when compared to the prior fiscal year due to election cycles.

Public safety: Public safety expenditures totaled \$13,057,618 which was an overall increase of \$1,622,777 from the prior year. The public safety increase was primarily due to 1) the movement of Campus Security to the General Fund Court Security activity, 2) the Wildfire Hazard Mitigation - Cooperative Forestry Assistance Grant Project, and 3) an overall increase in Sheriff's Road Patrol budget including increases to indirect costs and vehicle lease additions, as well as increased personnel costs.

Public works: Public works expenditures totaled \$884,807. The amount marks an overall decrease from the prior year of \$12,222. The majority of the reduction is related to the reduced cost for the Board of Public Works' household hazardous waste program.

Health and welfare: Health and welfare expenditures totaled \$6,783,865. The amount marks an increase from the prior year of \$675,154 (11%). The Opioid Settlement Fund had the largest increase of \$288,401 with a one-time appropriation to Newaygo County Mental Health along with the expansion of the County Jail's medication assisted treatment program. The child care fund had increased expenditures of \$278,821 from the prior year due to an upward shift in child care placement costs. The Commission on Aging Fund increased by \$193,430 due to increased personnel costs for additional staffing and expansion of various programs such as specialized transportation.

Community and economic development: Community and economic development expenditures totaled \$955,689. This is an increase of \$71,322. These programs include cooperative extension services, register of deeds, activity to expand the economic activity within the County, land use and planning related endeavors, and the community development emergency home repair program. The largest upswing was by the community development emergency home repair program's utilization of available program income funds which increased expenditures by \$57,889 with the utilization of available program income funds.

Recreation and cultural: Recreation and cultural expenditures were \$1,041,521 which was a decrease of \$406,673 from the previous year. The main factor for the reduction was the completion of the Dragon Trail construction project. The majority of this project was completed in the prior fiscal year.

General Fund Budgetary Highlights

The County makes numerous budget amendments throughout the year based upon the realization of anticipated revenues and expenditures. Primarily, budget variances or amendments for the 2025 fiscal year were attributable to revenues being less than anticipated, program changes, and operational demands. Some of the more significant general fund amendments are noted below:

- The general fund expenditures and transfers out were amended by a total of \$2,980,882 in FY 2025.
- Differences between the original and final amended budgets for expenditures and transfers out resulted in a 17% increase (\$2,980,882) primarily from 1) a budget amendment for the transfer of \$1,500,000 from the General Fund to the Parks and Recreation Capital Projects Fund for the construction of a new marina, and 2) budget amendments to transfer a total of \$916,305 from the General Fund to the Capital Improvements Fund for future capital items such as an Incident Command Trailer, Door Access Control Project, and the Animal Control/Shelter Renovations Project, along with an unallocated portion to be set aside for future capital projects.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

- For the 2025 fiscal year, General Fund revenues and other financing sources were higher than budgetary estimates by \$382,872. The areas of greatest variance included higher than budgeted taxes, interest earnings, and charges for services. The difference in tax revenues is due to higher than anticipated property tax revenue. Interest earnings were also greater than projected due to better interest rates on investments. Charges for services were high due to the transition of the prior Campus Security program from an internal service fund to the General Fund Court Security activity.
- Expenditures were less than budgetary estimates for most of the major classifications. Personnel services were less than budgeted amounts due to several position vacancies, mainly within judicial activities, throughout the fiscal year. Supplies were below budget with various savings throughout departmental budgets, mainly in office supplies and fuel. Other services and charges were under budget as a result of 1) lower than anticipated costs for payments to schools and townships under the US Forest Service's Secure Rural Schools Program due to reduced funding, 2) indigent attorney fees for the 27th Circuit Court - Juvenile Division were lower than projected, 3) there were reduced costs related to the Board of Public Works Annual Household Hazard Waste Program, 4) the County's share of the annual Drain Tax At-Large was lower than expected, and 5) there were reduced costs for Economic Development professional services.
- Overall, during the fiscal year, actual General Fund revenues and expenditures, along with other financing sources and uses, resulted in an increased fund balance of \$1,350,574 per GAAP basis.
- The annual budget is developed between May and July and ultimately approved in August or September to take effect at the beginning of October. Unfortunately, the timing and process requires a prediction of the taxable value and the Headlee Reduction Fraction well over a year before most of the numbers actually become known. This has caused a natural move towards a more conservative estimate of the anticipated property tax revenue and the potential for greater disparity between budgeted and actual figures.

To further compound budget challenges, Newaygo County is one of only a handful of counties that still determines and levies its annual General Fund millage through a tax allocation process. Most counties have established a set general operating millage that is then annually subject to the Headlee reduction. Newaygo County, through the Tax Allocation Board, every year in May, holds tax allocation hearings to determine the amount of its levy. The Tax Allocation Board is established by statute and is comprised of representatives from the County, local units of government, the Intermediate School District (ISD) and the public. Within state guidelines, the Tax Allocation Board determines a split of a set millage between the County, ISD, and the local units of government (townships). The millage is then subject to the Headlee reduction and placed on the summer tax roll. If, throughout the process, the County is not granted the traditional allocation of mills, the summer tax levy would be inadequate to supply the revenue needed within the General Fund to offset the expenditures that had been incurred in the prior nine months of the fiscal year.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of September 30, 2025 amounted to \$11,254,976 (net of accumulated depreciation/amortization). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 5.4%. Significant capital assets acquired during the current fiscal year included the following:

Land Improvements:

· Campus Wayfinding signs	\$ 37,138
· Disc golf tee pads	31,049

Buildings and Building Improvements:

· HVAC system upgrades at the Sheriff/Jail facility and Administration building, and courthouse	873,024
· Walk-in freezer located at the Jail facility	59,955
· Circuit Court Probation renovation/remodel	53,846
· Addition of vault room located in the Register of Deeds' office	307,864

Equipment/Software:

· Group of firearms for the Sheriff's Office and County Jail	39,158
· Kubota tractor for the Parks Department	51,982
· Orangeline 20' trailer for the Parks Department	5,999
· Condensing unit for Commission on Aging	6,860
· Group of kennels for the Animal Shelter	33,922
· One (1) Altalink copier for the County Clerk's office	7,122
· One (1) 18KW Generac stand-by generator for the Parks Department	10,472
· One (1) Lochinvar 90-gallon water heater for the Jail facility	15,325

Vehicles:

· Two (2) 2025 Ford Mobility Transit Vans for Commission on Aging	185,027
· Land Lease - Addition - recreation and culture	6,821
· Vehicle Leases - Additions - general government	82,772
· Vehicle Leases - Additions - public safety	673,330

\$ 2,481,666

	Capital Assets (net of accumulated depreciation/amortization)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,035,431	\$ 2,090,873	\$ -	\$ -	\$ 2,035,431	\$ 2,090,873
Construction in progress	485,750	354,980	-	-	485,750	354,980
Capital assets being depreciated/amortized, net	8,583,834	9,265,088	149,961	180,570	8,733,795	9,445,658
Total capital assets, net	<u>\$ 11,105,015</u>	<u>\$ 11,710,941</u>	<u>\$ 149,961</u>	<u>\$ 180,570</u>	<u>\$ 11,254,976</u>	<u>\$ 11,891,511</u>

Additional information on the County's capital assets can be found in Note 9 of this report.

Long-term Debt. At the end of the current fiscal year, the County had outstanding bonds in the amount of \$429,000. All the bonds are backed by the County's faith and credit. The County's long-term debt decreased by \$1,365,882 from the prior year. This was the result of required principal payments being made on long-term debt.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The County's outstanding general obligation debt is significantly below the debt limitation for the County.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 429,000	\$ 1,700,000	\$ -	\$ 24,180	\$ 429,000	\$ 1,724,180
Premium on bonds payable	-	18,862	-	-	-	18,862
Compensated absences	532,624	584,464	-	-	532,624	584,464
Total long-term debt	\$ 961,624	\$ 2,303,326	\$ -	\$ 24,180	\$ 961,624	\$ 2,327,506

Additional information on the County long-term debt can be found in Note 10 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2026 fiscal year:

- The fiscal year 2026 budget represents a fiscally strong condition even with the uncertainty of future revenues. It was developed with caution in mind due to the uncertainty of the state and federal budgets. Caution was also afforded to the increasing costs associated with health care, personnel, and legacy costs of benefits. The overall financial condition of the County remains sound, yet unsustainable without strong forecasting to offset the uncertainty of the state and federal budgets.
- The County continues to operate within conservative parameters when budgeting, resulting in continued outpacing of revenues to expenditures. This provides opportunity to remain fiscally strong into the future, even with the uncertainty of future revenues.
- The fiscal year 2026 budget will mark the end of the available American Rescue Plan funding. With the end of this funding, future capital improvements will transfer back to the Capital Improvement Fund.
- Revenues have slightly increased greater than budgeted with higher-than-budgeted property tax revenue and excellent returns on investments. Again, caution is needed as revenues are not expected to sustain at the current growth levels. Grant funding will need to be closely monitored as the State is substantially increasing reporting requirements while reducing available funding.
- The 2026 budget contains the continuation of the Wage Methodology Plan and a recommended 2% wage increase for all employees not otherwise bound by contractual language. The County must also continue to navigate the mandated Earned Sick Time law and minimum wage increases. The minimum wage increases impacts the Commission on Aging significantly and the Parks Department will realize future impacts.
- An increase to the 401a defined contribution plan is included in the 2026 budget. This increases the employer match up 1% to 4% for a total of 13% with the 5% employer contribution and employee's matching contribution of 4%. This change affects elected officials (excluding judges and the Board of Commissioners), department heads, and full-time unclassified employees. The majority of bargaining units already meet or exceed this amount.
- There is a succession plan included in the budget for the Administration Department in order to address the retirement of key employees in the near future. A new Deputy County Administrator position was created and will incorporate duties formerly held by the Office Manager and Chief Financial Officer. The plan also includes the elimination of the Budget Administrator position but retaining the Deputy Finance Director position.
- Other staffing changes included in the 2026 budget are 1) the addition of a new position in Probate Court, and 2) the elimination of two rotation supervisors in Central Dispatch with the creation of a Deputy Director.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

- The County Jail budget continues to increase substantially. The volatility of the inmate population has a significant impact on revenues. Budgeted expenditures for the jail were increased by \$290,687 for the 2026 fiscal year when compared to the 2025 fiscal year adopted budget. The County paid off the bond debt during the 2025 fiscal year and the additional monies realized will be put back into operations. However, this still resulted in a funding shortfall and an increase to the General Fund transfer in. The County Jail will also receive a transfer in of \$575,000 from the Jail Commissary. It will be crucial to continue monitoring inmate numbers as lower numbers reduce other revenues such as commissary and phone charges.
- Health insurance and associated expenditures remain an area of focus. However, the County, with past efforts, is experiencing a much lower renewal rate than forecasted. This is a result of the health of our employee population and moving to the West Michigan Insurance Pool. The County's plans are far outpacing state guidelines, exposing risk to the employees if PA152 were implemented. Discussions will continue regarding plan design and employee contributions. Guidance continues from the County's plan administrator and consultants regarding opportunities for cost reduction.
- The County's MERS defined benefit program contributions have trended downward as the length of time the plans have been closed are coming to benefit. The fiscal year 2026 minimum ARC payment is \$737,124, an increase of \$59,308 from the 2025 fiscal year amount. There are concerns regarding future ARC payments based on recent actuarial data. The County will need to be aware of increases, perhaps significant in the near future.
- The County's other postemployment benefits plan (OPEB) was 169.46% funded with assets as of our 2024 fiscal year reporting. Due to the strong position of the fund, the County has budgeted to draw down from the MERS Retiree Health Funding Vehicle to offset program expenditures in the 2026 fiscal year.
- The 2026 fiscal year budget also includes funding for capital improvements at the animal shelter and funding for the purchase of a mobile command vehicle for use by emergency services, law enforcement, and central dispatch.

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 information should be addressed to: Donna E. Kipp, Chief Financial Officer, 1087 Newell Street, P.O. Box 885, White Cloud, Michigan 49349.

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BASIC FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position
September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 9,485,766	\$ 3,570,614	\$ 13,056,380	\$ 11,457,803
Restricted cash and cash equivalents	1,136,186	7,258	1,143,444	-
Investments	16,507,050	18,237,564	34,744,614	2,518,588
Receivables, net	7,007,227	3,649,794	10,657,021	8,737,005
Other assets	1,053,019	2,780	1,055,799	1,724,205
Capital assets not being depreciated/amortized	2,521,181	-	2,521,181	2,271,011
Capital assets being depreciated/amortized, net	8,583,834	149,961	8,733,795	71,849,447
Net OPEB asset	2,827,342	-	2,827,342	246,951
Total assets	49,121,605	25,617,971	74,739,576	98,805,010
Deferred outflows of resources				
Deferred pension amounts	1,188,802	-	1,188,802	2,742,863
Deferred OPEB amounts	21,792	-	21,792	57,911
Total deferred outflows of resources	1,210,594	-	1,210,594	2,800,774
Liabilities				
Payables and accrued liabilities	2,672,961	91,401	2,764,362	2,826,170
Unearned revenue	1,299,592	-	1,299,592	93,498
Bonds, notes and other long-term liabilities:				
Due within one year	1,028,882	-	1,028,882	1,485,579
Due in more than one year	1,439,391	-	1,439,391	1,951,806
Net pension liability (due in more than one year)	4,299,699	-	4,299,699	6,388,888
Total liabilities	10,740,525	91,401	10,831,926	12,745,941
Deferred inflows of resources				
Deferred pension amounts	-	-	-	73,908
Deferred OPEB amounts	388,251	-	388,251	693,036
Deferred lease amounts	532,689	-	532,689	-
Total deferred inflows of resources	920,940	-	920,940	766,944
Net position				
Net investment in capital assets	9,169,366	149,961	9,319,327	71,315,925
Restricted for:				
Community and economic development	974,459	-	974,459	-
Public safety purposes	495,027	-	495,027	-
Health and welfare	2,438,766	-	2,438,766	-
Drain construction and maintenance	-	-	-	2,980,081
Debt service	149,825	-	149,825	46,598
Other postemployment benefits	2,827,342	-	2,827,342	246,951
Property tax foreclosures	-	7,258	7,258	-
Roads	-	-	-	3,501,306
Other purposes	839,554	-	839,554	-
Unrestricted	21,776,395	25,369,351	47,145,746	10,002,038
Total net position	\$ 38,670,734	\$ 25,526,570	\$ 64,197,304	\$ 88,092,899

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2025

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 3,333,908	\$ 2,087,168	\$ 1,168,525	\$ -	\$ (78,215)
Public safety	13,507,164	5,311,742	1,152,938	-	(7,042,484)
Public works	871,390	193,700	106,980	-	(570,710)
Health and welfare	6,809,805	352,430	1,733,857	-	(4,723,518)
Recreation and cultural	1,030,003	949,828	77,282	-	(2,893)
Legislative	385,302	-	-	-	(385,302)
Judicial	7,219,489	769,629	1,858,735	-	(4,591,125)
Community and economic development	1,111,981	658,266	91,624	-	(362,091)
Interest on long-term liabilities	54,171	-	-	-	(54,171)
Total governmental activities	34,323,213	10,322,763	6,189,941	-	(17,810,509)
Business-type activities:					
Delinquent tax administration	377,396	1,410,140	-	-	1,032,744
Public works projects	196	196	-	-	-
Jail commissary	114,888	455,599	-	-	340,711
Building authority	91,930	110,232	-	-	18,302
Total business-type activities	584,410	1,976,167	-	-	1,391,757
Total primary government	\$ 34,907,623	\$ 12,298,930	\$ 6,189,941	\$ -	\$ (16,418,752)
Component units					
Central Dispatch Authority	\$ 1,394,974	\$ 1,419,055	\$ 254,727	\$ -	\$ 278,808
Drain Commissioner	1,205,885	-	31,195	784,826	(389,864)
Brownfield Redevelopment Authority	47,080	13,052	-	-	(34,028)
Road Commission	16,331,948	1,654,911	15,218,151	1,545,735	2,086,849
Medical Care Facility	11,281,967	11,700,465	448,690	-	867,188
Total component units	\$ 30,261,854	\$ 14,787,483	\$ 15,952,763	\$ 2,330,561	\$ 2,808,953

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (17,810,509)	\$ 1,391,757	\$ (16,418,752)	\$ 2,808,953
General revenues:				
Property taxes	15,608,155	-	15,608,155	26,918
Grants and contributions not restricted to specific programs	2,769,671	-	2,769,671	-
Unrestricted investment earnings	860,617	961,767	1,822,384	515,618
Gain on sale of capital assets	-	-	-	144,109
Transfers - internal activities	2,127,154	(2,127,154)	-	-
Total general revenues and transfers	21,365,597	(1,165,387)	20,200,210	686,645
Change in net position	3,555,088	226,370	3,781,458	3,495,598
Net position, beginning of year	35,115,646	25,300,200	60,415,846	84,597,301
Net position, end of year	<u>\$ 38,670,734</u>	<u>\$ 25,526,570</u>	<u>\$ 64,197,304</u>	<u>\$ 88,092,899</u>

concluded

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

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COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet

Governmental Funds
September 30, 2025

	General	Sheriff Road Patrol (207)	County Jail (213)	Opioid Settlement (284)	American Rescue Plan (286)
Assets					
Cash and cash equivalents	\$ -	\$ 382,964	\$ 1,452,216	\$ 647,898	\$ 442,633
Restricted cash and cash equivalents	-	-	-	-	1,136,186
Investments	16,507,050	-	-	-	-
Receivables:					
Accounts	70,237	425	47,375	1,797,422	-
Loans	-	-	-	-	-
Taxes	2,013,968	-	-	-	-
Leases	546,309	-	-	-	-
Due from other governments	489,277	26,622	315,779	-	-
Due from other funds	49,837	-	-	25,000	-
Advance to component unit	300,000	-	-	-	-
Prepays	75,816	22,144	13,565	-	-
Total assets	\$ 20,052,494	\$ 432,155	\$ 1,828,935	\$ 2,470,320	\$ 1,578,819
Liabilities					
Negative equity in pooled cash	\$ 8,387,058	-	\$ -	\$ -	\$ -
Accounts payable	588,238	12,871	186,122	23,912	-
Accrued liabilities	239,339	98,221	137,475	7,642	-
Due to other governments	-	-	-	-	-
Due to other funds	107	-	25,000	-	19,159
Unearned revenue	163,233	-	-	-	1,136,186
Total liabilities	9,377,975	111,092	348,597	31,554	1,155,345
Deferred inflows of resources					
Unavailable revenues - property taxes	1,190,727	-	-	-	-
Unavailable revenues - long-term receivable	-	-	-	1,797,422	-
Deferred lease amounts	532,689	-	-	-	-
Total deferred inflows of resources	1,723,416	-	-	1,797,422	-
Fund balances					
Nonspendable	375,816	22,144	13,565	-	-
Restricted	108,371	13,247	37,799	641,344	-
Committed	37,666	-	1,428,974	-	-
Assigned	95,783	285,672	-	-	423,474
Unassigned	8,333,467	-	-	-	-
Total fund balances	8,951,103	321,063	1,480,338	641,344	423,474
Total liabilities, deferred inflows of resources and fund balances	\$ 20,052,494	\$ 432,155	\$ 1,828,935	\$ 2,470,320	\$ 1,578,819

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

Commission on Aging (297)	Capital Improvement (403)	Nonmajor Governmental Funds	Totals
\$ 1,888,032	\$ 3,047,466	\$ 4,250,971	\$ 12,112,180
-	-	-	1,136,186
-	-	-	16,507,050
35,673	-	19,755	1,970,887
-	-	917,873	917,873
-	-	-	2,013,968
-	-	-	546,309
65,856	-	208,489	1,106,023
-	19,159	107	94,103
-	-	-	300,000
3,194	-	15,304	130,023
<u>\$ 1,992,755</u>	<u>\$ 3,066,625</u>	<u>\$ 5,412,499</u>	<u>\$ 36,834,602</u>
\$ -	\$ -	\$ -	\$ 8,387,058
85,489	34,510	304,540	1,235,682
74,440	-	94,515	651,632
-	-	22,532	22,532
-	-	136	44,402
-	-	173	1,299,592
<u>159,929</u>	<u>34,510</u>	<u>421,896</u>	<u>11,640,898</u>
-	-	-	1,190,727
-	-	-	1,797,422
-	-	-	532,689
-	-	-	3,520,838
3,194	-	15,304	430,023
189,067	-	2,114,206	3,104,034
-	3,032,115	1,507,392	6,006,147
1,640,565	-	1,353,701	3,799,195
-	-	-	8,333,467
<u>1,832,826</u>	<u>3,032,115</u>	<u>4,990,603</u>	<u>21,672,866</u>
<u>\$ 1,992,755</u>	<u>\$ 3,066,625</u>	<u>\$ 5,412,499</u>	<u>\$ 36,834,602</u>

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
September 30, 2025

Fund balances - total governmental funds \$ 21,672,866

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

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

Capital assets not being depreciated/amortized	2,521,181
Capital assets being depreciated/amortized, net	8,583,834
Less amounts accounted for in governmental-type internal service funds	(214,245)

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

Deferred inflows of resources for unavailable property taxes receivable	1,190,727
Deferred inflows of resources from long-term receivable	1,797,422

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

Net position of internal service funds accounted for in governmental activities	5,576,148
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Certain liabilities, such as bonds payable, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

Bonds and other long-term liabilities	(1,803,360)
Accrued interest on long-term liabilities	(3,825)

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

Net OPEB asset	2,827,342
Net pension liability	(4,299,699)
Deferred outflows of resources related to the net pension liability	1,188,802
Deferred outflows of resources related to the net OPEB asset	21,792
Deferred inflows of resources related to the net OPEB asset	(388,251)

Net position of governmental activities \$ 38,670,734

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds

For the Year Ended September 30, 2025

	General	Sheriff Road Patrol (207)	County Jail (213)	Opioid Settlement (284)	American Rescue Plan (286)
Revenues					
Taxes	\$ 11,142,444	\$ 1,933,360	\$ -	\$ -	-
Intergovernmental:					
Federal	511,884	185,063	268,450	-	-
State	2,343,738	22,165	(25,000)	26,448	-
Local	164,069	26,133	-	-	-
Licenses and permits	92,115	-	-	-	-
Fines and forfeitures	15,942	46	-	-	-
Charges for services	3,468,305	147,140	3,946,519	256,231	-
Interest and rentals	960,322	13,626	-	-	75,089
Contributions from private sources	303,216	19,786	-	-	-
Other revenues/reimbursements	253,966	84,305	68,988	-	-
Total revenues	19,256,001	2,431,624	4,258,957	282,679	75,089
Expenditures					
Current:					
Legislative	383,279	-	-	-	-
Judicial	4,484,555	-	-	-	-
General government	2,697,230	-	-	-	-
Public safety	1,760,096	3,965,962	6,304,847	-	-
Public works	884,807	-	-	-	-
Health and welfare	1,051,308	-	-	466,724	-
Community and economic development	897,640	-	-	-	-
Recreation and cultural	-	-	-	-	-
Other	53,153	-	-	-	-
Debt service:					
Principal	51,930	322,331	39,224	-	-
Interest	3,272	15,565	2,817	-	-
Capital outlay	-	-	-	-	-
Total expenditures	12,267,270	4,303,858	6,346,888	466,724	-
Revenues over (under) expenditures	6,988,731	(1,872,234)	(2,087,931)	(184,045)	75,089
Other financing sources (uses)					
Issuance of long-term liabilities	13,948	599,571	59,811	-	-
Transfers in	1,520,000	1,318,472	2,540,641	-	-
Transfers out	(7,172,105)	(50,528)	(100,000)	-	(227,110)
Proceeds from sale of capital assets	-	9,050	7,050	-	-
Total other financing sources (uses)	(5,638,157)	1,876,565	2,507,502	-	(227,110)
Net change in fund balances	1,350,574	4,331	419,571	(184,045)	(152,021)
Fund balances, beginning of year, as previously reported	7,600,529	316,732	1,060,767	825,389	575,495
Change within financial reporting entity	-	-	-	-	-
Fund balances, beginning of year, as adjusted	7,600,529	316,732	1,060,767	825,389	575,495
Fund balances, end of year	\$ 8,951,103	\$ 321,063	\$ 1,480,338	\$ 641,344	\$ 423,474

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

Commission on Aging (297)	Capital Improvement (403)	Nonmajor Governmental Funds	Totals
\$ 1,935,307	\$ -	\$ 536,258	\$ 15,547,369
425,688	978,829	531,375	2,901,289
406,919	-	1,853,911	4,628,181
26,180	10,783	92,279	319,444
-	-	46,534	138,649
-	-	5,565	21,553
47,869	-	1,833,019	9,699,083
88,513	-	26,343	1,163,893
158,172	-	84,641	565,815
37,963	150,000	11,299	606,521
<u>3,126,611</u>	<u>1,139,612</u>	<u>5,021,224</u>	<u>35,591,797</u>
-	-	-	383,279
-	-	2,168,967	6,653,522
-	-	84,522	2,781,752
-	-	1,026,713	13,057,618
-	-	-	884,807
3,516,328	-	1,749,505	6,783,865
-	-	58,049	955,689
-	-	1,041,521	1,041,521
-	-	-	53,153
53,401	-	1,335,050	1,801,936
5,631	-	34,182	61,467
-	1,331,097	222,886	1,553,983
<u>3,575,360</u>	<u>1,331,097</u>	<u>7,721,395</u>	<u>36,012,592</u>
<u>(448,749)</u>	<u>(191,485)</u>	<u>(2,700,171)</u>	<u>(420,795)</u>
-	-	6,821	680,151
-	1,260,569	3,134,602	9,774,284
-	-	(97,387)	(7,647,130)
-	-	14,571	30,671
-	1,260,569	3,058,607	2,837,976
<u>(448,749)</u>	<u>1,069,084</u>	<u>358,436</u>	<u>2,417,181</u>
2,281,575	-	6,595,198	19,255,685
-	1,963,031	(1,963,031)	-
<u>2,281,575</u>	<u>1,963,031</u>	<u>4,632,167</u>	<u>19,255,685</u>
<u>\$ 1,832,826</u>	<u>\$ 3,032,115</u>	<u>\$ 4,990,603</u>	<u>\$ 21,672,866</u>

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ 2,417,181

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital assets purchased/constructed	2,522,541
Depreciation/amortization expense	(2,939,568)
Proceeds from sale of capital assets	(30,671)
Loss on sale of capital assets	(117,716)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following year.

Net change in deferred property taxes receivable	60,786
Net change in deferred long-term receivable	(132,561)

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

Principal payments on bonds and other long-term liabilities	1,801,936
Issuance of long-term liabilities	(680,151)
Amortization of premium on long-term liabilities	18,862
Amortization of deferred charge on bond refunding	(16,158)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term liabilities	5,810
Change in the net pension liability and related deferred amounts	268,016
Change in the net OPEB asset and related deferred amounts	333,964

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

Net operating loss from governmental activities in internal service funds	(203,292)
Net other nonoperating revenue from internal service funds	246,109

Change in net position of governmental activities \$ 3,555,088

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	\$ 10,671,554	\$ 10,882,031	\$ 10,935,942	\$ 53,911
Other taxes	195,783	274,941	267,288	(7,653)
Total taxes	10,867,337	11,156,972	11,203,230	46,258
Intergovernmental:				
Federal	373,787	574,989	511,884	(63,105)
State	2,141,660	2,359,428	2,343,738	(15,690)
Local	129,000	136,800	164,069	27,269
Total intergovernmental	2,644,447	3,071,217	3,019,691	(51,526)
Licenses and permits	58,727	91,423	92,115	692
Fines and forfeitures	23,000	26,888	15,942	(10,946)
Charges for services	2,990,089	3,283,585	3,468,305	184,720
Interest and rentals:				
Investment earnings	357,682	637,682	843,208	205,526
Rentals	120,255	127,868	117,114	(10,754)
Total interest and rentals	477,937	765,550	960,322	194,772
Contributions from private sources	222,658	258,084	303,216	45,132
Other revenues/reimbursements:				
Reimbursements	211,031	277,272	251,849	(25,423)
Other revenues	-	1,874	2,117	243
Total other revenues/reimbursements	211,031	279,146	253,966	(25,180)
Total revenues	17,495,226	18,932,865	19,316,787	383,922
Expenditures				
Legislative:				
Board of Commissioners	403,629	408,151	383,279	(24,872)
Judicial:				
27th Circuit Court - Newaygo	862,290	930,589	834,360	(96,229)
Circuit Court Probation	43,062	43,070	41,780	(1,290)
Circuit Court Clerk	204,464	208,286	172,328	(35,958)
Circuit Court - Juvenile Division	373,008	396,868	318,978	(77,890)
District Court	1,350,773	1,415,795	1,280,589	(135,206)
Jury Board	18,072	18,049	14,824	(3,225)
Probate Court	577,708	597,797	592,307	(5,490)
Prosecutor	1,269,031	1,284,531	1,148,844	(135,687)
County Guardian	65,477	65,618	64,067	(1,551)
Family counseling services	22,127	22,142	16,478	(5,664)
Total judicial	4,786,012	4,982,745	4,484,555	(498,190)

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COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
General government:				
Administrator	\$ 264,233	\$ 272,953	\$ 266,637	\$ (6,316)
Accounting	390,361	392,415	351,980	(40,435)
Clerk	440,768	445,780	431,040	(14,740)
Tax allocation	1,508	1,530	1,061	(469)
Treasurer	548,588	549,863	528,012	(21,851)
Equalization	615,892	621,268	569,611	(51,657)
Civil counsel	35,026	38,066	23,112	(14,954)
Personnel	170,486	183,263	177,062	(6,201)
Surveyor	63,426	68,359	66,287	(2,072)
Payroll	61,643	64,790	60,795	(3,995)
Elections	238,646	266,221	221,633	(44,588)
Total general government	<u>2,830,577</u>	<u>2,904,508</u>	<u>2,697,230</u>	<u>(207,278)</u>
Public safety:				
Sheriff's department	737,494	741,792	727,604	(14,188)
Courthouse security	326,796	326,796	303,175	(23,621)
Marine law enforcement	66,890	91,510	74,612	(16,898)
Wildlife hazard mitigation	3,787	186,312	180,926	(5,386)
Animal control	410,268	454,987	415,979	(39,008)
Civil processing	57,923	66,068	57,800	(8,268)
Total public safety	<u>1,603,158</u>	<u>1,867,465</u>	<u>1,760,096</u>	<u>(107,369)</u>
Public works:				
Board of public works	94,399	94,519	60,253	(34,266)
Recycling	211,727	220,505	223,521	3,016
Drain Commissioner	438,750	438,447	425,095	(13,352)
Drain maintenance and construction	152,531	152,531	127,212	(25,319)
Soil erosion/conservation	25,681	25,678	20,263	(5,415)
Drain tax at large	60,000	60,000	28,463	(31,537)
Total public works	<u>983,088</u>	<u>991,680</u>	<u>884,807</u>	<u>(106,873)</u>
Health and welfare:				
Health department	403,528	403,528	397,110	(6,418)
Contagious disease	647	1,147	364	(783)
Mental health	345,595	345,595	345,595	-
Medical Care Facility maintenance of effort	50,018	65,018	45,831	(19,187)
Substance abuse	97,908	117,251	113,234	(4,017)
Community development block grant	16,772	16,772	9,444	(7,328)
Medical examiner	152,629	152,939	139,730	(13,209)
Total health and welfare	<u>1,067,097</u>	<u>1,102,250</u>	<u>1,051,308</u>	<u>(50,942)</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Community and economic development:				
Land use educator	\$ 94,659	\$ 94,759	\$ 94,759	\$ -
Cooperative extension	164,528	165,586	165,473	(113)
Register of deeds	506,421	507,369	495,983	(11,386)
Economic development (NCEDO)	164,520	164,520	127,931	(36,589)
West Michigan regional planning	13,494	13,494	13,494	-
Total community and economic development	<u>943,622</u>	<u>945,728</u>	<u>897,640</u>	<u>(48,088)</u>
Other:				
Non-departmental expenditures	120,000	120,000	53,153	(66,847)
Contingency	42,863	-	-	-
Total other	<u>162,863</u>	<u>120,000</u>	<u>53,153</u>	<u>(66,847)</u>
Debt service:				
Principal	27,794	51,986	51,930	(56)
Interest	1,418	3,412	3,272	(140)
Total debt service	<u>29,212</u>	<u>55,398</u>	<u>55,202</u>	<u>(196)</u>
Total expenditures	<u>12,809,258</u>	<u>13,377,925</u>	<u>12,267,270</u>	<u>(1,110,655)</u>
Revenues over expenditures	<u>4,685,968</u>	<u>5,554,940</u>	<u>7,049,517</u>	<u>1,494,577</u>
Other financing sources (uses)				
Issuance of long-term liabilities	-	15,000	13,948	(1,052)
Transfers in	20,000	1,520,000	1,520,000	-
Transfers out	(4,759,890)	(7,172,105)	(7,172,105)	-
Total other financing sources (uses)	<u>(4,739,890)</u>	<u>(5,637,105)</u>	<u>(5,638,157)</u>	<u>(1,052)</u>
Net change in fund balance	<u>(53,922)</u>	<u>(82,165)</u>	<u>1,411,360</u>	<u>1,493,525</u>
Fund balance, beginning of year	<u>8,730,470</u>	<u>8,730,470</u>	<u>8,730,470</u>	<u>-</u>
Fund balance, end of year (budgetary basis)	<u>\$ 8,676,548</u>	<u>\$ 8,648,305</u>	<u>10,141,830</u>	<u>\$ 1,493,525</u>
Accounting basis difference (Note 2)			<u>(1,190,727)</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 8,951,103</u>	

concluded

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - Sheriff Road Patrol
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,956,900	\$ 1,935,741	\$ 1,933,360	\$ (2,381)
Intergovernmental:				
Federal	184,650	184,650	185,063	413
State	30,537	20,326	22,165	1,839
Local	12,000	12,000	26,133	14,133
Fines and forfeitures	-	46	46	-
Charges for services	111,394	151,979	147,140	(4,839)
Interest and rentals	12,500	13,800	13,626	(174)
Contributions from private sources	500	19,586	19,786	200
Other revenues/reimbursements	85,000	83,863	84,305	442
Total revenues	<u>2,393,481</u>	<u>2,421,991</u>	<u>2,431,624</u>	<u>9,633</u>
Expenditures				
Current - public safety	3,455,517	4,263,467	3,965,962	(297,505)
Debt service:				
Principal	216,120	311,620	322,331	10,711
Interest	11,295	16,295	15,565	(730)
Total expenditures	<u>3,682,932</u>	<u>4,591,382</u>	<u>4,303,858</u>	<u>(287,524)</u>
Revenues over (under) expenditures	<u>(1,289,451)</u>	<u>(2,169,391)</u>	<u>(1,872,234)</u>	<u>297,157</u>
Other financing sources (uses)				
Issuance of long-term liabilities	-	675,000	599,571	(75,429)
Transfers in	1,318,472	1,318,472	1,318,472	-
Transfers out	(29,021)	(50,528)	(50,528)	-
Proceeds from sale of capital assets	-	9,050	9,050	-
Total other financing sources (uses)	<u>1,289,451</u>	<u>1,951,994</u>	<u>1,876,565</u>	<u>(75,429)</u>
Net change in fund balance	-	(217,397)	4,331	221,728
Fund balance, beginning of year	<u>316,732</u>	<u>316,732</u>	<u>316,732</u>	-
Fund balance, end of year	<u>\$ 316,732</u>	<u>\$ 99,335</u>	<u>\$ 321,063</u>	<u>\$ 221,728</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - County Jail

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal	\$ 268,450	\$ 268,450	\$ 268,450	\$ -
State	-	-	(25,000)	(25,000)
Charges for services	3,689,694	3,733,254	3,946,519	213,265
Other revenues/reimbursements	90,000	52,786	68,988	16,202
Total revenues	<u>4,048,144</u>	<u>4,054,490</u>	<u>4,258,957</u>	<u>204,467</u>
Expenditures				
Current - public safety	6,536,644	6,779,968	6,304,847	(475,121)
Debt service:				
Principal	28,840	39,240	39,224	(16)
Interest	1,915	2,817	2,817	-
Total expenditures	<u>6,567,399</u>	<u>6,822,025</u>	<u>6,346,888</u>	<u>(475,137)</u>
Revenues over (under) expenditures	<u>(2,519,255)</u>	<u>(2,767,535)</u>	<u>(2,087,931)</u>	<u>679,604</u>
Other financing sources (uses)				
Issuance of long-term liabilities	-	59,811	59,811	-
Transfers in	2,504,255	2,540,642	2,540,641	(1)
Transfers out	-	(100,000)	(100,000)	-
Proceeds from sale of capital assets	-	7,050	7,050	-
Total other financing sources (uses)	<u>2,504,255</u>	<u>2,507,503</u>	<u>2,507,502</u>	<u>(1)</u>
Net change in fund balance	<u>(15,000)</u>	<u>(260,032)</u>	<u>419,571</u>	<u>679,603</u>
Fund balance, beginning of year	<u>1,060,767</u>	<u>1,060,767</u>	<u>1,060,767</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,045,767</u>	<u>\$ 800,735</u>	<u>\$ 1,480,338</u>	<u>\$ 679,603</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance
 Budget and Actual - Opioid Settlement
 For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - state	\$ -	\$ 26,448	\$ 26,448	\$ -
Charges for services	270,000	256,232	256,231	(1)
Total revenues	270,000	282,680	282,679	(1)
Expenditures				
Current - Health and welfare	270,000	482,899	466,724	(16,175)
Net change in fund balance	-	(200,219)	(184,045)	16,174
Fund balance, beginning of year	825,389	825,389	825,389	-
Fund balance, end of year	<u>\$ 825,389</u>	<u>\$ 625,170</u>	<u>\$ 641,344</u>	<u>\$ 16,174</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - American Rescue Plan

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest and rentals	\$ 200,000	\$ 82,000	\$ 75,089	\$ (6,911)
Expenditures				
Current - general government	200,000	-	-	-
Revenues over (under) expenditures	-	82,000	75,089	(6,911)
Other financing uses				
Transfers out	-	(240,000)	(227,110)	(12,890)
Net change in fund balance	-	(158,000)	(152,021)	5,979
Fund balance, beginning of year	575,495	575,495	575,495	-
Fund balance, end of year	<u>\$ 575,495</u>	<u>\$ 417,495</u>	<u>\$ 423,474</u>	<u>\$ 5,979</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - Commission on Aging
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,959,430	\$ 1,938,707	\$ 1,935,307	\$ (3,400)
Intergovernmental:				
Federal	458,546	438,768	425,688	(13,080)
State	323,114	399,706	406,919	7,213
Local	30,000	15,000	26,180	11,180
Charges for services	72,800	90,821	47,869	(42,952)
Interest and rentals	100,000	100,000	88,513	(11,487)
Contributions from private sources	131,200	193,200	158,172	(35,028)
Other revenues/reimbursements	16,500	17,200	37,963	20,763
Total revenues	<u>3,091,590</u>	<u>3,193,402</u>	<u>3,126,611</u>	<u>(66,791)</u>
Expenditures				
Current - Health and welfare	3,955,862	4,016,030	3,516,328	(499,702)
Debt service:				
Principal	-	53,402	53,401	(1)
Interest	-	7,495	5,631	(1,864)
Total expenditures	<u>3,955,862</u>	<u>4,076,927</u>	<u>3,575,360</u>	<u>(501,567)</u>
Net change in fund balance	<u>(864,272)</u>	<u>(883,525)</u>	<u>(448,749)</u>	<u>434,776</u>
Fund balance, beginning of year	<u>2,281,575</u>	<u>2,281,575</u>	<u>2,281,575</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,417,303</u>	<u>\$ 1,398,050</u>	<u>\$ 1,832,826</u>	<u>\$ 434,776</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities	
	2022 and Prior Delinquent Tax (various)	2024 Delinquent Tax (516224)	P.A. 123 (520-521)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,608,302	\$ 80,869	\$ 727,143	\$ 1,154,300	\$ 3,570,614	\$ 5,760,644
Restricted cash and cash equivalents	-	-	7,258	-	7,258	-
Investments	14,254,898	-	3,982,666	-	18,237,564	-
Accounts receivable	70,054	-	4,263	35,895	110,212	144,959
Delinquent taxes receivable	10,523	2,665,357	-	762,450	3,438,330	-
Due from other governments	101,252	-	-	-	101,252	7,208
Due from other funds	2,701,000	-	-	-	2,701,000	-
Prepays	1,020	-	-	1,760	2,780	922,996
Total current assets	18,747,049	2,746,226	4,721,330	1,954,405	28,169,010	6,835,807
Noncurrent assets:						
Capital assets being depreciated/amortized, net	127,761	-	-	22,200	149,961	214,245
Total assets	18,874,810	2,746,226	4,721,330	1,976,605	28,318,971	7,050,052
Liabilities						
Current liabilities:						
Accounts payable	18,000	-	40,231	33,170	91,401	253,283
Accrued liabilities	-	-	-	-	-	506,007
Due to other funds	-	2,300,000	-	401,000	2,701,000	49,701
Current portion of long-term liabilities	-	-	-	-	-	497,880
Total current liabilities	18,000	2,300,000	40,231	434,170	2,792,401	1,306,871
Noncurrent liabilities:						
Long-term liabilities, net of current portion	-	-	-	-	-	167,033
Total liabilities	18,000	2,300,000	40,231	434,170	2,792,401	1,473,904
Net position						
Net investment in capital assets	127,761	-	-	22,200	149,961	81,956
Restricted for property tax foreclosures	-	-	7,258	-	7,258	-
Unrestricted	18,729,049	446,226	4,673,841	1,520,235	25,369,351	5,494,192
Total net position	\$ 18,856,810	\$ 446,226	\$ 4,681,099	\$ 1,542,435	\$ 25,526,570	\$ 5,576,148

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities	
	2022 and Prior Delinquent Tax (various)	(Formerly Major Fund) 2023 Delinquent Tax (516223)	2024 Delinquent Tax (516224)	P.A. 123 (520-521)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues							
Charges for services	\$ -		\$ -	\$ 397,566	\$ 452,036	\$ 849,602	\$ 2,508,748
Rentals	-		-	-	110,232	110,232	-
Interest and penalties on delinquent taxes	32,776		446,226	-	221,523	700,525	-
Reimbursements	-		-	312,049	3,759	315,808	7,354,217
Total operating revenues	32,776		446,226	709,615	787,550	1,976,167	9,862,965
Operating expenses							
Supplies and operating expenses	7,835		-	344,746	201,024	553,605	9,955,184
Depreciation/amortization	21,294		-	-	9,315	30,609	111,073
Total operating expenses	29,129		-	344,746	210,339	584,214	10,066,257
Operating income (loss)	3,647		446,226	364,869	577,211	1,391,953	(203,292)
Nonoperating revenues (expenses)							
Investment earnings	779,359		-	155,877	26,531	961,767	11,411
Interest expense	-		-	-	(196)	(196)	(1,218)
Gain on sale of capital assets	-		-	-	-	-	16,202
Insurance pool distribution	-		-	-	-	-	219,714
Total nonoperating revenues (expense)	779,359		-	155,877	26,335	961,571	246,109
Income before transfers	783,006		446,226	520,746	603,546	2,353,524	42,817
Transfers							
Transfers out	(1,500,000)		-	-	(627,154)	(2,127,154)	-
Change in net position	(716,994)		446,226	520,746	(23,608)	226,370	42,817
Net position, beginning of year, as previously reported	18,976,190	\$ 401,771	-	4,160,353	1,761,886	25,300,200	5,533,331
Change within financial reporting entity	597,614	(401,771)	-	-	(195,843)	-	-
Net position, beginning of year, as adjusted	19,573,804	-	-	4,160,353	1,566,043	25,300,200	5,533,331
Net position, end of year	\$ 18,856,810	\$ -	\$ 446,226	\$ 4,681,099	\$ 1,542,435	\$ 25,526,570	\$ 5,576,148

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds				Total	Governmental
	2022 and Prior Delinquent Tax (various)	2024 Delinquent Tax (516224)	P.A. 123 (520-521)	Nonmajor Enterprise Funds		Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 526,254	\$ 2,943,964	\$ 709,079	\$ 2,232,728	\$ 6,412,025	\$ -
Receipts from (payments for) interfund services	(314,000)	-	-	-	(314,000)	10,704,463
Payments to vendors	-	(11,102)	(343,187)	(209,985)	(564,274)	(6,571,809)
Payments for personnel services	-	-	-	-	-	(3,328,339)
Delinquent taxes purchased	-	(5,152,847)	-	-	(5,152,847)	-
Net cash provided by (used in) operating activities	212,254	(2,219,985)	365,892	2,022,743	380,904	804,315
Cash flows from noncapital financing activities						
Cash received from interfund loan	-	2,300,000	-	11,000	2,311,000	-
Cash paid for interfund loan	-	(12,000)	-	(1,810,000)	(1,822,000)	-
Transfers out	(1,500,000)	-	-	(627,154)	(2,127,154)	-
Insurance pool distribution	-	-	-	-	-	219,714
Net cash provided by (used in) noncapital financing activities	(1,500,000)	2,288,000	-	(2,426,154)	(1,638,154)	219,714
Cash flows from capital and related financing activities						
Principal paid on long-term liabilities	-	-	-	(24,180)	(24,180)	(70,507)
Interest paid on long-term liabilities	-	-	-	(196)	(196)	(1,221)
Cash received from installment sales agreement	-	-	-	24,376	24,376	-
Proceeds from sale of capital assets	-	-	-	-	-	35,536
Purchases of capital assets	-	-	-	-	-	(7,123)
Net cash used in capital and related financing activities	-	-	-	-	-	(43,315)
Cash flows from investing activities						
Purchase of investments	(1,748,056)	-	(623,690)	-	(2,371,746)	-
Proceeds from sale of investments	2,785,612	-	115,252	-	2,900,864	-
Interest received on investments	779,359	-	148,008	26,531	953,898	11,411
Net cash provided by (used in) investing activities	1,816,915	-	(360,430)	26,531	1,483,016	11,411
Net changes in cash and cash equivalents	529,169	68,015	5,462	(376,880)	225,766	992,125
Cash and cash equivalents, beginning of year	1,079,133	12,854	728,939	1,531,180	3,352,106	4,768,519
Cash and cash equivalents, end of year	\$ 1,608,302	\$ 80,869	\$ 734,401	\$ 1,154,300	\$ 3,577,872	\$ 5,760,644
Cash and cash equivalents as reported on the statement of net position						
Cash and cash equivalents	\$ 1,608,302	\$ 80,869	\$ 727,143	\$ 1,154,300	\$ 3,570,614	\$ 5,760,644
Restricted cash and cash equivalents	-	-	7,258	-	7,258	-
Total cash and cash equivalents	\$ 1,608,302	\$ 80,869	\$ 734,401	\$ 1,154,300	\$ 3,577,872	\$ 5,760,644
Noncash capital and related financing activity						
Lease assets acquired through lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,772

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds				Total	Governmental
	2022 and Prior Delinquent Tax (various)	2024 Delinquent Tax (516224)	P.A. 123 (520-521)	Nonmajor Enterprise Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 3,647	\$ 446,226	\$ 364,869	\$ 577,211	\$ 1,391,953	\$ (203,292)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization expense	21,294	-	-	9,315	30,609	111,073
Change in operating assets and liabilities:						
Accounts receivable	(9,259)	-	(536)	10,386	591	848,706
Delinquent taxes receivable	683,851	(2,655,109)	-	1,418,136	(553,122)	-
Due from other governments	(9,678)	-	-	-	(9,678)	(7,208)
Due from other funds	(314,000)	-	-	-	(314,000)	-
Prepays	1,676	-	-	(1,760)	(84)	(111,218)
Accounts payable	9,723	(11,102)	1,559	9,455	9,635	175,324
Accrued liabilities	-	-	-	-	-	31,650
Due to other funds	(175,000)	-	-	-	(175,000)	11,120
Compensated absences	-	-	-	-	-	(51,840)
Net cash provided by (used in) operating activities	\$ 212,254	\$ (2,219,985)	\$ 365,892	\$ 2,022,743	\$ 380,904	\$ 804,315

concluded

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2025

	OPEB Trust	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 7,209,039
Investments - MERS total market portfolio	6,416,866	-
Total assets	<u>6,416,866</u>	<u>7,209,039</u>
Liabilities		
Accounts payable	-	100,711
Due to other governments	-	6,909,938
Undistributed receipts	-	136,340
Total liabilities	<u>-</u>	<u>7,146,989</u>
Net position		
Restricted for:		
Other postemployment benefits	6,416,866	-
Individuals, organizations and other governments	-	62,050
Total net position	<u>\$ 6,416,866</u>	<u>\$ 62,050</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2025

	OPEB Trust	Custodial Funds
Additions		
Investment income:		
Net investment income	\$ 586,168	\$ -
Collections:		
Circuit court juvenile division collections	-	2,596
County clerk collections	-	56,644
District court collections	-	233,990
Circuit court clerk collections	-	85,404
Probate court collections	-	60,596
Register of deeds collections	-	2,094,950
County treasurer collections	-	14,520,131
Sheriff's collections	-	47,407
County jail collections	-	1,372
Other	-	546
Inmate collections	-	1,102,406
Library penal fines collections	-	67,096
	<u>-</u>	<u>18,273,138</u>
Total additions	<u>586,168</u>	<u>18,273,138</u>
Deductions		
Benefit payments	267,628	-
Administrative expenses	12,763	-
Distributions:		
Circuit court juvenile division distributions	-	2,596
County clerk distributions	-	56,644
District court distributions	-	233,990
Circuit court clerk distributions	-	85,404
Probate court distributions	-	60,596
Register of deeds distributions	-	2,094,950
County treasurer distributions	-	14,520,131
Sheriff's distributions	-	47,407
County jail distributions	-	1,372
Other	-	546
Inmate distributions	-	1,102,053
Library penal fines distributions	-	67,096
	<u>280,391</u>	<u>18,272,785</u>
Total deductions	<u>280,391</u>	<u>18,272,785</u>
Change in net position	305,777	353
Net position, beginning of year	<u>6,111,089</u>	<u>61,697</u>
Net position, end of year	<u>\$ 6,416,866</u>	<u>\$ 62,050</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2025

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Assets			
Cash and cash equivalents	\$ 2,038,540	\$ 1,253,284	\$ 55,113
Investments	-	-	-
Receivables, net	391,538	2,185,150	-
Other assets	24,996	-	-
Capital assets not being depreciated	55,575	65,350	-
Capital assets being depreciated, net	334,125	1,516,079	-
Net OPEB asset	-	-	-
Total assets	2,844,774	5,019,863	55,113
Deferred outflows of resources			
Deferred pension amounts	305,044	-	-
Deferred OPEB amounts	-	-	-
Total deferred outflows of resources	305,044	-	-
Liabilities			
Accounts payable and accrued liabilities	44,114	318,257	845
Unearned revenue	-	93,498	-
Bonds, notes and other long-term liabilities:			
Due within one year	65,000	146,951	-
Due in more than one year	195,000	1,221,085	-
Net pension liability (due in more than one year)	1,103,291	-	-
Total liabilities	1,407,405	1,779,791	845
Deferred inflows of resources			
Deferred pension amounts	-	-	-
Deferred OPEB amounts	-	-	-
Total deferred inflows of resources	-	-	-
Net position			
Net investment in capital assets	129,700	213,393	-
Restricted for drain construction and maintenance	-	2,980,081	-
Restricted for debt service	-	46,598	-
Restricted for other postemployment benefits	-	-	-
Restricted for roads	-	-	-
Unrestricted	1,612,713	-	54,268
Total net position	\$ 1,742,413	\$ 3,240,072	\$ 54,268

*Included in the accompanying financial statements on a December 31 fiscal year end.

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



Road Commission	Medical Care Facility *	Total
\$ 1,394,903	\$ 6,715,963	\$ 11,457,803
2,518,588	-	2,518,588
2,427,578	3,732,739	8,737,005
1,698,627	582	1,724,205
2,150,086	-	2,271,011
62,944,334	7,054,909	71,849,447
246,951	-	246,951
<u>73,381,067</u>	<u>17,504,193</u>	<u>98,805,010</u>
1,297,762	1,140,057	2,742,863
57,911	-	57,911
<u>1,355,673</u>	<u>1,140,057</u>	<u>2,800,774</u>
1,997,548	465,406	2,826,170
-	-	93,498
901,201	372,427	1,485,579
535,721	-	1,951,806
2,902,650	2,382,947	6,388,888
<u>6,337,120</u>	<u>3,220,780</u>	<u>12,745,941</u>
40,404	33,504	73,908
693,036	-	693,036
<u>733,440</u>	<u>33,504</u>	<u>766,944</u>
63,917,923	7,054,909	71,315,925
-	-	2,980,081
-	-	46,598
246,951	-	246,951
3,501,306	-	3,501,306
-	8,335,057	10,002,038
<u>\$ 67,666,180</u>	<u>\$ 15,389,966</u>	<u>\$ 88,092,899</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2025

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Expenses			
Central dispatch	\$ 1,394,974	\$ -	\$ -
County drains	-	1,205,885	-
Brownfield redevelopment	-	-	47,080
Roads	-	-	-
Medical care	-	-	-
Total expenses	<u>1,394,974</u>	<u>1,205,885</u>	<u>47,080</u>
Program revenues			
Charges for services	1,419,055	-	13,052
Operating grants and contributions	254,727	31,195	-
Capital grants and contributions	-	784,826	-
Total program revenues	<u>1,673,782</u>	<u>816,021</u>	<u>13,052</u>
Net revenue (expense)	<u>278,808</u>	<u>(389,864)</u>	<u>(34,028)</u>
General revenues			
Property taxes	-	-	26,918
Unrestricted investment earnings	20,342	1,193	-
Gain on sale of capital assets	-	-	-
Total general revenues	<u>20,342</u>	<u>1,193</u>	<u>26,918</u>
Change in net position	299,150	(388,671)	(7,110)
Net position, beginning of year	<u>1,443,263</u>	<u>3,628,743</u>	<u>61,378</u>
Net position, end of year	<u>\$ 1,742,413</u>	<u>\$ 3,240,072</u>	<u>\$ 54,268</u>

*Included in the accompanying financial statements on a December 31 fiscal year end.

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



Road Commission	Medical Care Facility *	Total
\$ -	\$ -	\$ 1,394,974
-	-	1,205,885
-	-	47,080
16,331,948	-	16,331,948
-	11,281,967	11,281,967
<u>16,331,948</u>	<u>11,281,967</u>	<u>30,261,854</u>
1,654,911	11,700,465	14,787,483
15,218,151	448,690	15,952,763
1,545,735	-	2,330,561
<u>18,418,797</u>	<u>12,149,155</u>	<u>33,070,807</u>
<u>2,086,849</u>	<u>867,188</u>	<u>2,808,953</u>
-	-	26,918
-	494,083	515,618
141,773	2,336	144,109
<u>141,773</u>	<u>496,419</u>	<u>686,645</u>
2,228,622	1,363,607	3,495,598
65,437,558	14,026,359	84,597,301
<u>\$ 67,666,180</u>	<u>\$ 15,389,966</u>	<u>\$ 88,092,899</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Newaygo, Michigan (the "County" or the "government") was incorporated in 1851 and covers an area of 864 square miles. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

Reporting Entity

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

Blended Component Unit

Newaygo County Building Authority (the "Building Authority") – The Building Authority is governed by a 3-member board which is appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported as an enterprise fund and has a September 30 year-end. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Newaygo County Central Dispatch Authority (the "Authority") – The Authority was established by resolution by the County Board of Commissioners. It establishes policy and reviews operations of the E-911 service for the County Board of Commissioners. Because the County Board of Commissioners elects a voting majority of the Authority's board members and can remove Authority board members at will, it is deemed to have the ability to impose its will. The Authority cannot set its own budget, establish rates, or issue debt and, accordingly, is fiscally dependent on the County. The Authority has a September 30 year end, and is accounted for as a single enterprise fund. Complete financial statements for this component unit are not separately prepared.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Newaygo County Drain Commissioner (the "Drain Commissioner") – All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commissioner has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commission, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commissioner is required to be presented as a discretely-presented component unit by the State of Michigan, and accordingly, has been reported as such under the "misleading to exclude" criteria. The Drain Commissioner has a September 30 year end. Complete financial statements for this component unit are not separately prepared.

Brownfield Redevelopment Authority – This entity was created to facilitate the implementation of plans relating to the identification and treatment of environmentally distressed areas to promote revitalization within the Brownfield Redevelopment zone. The members of the governing board of the Brownfield Redevelopment Authority are appointed by the County Board of Commissioners, effectively allowing the County to impose its will on the Authority. The budgets and expenditures of the Authority must be approved by the County, indicating fiscal dependency. The Authority has a September 30 year end. Complete financial statements for this component unit are not separately prepared.

Newaygo County Road Commission (the "Road Commission") – the Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission's operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the Newaygo County Board of Commissioners. Because the County may remove commission members, it has financial accountability for the Road Commission, as such is reported as a discretely-presented component unit of the County. The Road Commission has a September 30 year end. The component unit is audited separately from the County and complete financial statements may be obtained from the Road Commission's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Newaygo Medical Care Facility (the "Facility") – The Facility is a long-term care unit, independent-living facility, and a community center. It services primarily residents of Newaygo County. The Facility is governed by the Newaygo County Department of Human Services Board. The board consists of three members, two of whom are appointed by the County Board of Commissioners and the other appointed by the State of Michigan governor. The County Board of Commissioners approves the Facility's budget as a line item in the County budget. Because the County has financial accountability for the Facility and can impose its will by appointing and removing commission members, the Facility is deemed to be a discretely-presented component unit of the County. The Facility is reported in the County's financial statements on its fiscal year end of December 31. The component unit is audited separately from the County and complete financial statements may be obtained from the Facility's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Facility in these financial statements.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Jointly Governed Organizations

Mid-State Health Network – The County participates jointly with numerous other northern Michigan counties in the operation of a substance abuse treatment agency. The funding formula requires the County to appropriate no less than 40% of its convention facility revenue each year, which amounted to \$93,299 for the year ended September 30, 2025.

District Health Department #10 – The County participates jointly in the operation of this Health Department with ten other area counties. The County appropriated \$320,867 to the Health Department for the year ended September 30, 2025.

Fiduciary Component Unit

The County sponsors and administers a single-employer, defined benefit other postemployment benefits plan (the "Plan"), that provides healthcare benefits to plan members and their beneficiaries. The Plan was established and may be amended by the County Board of Commissioners who appoints a voting majority of the Plan Board. The Plan is administered through a qualified trust. The Plan is included as a fiduciary component unit of the County because (1) the Plan is a legally separate entity; (2) the County Board of Commissioners appoints a voting majority of the Plan Board; and (3) the County makes contributions to the Plan on behalf of its participants.

Government-wide and Fund Financial Statements

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The *sheriff road patrol fund* accounts for sheriff road patrol activities. Primary revenue sources for this are property tax revenue funded by an approved millage and charges for services.

The *county jail fund* accounts for the operations of the county jail facility. Primary revenue sources for this fund are rental fees, charges for housing prisoners, and an appropriation from the general fund.

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

The *american rescue plan fund* accounts for all financial resources of the American Rescue Plan Act grant program administered by the County.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The *commission on aging fund* accounts for the operations of the commission on aging. Primary revenue sources for this are property tax revenue funded by an approved millage, federal, state, local revenue, and contributions from private sources.

The *capital improvement fund* accounts for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The County reports the following major proprietary funds:

The *2022 and prior delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in years 2022 and prior.

The *2024 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2024.

The *P.A. 123 fund* accounts for the revenue collection and administration from forfeited property under Public Act 123 of 1999.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

Internal service funds account for operations that provide services (such as equipment rentals and self-insurance) to other departments or agencies of the government, on a cost-reimbursement basis.

The *Other Postemployment Benefits (OPEB) Trust Fund* accounts for the accumulated resources for other postemployment benefit payments to qualified employees of the County.

Custodial funds are used to account for assets that the government holds for others in a custodial capacity.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Restricted net position represents amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The County's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition.

Restricted cash and cash equivalents consists of unspent American Rescue Plan Act funds, as well as proceeds from the sale of foreclosed property, net of unpaid taxes and fees and auction costs.

Investment income of the pooled cash fund is allocated to the general fund based on County policy, except for the central dispatch authority component unit and the concealed pistol licensing special revenue fund which receive a proportionate share of investment earnings based on average cash balances.

State statutes and County policy authorize the County to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

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

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds and component units are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are reported as unearned.

Loans receivable in the community development fund represent federal Community Development Block Grant funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on such property.

Leases

Lessee. The County is a lessee for noncancellable leases of vehicles and land. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA)

The County has noncancellable subscription-based information technology arrangements (SBITA). The County recognizes a SBITA liability and an intangible right-to-use SBITA asset (subscription asset) in the government-wide financial statements. The County recognizes SBITA liabilities with an initial, individual value of \$5,000 or more.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

At the commencement of a SBITA, the County initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected payments to present value, (2) SBITA term, and (3) SBITA payments. The County uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and SBITA liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Inventories are reported only in the separately-audited Road Commission.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of at least two years. Building and building improvements will be capitalized at a threshold \$50,000 and land improvements will be capitalized at a threshold of \$25,000. The group method will be utilized when a group of assets are acquired for one area/room and collectively the purchase total exceeds \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Depreciation/amortization on capital assets (including infrastructure) of the primary government is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	25-40
Land improvements	10-20
Furniture and equipment	3-25
Vehicles	3-5
Drain infrastructure	20-100

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future periods and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to the net pension and other postemployment benefit assets/liabilities. A portion of these costs represent contributions to the pension plan subsequent to the plan measurement date.

Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, the County has three types of leave that qualify for liability recognition for compensated absences - compensatory time off, paid time off, and vacation. The liability for compensated absences includes salary-related benefits, where applicable.

Long-term Obligations

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from property taxes and other long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the County reports deferred inflows of resources related to the net pension and other postemployment benefit assets/liabilities. Finally, the statement of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

Fund Balance

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator. Unassigned fund balance is the residual classification for the general fund.

The County Board of Commissioners has adopted a minimum fund balance policy in which unassigned fund balance of the general fund will be equal to a range of 10 percent to 16 percent of total general fund expenditures (including budgeted transfers out). At September 30, 2025, unassigned fund balance of the general fund was equal to 43 percent of general fund expenditures and transfers out.

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

Pensions and Other Postemployment Benefits

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. BUDGETARY INFORMATION

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

All departments and budgetary centers of the County are required to submit budget requests to the County Administrator. The Administrator then develops and presents a proposed budget to the Board for review. The Board generally holds public hearings in August and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department/activity. Budget amendments and transfers of appropriations less than \$30,000 require Administrator approval. Board approval is required for all others.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Budget / GAAP Reconciliation

The County has prepared its budget for the general fund recognizing the full amount of the July 1 property tax levy as revenue in the current year. GAAP requires that property taxes not collected by November 30 (60 days after year end) be deferred as "unavailable", and recognized in the following fiscal year. As the County intends to rely on the July 1 levy to fund current year operations, management believes it is appropriate to follow this budgetary (non-GAAP) basis in its internal accounting for property taxes, and disclose the difference between the budgetary basis and GAAP in the notes to the financial statements.

The Statement of Revenues, Expenditures and Change in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund is presented on the same basis of accounting used in preparing the adopted budget. The following schedule reconciles the amounts on that statement to the Statement of Revenues, Expenditures and Change in Fund Balances – Governmental Funds.

	Budgetary Basis	Accounting Basis Difference	GAAP Basis
General fund			
Deferred inflows of resources	\$ -	\$ 1,190,727	\$ 1,190,727
Property tax revenue	11,203,230	(60,786)	11,142,444
Fund balance, beginning of year	8,730,470	(1,129,941)	7,600,529
Fund balance, end of year	10,141,830	(1,190,727)	8,951,103

3. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the activity level basis for the general fund and the functional basis for special revenue funds.

During the year ended September 30, 2025, the County had incurred expenditures in budgetary funds which were in excess of the amounts budgeted as follows:

	Final Budget	Expenditures	Budget Variance
General fund			
Public works:			
Recycling	\$ 220,505	\$ 223,521	\$ 3,016
Sheriff road patrol fund			
Debt service:			
Principal	311,620	322,331	10,711
Nonmajor governmental funds			
Law enforcement fund:			
Principal	31,035	31,473	438
County parks fund:			
Principal	23,615	30,224	6,609
Building safety and permits fund:			
Public safety	473,333	493,098	19,765

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

The County maintains pooled and individual fund demand deposits, certificates of deposit and short-term investment accounts for the primary government and certain discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

Following is a reconciliation of deposit and investment balances as of September 30, 2025:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 13,056,380	\$ 11,457,803	\$ 24,514,183
Restricted cash and cash equivalents	1,143,444	-	1,143,444
Investments	34,744,614	2,518,588	37,263,202
Statement of Fiduciary Net Position			
Cash and cash equivalents	7,209,039	-	7,209,039
MERS total market portfolio	6,416,866	-	6,416,866
Total deposits and investments	62,570,343	13,976,391	76,546,734
Less component units separately audited			
Road Commission	-	(3,913,491)	(3,913,491)
Medical Care Facility	-	(6,715,963)	(6,715,963)
Deposits and investments excluding separately audited component units	\$ 62,570,343	\$ 3,346,937	\$ 65,917,280
Deposits and investments			
Checking and savings accounts			\$ 24,821,763
Certificates of deposit			3,115,229
Investments			37,978,752
Cash on hand			1,536
Total			\$ 65,917,280

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$23,160,061 of the County's bank balance of \$29,865,613 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to minimize this risk, County policy limits the types of investments and pre-qualifies financial institutions. As of September 30, 2025, none of the County's investments were exposed to risk since the securities are held in the County's name by the counterparty. Following is a summary of the County's investments as of September 30, 2025:

Money market	\$ 1,382,488
Michigan CLASS	14,454,669
Taxable municipal issues	732,294
U.S. government issues	14,992,435
MERS total market portfolio	<u>6,416,866</u>
Total	<u>\$ 37,978,752</u>

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk.

Credit risk ratings, where applicable, are summarized as follows:

S&P AA+	\$ 6,416,866
S&P AAAm	14,454,669
Not rated	<u>17,107,217</u>
Total	<u>\$ 37,978,752</u>

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Maturity dates for investments held at year-end are summarized as follows:

No maturity	\$ 21,457,919
Due in less than one year	3,222,369
Due in 1-5 years	<u>13,298,464</u>
Total	<u>\$ 37,978,752</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy limits investments in a single financial institution of a single security type (with the exception of U.S. treasuries and agencies and authorized pools) to 70% of the total investment portfolio. All investments held at year end are reported above.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the County's investments, excluding those invested in the Michigan CLASS government investment pool and MERS total market portfolio, are valued using Level 2 inputs.

The County's investment in the MERS total market portfolio are measured using Level 1 inputs (quoted prices in active markets for identical assets).

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

At year end, the net asset value of the County's investment in Michigan CLASS government investment pool was \$14,454,669. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 2,115,846	\$ 110,212	\$ 4,151,525
Less: allowance for uncollectibles	-	-	(50,000)
Loans receivable	917,873	-	-
Taxes (current)	2,013,968	-	-
Taxes (delinquent)	-	3,438,330	-
Due from other governments	1,113,231	101,252	2,450,330
Advance to component units	300,000	-	-
Special assessments	-	-	2,185,150
Leases	546,309	-	-
Total receivables	<u>\$ 7,007,227</u>	<u>\$ 3,649,794</u>	<u>\$ 8,737,005</u>

Of the amounts reported for receivables above, loans receivable of \$917,873, special assessments receivable of \$1,305,290, leases receivable of \$397,757, and accounts receivable of \$1,603,849 related to various opioid settlements in governmental activities are not expected to be collected within one year.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the County reported deferred inflows of resources in governmental funds of \$1,190,727 for property taxes receivable and \$1,797,422 for other long-term receivables, and \$2,185,150 in the drain commission discretely presented component unit for special assessments receivable.

The advances from the primary government to the Drain Commissioner component unit are for the purpose of financing maintenance and construction for various drainage districts. The costs are ultimately recovered by the Drain Commissioner through special assessments to taxpayers benefiting from such improvements.

6. OTHER ASSETS

Other assets as reported in the statement of net position consist of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ -	\$ -	\$ 1,620,473
Prepays	1,053,019	2,780	103,732
Total other assets	<u>\$ 1,053,019</u>	<u>\$ 2,780</u>	<u>\$ 1,724,205</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

7. PAYABLES AND ACCRUED LIABILITIES

Payables and accrued liabilities are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,488,965	\$ 91,401	\$ 1,651,212
Accrued liabilities	1,157,639	-	235,831
Due to other governments	22,532	-	403,960
Accrued interest	3,825	-	-
Advance from primary government	-	-	300,000
Advance from State of Michigan	-	-	235,167
Total payables and accrued liabilities	<u>\$ 2,672,961</u>	<u>\$ 91,401</u>	<u>\$ 2,826,170</u>

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2025, is as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 49,837	\$ 107
County jail	-	25,000
Opioid settlement	25,000	-
American rescue plan	-	19,159
Capital improvement	19,159	-
Nonmajor governmental funds	107	136
2022 and prior delinquent tax	2,701,000	-
2024 delinquent tax	-	2,300,000
Nonmajor enterprise funds	-	401,000
Internal service funds	-	49,701
Totals	<u>\$ 2,795,103</u>	<u>\$ 2,795,103</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. In addition, balances between delinquent tax funds relate to short-term loans to finance the annual tax settlement.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2025, interfund transfers consisted of the following:

Transfers Out	Transfers in					Totals
	General Fund	Sheriff Road Patrol	County Jail	Capital Improvement	Nonmajor Governmental Funds	
General fund	\$ -	\$ 1,318,472	\$ 1,894,255	916,305	\$ 3,043,073	\$ 7,172,105
Sheriff road patrol	-	-	-	-	50,528	50,528
County jail	-	-	-	100,000	-	100,000
American rescue plan	-	-	-	227,110	-	227,110
Nonmajor governmental funds	20,000	-	36,386	-	41,001	97,387
2022 and prior delinquent tax	1,500,000	-	-	-	-	1,500,000
Nonmajor enterprise funds	-	-	610,000	17,154	-	627,154
Totals	<u>\$ 1,520,000</u>	<u>\$ 1,318,472</u>	<u>\$ 2,540,641</u>	<u>\$ 1,260,569</u>	<u>\$ 3,134,602</u>	<u>\$ 9,774,284</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and (4) move surplus funds from the delinquent tax revolving fund to the general fund once a statutory period of time has elapsed.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,090,873	\$ -	\$ (55,442)	\$ -	\$ 2,035,431
Construction in progress	354,980	485,750	-	(354,980)	485,750
	<u>2,445,853</u>	<u>485,750</u>	<u>(55,442)</u>	<u>(354,980)</u>	<u>2,521,181</u>
Capital assets, being depreciated/amortized:					
Buildings	25,104,380	939,709	-	354,980	26,399,069
Land improvements	2,166,993	68,187	-	-	2,235,180
Office equipment	6,286,198	170,840	(23,551)	-	6,433,487
Vehicles	2,126,807	185,027	(126,225)	-	2,185,609
Books and related materials	19,664	-	(19,664)	-	-
Infrastructure	36,658	-	-	-	36,658
Lease vehicles (Note 11)	2,128,243	756,102	(473,613)	-	2,410,732
Lease land (Note 11)	12,407	6,821	-	-	19,228
Subscription assets (Note 12)	93,680	-	(29,900)	-	63,780
	<u>37,975,030</u>	<u>2,126,686</u>	<u>(672,953)</u>	<u>354,980</u>	<u>39,783,743</u>
Less accumulated depreciation/amortization for:					
Buildings	(19,745,193)	(1,862,253)	-	-	(21,607,446)
Land improvements	(1,398,367)	(155,678)	-	-	(1,554,045)
Office equipment	(4,848,877)	(326,397)	23,551	-	(5,151,723)
Vehicles	(1,759,196)	(162,103)	107,522	-	(1,813,777)
Books and related materials	(11,799)	-	11,799	-	-
Infrastructure	(1,833)	(1,833)	-	-	(3,666)
Lease vehicles (Note 11)	(927,276)	(494,719)	387,902	-	(1,034,093)
Lease land (Note 11)	(6,638)	(2,478)	-	-	(9,116)
Subscription assets (Note 12)	(10,763)	(45,180)	29,900	-	(26,043)
	<u>(28,709,942)</u>	<u>(3,050,641)</u>	<u>560,674</u>	<u>-</u>	<u>(31,199,909)</u>
Total capital assets being depreciated/ amortized, net	<u>9,265,088</u>	<u>(923,955)</u>	<u>(112,279)</u>	<u>354,980</u>	<u>8,583,834</u>
Governmental activities capital assets, net	<u>\$ 11,710,941</u>	<u>\$ (438,205)</u>	<u>\$ (167,721)</u>	<u>\$ -</u>	<u>\$ 11,105,015</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets, being depreciated:					
Land improvements	\$ 15,686	\$ -	\$ -	\$ -	\$ 15,686
Equipment	306,069	-	-	-	306,069
	<u>321,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,755</u>
Less accumulated depreciation for:					
Land improvements	(15,686)	-	-	-	(15,686)
Equipment	(125,499)	(30,609)	-	-	(156,108)
	<u>(141,185)</u>	<u>(30,609)</u>	<u>-</u>	<u>-</u>	<u>(171,794)</u>
Business-type activities capital assets, net	<u>\$ 180,570</u>	<u>\$ (30,609)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,961</u>

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

Depreciation/amortization of governmental activities by function

General government	\$ 1,018,687
Public safety	781,854
Health and welfare	276,144
Cultural and recreation	110,082
Judicial	725,908
Community and economic development	23,920
Public works	2,973
Internal service funds **	<u>111,073</u>
Total governmental activities	<u>\$ 3,050,641</u>

** Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets

Depreciation of business-type activities by function

2022 and prior delinquent tax	\$ 21,294
Nonmajor enterprise funds	<u>9,315</u>
Total business-type activities	<u>\$ 30,609</u>

The County had outstanding construction commitments of approximately \$1,284,000 for governmental activities as of September 30, 2025.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Central Dispatch Authority					
Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 55,575	\$ -	\$ -	\$ 55,575
Capital assets, being depreciated:					
Buildings	17,025	-	-	-	17,025
Equipment	1,690,605	-	-	-	1,690,605
	<u>1,707,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,707,630</u>
Less accumulated depreciation for:					
Buildings	(5,107)	(1,703)	-	-	(6,810)
Equipment	(1,222,387)	(144,308)	-	-	(1,366,695)
	<u>(1,227,494)</u>	<u>(146,011)</u>	<u>-</u>	<u>-</u>	<u>(1,373,505)</u>
Total capital assets being depreciated, net	<u>480,136</u>	<u>(146,011)</u>	<u>-</u>	<u>-</u>	<u>334,125</u>
Central Dispatch Authority capital assets, net	<u>\$ 480,136</u>	<u>\$ (90,436)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,700</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Drain Commissioner					
Capital assets, not being depreciated:					
Land	\$ 65,350	\$ -	\$ -	\$ -	\$ 65,350
Capital assets, being depreciated:					
Infrastructure	2,696,246	-	-	-	2,696,246
Less accumulated depreciation for:					
Infrastructure	(1,073,583)	(106,584)	-	-	(1,180,167)
Total capital assets being depreciated, net	1,622,663	(106,584)	-	-	1,516,079
Drain Commissioner capital assets, net	\$ 1,688,013	\$ (106,584)	\$ -	\$ -	\$ 1,581,429

10. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds, notes and other long-term liability transactions for the year ended September 30, 2025:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 1,700,000	\$ -	\$ (1,271,000)	\$ 429,000	\$ 74,000
Premium on bonds payable	18,862	-	(18,862)	-	-
Lease liability (Note 11)	1,325,005	762,923	(591,513)	1,496,415	503,571
SBITA liability (Note 12)	20,164	-	(9,930)	10,234	10,234
Compensated absences	584,464	-	(51,840)	532,624	441,077
Total governmental activities	\$ 3,648,495	\$ 762,923	\$ (1,943,145)	\$ 2,468,273	\$ 1,028,882

The change in compensated absences above is a net change for the year.

Business-type activities

General obligation bonds	\$ 24,180	\$ -	\$ (24,180)	\$ -	\$ -
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COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Discretely presented component units					
Central Dispatch Authority					
Notes from direct borrowings and direct placements	\$ 325,000	\$ -	\$ (65,000)	\$ 260,000	\$ 65,000
Drain Commissioner					
General obligation bonds	\$ 770,000	\$ -	\$ (55,000)	\$ 715,000	\$ 55,000
Notes from direct borrowings and direct placements	260,400	475,500	(97,526)	638,374	90,786
Premium on bonds payable	15,827	-	(1,165)	14,662	1,165
	<u>\$ 1,046,227</u>	<u>\$ 475,500</u>	<u>\$ (153,691)</u>	<u>\$ 1,368,036</u>	<u>\$ 146,951</u>

General Obligation Bonds. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

Governmental activities

\$2,595,000 2015 Mental Health Building Refunding Bonds,
due in annual installments of \$395,000 to \$570,000 plus interest
ranging from 0.75% to 3.00% through 2030. \$ 429,000

Discretely presented component units

Notes from direct borrowings and direct placements -

Central Dispatch Authority

\$650,000 note payable due in annual installments
of \$65,000 plus interest at 1.00% through 2029. \$ 260,000

General obligation bonds - Drain Commissioner

\$1,090,000 2018 drain bonds due in annual installments
of \$20,000 to \$60,000 plus interest at 3.50% through 2038. \$ 715,000

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Discretely presented component units (concluded)

Notes from direct borrowings and direct placements -

Drain Commissioner

\$354,000 notes payable due in annual installments of \$35,400 plus interest at 2.73% through 2030.	\$ 177,000
\$80,000 notes payable due in annual installments of \$8,000 plus interest at 2.51% through 2030.	40,000
\$475,500 notes payable due in annual installments of \$60,027 plus interest at 3.00% through 2033.	<u>421,374</u>

Total notes from direct borrowings and direct placements -

Drain Commissioner

\$ 638,374

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 74,000	\$ 11,476
2027	73,000	9,496
2028	96,000	7,544
2029	94,000	4,976
2030	<u>92,000</u>	<u>2,461</u>
Totals	<u><u>\$ 429,000</u></u>	<u><u>\$ 35,953</u></u>

Year Ended September 30,	Central Dispatch Component Unit	
	Notes from Direct Borrowing and Direct Placements	
	Principal	Interest
2026	\$ 65,000	\$ 2,600
2027	65,000	1,950
2028	65,000	1,300
2029	<u>65,000</u>	<u>650</u>
Totals	<u><u>\$ 260,000</u></u>	<u><u>\$ 6,500</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Year Ended September 30,	Drain Commissioner Component Unit			
	General Obligation Bonds		Notes from Direct Borrowing and Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 55,000	\$ 25,025	\$ 90,786	\$ 18,477
2027	55,000	23,100	92,208	15,889
2028	55,000	21,175	93,672	13,257
2029	55,000	19,250	95,180	10,582
2030	55,000	17,325	96,734	7,861
2031-2035	275,000	57,750	169,794	10,288
2036-2038	165,000	11,550	-	-
Totals	<u>\$ 715,000</u>	<u>\$ 175,175</u>	<u>\$ 638,374</u>	<u>\$ 76,354</u>

11. LEASES

Lessee - The County is involved in several agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. The agreements qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the assets at the end of the contract terms and the noncancelable term of the agreements surpasses one year.

The right-to-use assets and the related activity are included in Note 9, Capital Assets. The lease liability and related activity are presented in Note 10, Bonds, Notes and Other Long-term Liabilities.

Remaining Term of Agreements

Asset Type

Vehicles	1-5 years
Land	2 years

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of September 30, 2025, were as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 503,571	\$ 32,718
2027	417,250	21,227
2028	357,329	10,385
2029	184,774	3,250
2030	33,491	302
Totals	\$ 1,496,415	\$ 67,882

Lessor - The County is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the assets at the end of the term and the noncancelable term of the agreements surpasses one year. Total lease revenue for the year ended September 30, 2025 was \$176,306.

Remaining Term of Agreements

Asset Type

Buildings

2-7 years

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The County is involved in two arrangements that qualify as long-term SBITA arrangements. Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the assets at the end of the contract term and the noncancelable term of the arrangements surpasses one year.

The right-to-use-assets and the related activity are included in Note 9, Capital Assets. The SBITA liability and related activity are presented in Note 10, Bonds, Notes and Other Long-term Liabilities.

Remaining Term of Arrangement

Asset Type

Subscription assets

1 year

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of September 30, 2025 were as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 10,234	\$ 314

13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured with private carriers for employee health care, life insurance, and disability coverage. The County is a member of the Michigan Association of Counties Workers Compensation Fund (MACWCF) for its workers' compensation coverage. The pool is organized under Public Act 317 of 1969, as amended. In the event that the pool's claims and expenses exceed the premiums charged, participating members may be subject to additional premiums to cover the deficiency. The County is not aware of any additional charges being required for any of the last three fiscal years.

The County is an individual member of the Michigan Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage. The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs. Changes in the balances of claims liabilities are as follows:

	Year Ended September 30,	
	2025	2024
Estimated liability, beginning of year	\$ 361,072	\$ 228,192
Distribution transfer	(116,495)	(84,000)
Estimated claims incurred	332,400	295,138
Claim payments	(182,760)	(78,258)
Estimated liability, end of year	\$ 394,217	\$ 361,072

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Additionally, the County provides health and wellness benefits to its employees through the West Michigan Health Insurance Pool (WMHIP). WMHIP estimates annual premiums based on last years' claims experience. Low claims experience allows the County to be eligible for the best possible renewal rate. Through WMHIP, the County has stop-loss coverage for claims in excess of \$50,000. Payments are made into the health and wellness internal service fund by all other funds and are available to pay the fixed monthly premiums to WMHIP. Interfund payments are based on the fixed monthly premiums set by WMHIP and are reported as a quasi-external interfund transactions.

The County's "run out" period for the prior self-insured program will end December 2025. The liability has been estimated for possible remaining claims under this self-insurance coverage. These estimates have been prepared with the assistance of the County's third-party administrators for claims management and are recorded in the health and wellness fund. Changes in the estimated claims liability are as follows:

	Year Ended September 30,	
	2025	2024
Estimated liability, beginning of year	\$ 70,000	\$ 91,801
Estimated claims incurred	79,521	921,416
Claim payments	<u>(79,521)</u>	<u>(943,217)</u>
Estimated liability, end of year	<u>\$ 70,000</u>	<u>\$ 70,000</u>

14. PROPERTY TAXES

County general fund property taxes are levied on July 1 of each year (the lien date) and are due in full by September 14, though they do not become delinquent until March 1 of the following year. For levies other than the general fund, the lien date is December 1.

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

The taxable value of real and personal property for 2025, for which revenue was recognized in the general fund, was \$2,215,147,987. The general operating tax rate for this levy was 5.0974 mills. The County assessed an additional 0.9565 mill for sheriff road patrol operations, 0.0964 mills for veterans' affairs, 0.9577 mill for commission on aging, and 0.1641 mill to fund debt service payments on the medical care facility bonds. These additional levies were based on the 2024 taxable value of \$2,095,533,957.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Tax Abatements

The County provides tax abatements under several different programs:

Industrial Facilities Tax Exemptions (IFTs), entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expanding of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to an exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half of the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. For the year ended September 30, 2025, the County's property taxes were reduced by \$59,057 under this program.

The *Brownfield Agreement*, entered into under the Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended provides reimbursement to taxpayers that remediate environmental contamination on their properties. For the year ended September 30, 2025, the County's property taxes were reduced by \$15,505 under this program.

Under the *Agricultural Processing Renaissance Zone Agreement*, entered into under the Michigan Renaissance Zone Act PA 376 of 1996, as amended, facilities do not pay state education tax, personal and real property taxes, and local income tax where applicable. Taxes are still due on those mandated by the federal government, local bond obligations, the Corporate Income Tax, school sinking fund or special assessments. The Michigan State Administrative Board (SAB), upon recommendations from the Michigan Strategic Fund Board (MSF) and the Michigan Agriculture Commission, approves APRZ designations. Once approved, the company enters into an agreement with the Michigan Strategic Fund (MSF) outlining private investment and job creation numbers approved by the SAB. Taxes can be abated up to 15 years. Tax relief is phased out in 25 percent increments over the last three years of the zone designation. For the year ended, September 30, 2025, the County's property taxes were reduced by \$81,269 under this program.

15. CONTINGENT LIABILITIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

16. BENEFIT PLANS

Defined Benefit Pension Plan

General Information About the Plan

Plan Description. The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County 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. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 2.25% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 or 55, based on division and year of service. Early retirement based on a reduced benefit is available at age 50 with 25 years of service and/or age 55 with 15 years of service, based on division/bargaining unit. All divisions are closed to new hires who are enrolled in the County's defined contribution plan.

Employees Covered by Benefit Terms. At the December 31, 2024 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	122
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>6</u>
Total membership	<u><u>135</u></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. In addition, the employer may establish contribution rates to be paid by its covered employees.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended September 30, 2025:

Division	Employer Contribution Rate	Employee Contribution Rate	Benefit Multiplier
Unclassified	\$ 2,819	4.00%	2.25%
Police Officers Labor	9,309	4.50%	2.50%
Appointed Department Heads	20,039	4.50%	2.50%
Teamsters Employees	10,741	8.49%	2.50%
Central Dispatch	351	4.00%	2.25%
Corrections Officers	3,462	4.50%	2.50%
Command Unit	8,671	4.50%	2.50%
Corrections Command	1,101	4.50%	2.50%

Net Pension Liability. The County's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	6.93%, net of investment and administrative expense including inflation

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

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

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of the most recent actuarial experience study of 2019-2023.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	100.00%		
Inflation			2.50%
Dedicated gains adjustment			-0.07%
Administrative expenses netted above			0.25%
Investment rate of return			7.18%

In February 2022, the MERS Retirement Board adopted a Dedicated Gains Policy. The purpose of the Policy is to automatically reduce the assumed rate of investment return for annual actuarial valuation purposes if the plan year's market value of investment income exceeds the expected investment income.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2024 was 7.18%. 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 NEWAYGO, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2023	\$ 28,091,902	\$ 22,027,402	\$ 6,064,500
Changes for the year:			
Service cost	49,282	-	49,282
Interest	1,932,919	-	1,932,919
Difference between expected and actual experience	(412,815)	-	(412,815)
Changes in assumptions	(69,905)	-	(69,905)
Employer contributions	-	573,624	(573,624)
Employee contributions	-	19,932	(19,932)
Net investment income	-	1,614,749	(1,614,749)
Benefit payments, including refunds of employee contributions	(2,391,328)	(2,391,328)	-
Administrative expense	-	(47,314)	47,314
Net changes	<u>(891,847)</u>	<u>(230,337)</u>	<u>(661,510)</u>
Balances at December 31, 2024	<u>\$ 27,200,055</u>	<u>\$ 21,797,065</u>	<u>\$ 5,402,990</u>

The net pension liability is recorded in the accompanying financial statements as follows:

Governmental activities	\$ 4,299,699
Central Dispatch Authority component unit	<u>1,103,291</u>
	<u>\$ 5,402,990</u>

Changes in assumptions. A 5-year experience study analyzing historical experience from 2019 through 2023 was completed in February 2025. The experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, and termination rates.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.18%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (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	\$ 7,860,921	\$ 5,402,990	\$ 3,293,729

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

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the County recognized pension expense of \$201,708. The County reported deferred outflows/inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 985,409	\$ -	\$ 985,409
Contributions subsequent to the plan measurement date	508,437	-	508,437
Total	\$ 1,493,846	\$ -	\$ 1,493,846

Amounts are recorded in the accompanying financial statements as follows:

Governmental activities	\$ 1,188,802
Central Dispatch Authority component unit	305,044
	<u>\$ 1,493,846</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, 2026. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2026	\$ 460,395
2027	735,852
2028	(190,952)
2029	<u>(19,886)</u>
Total	<u>\$ 985,409</u>

Payable to the Pension Plan. At September 30, 2025, the County had no amounts payable for contributions to the pension plan.

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

Defined Contribution Pension Plan

The County provides pension benefits for substantially all of its full-time employees through the Newaygo County Defined Contribution Pension Plan, a defined contribution plan. The Newaygo County Board of Commissioners is the administrator of the plan and also establishes and amends the plan provisions and the contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate immediately upon hire. By County Resolution, the plan requires the County to contribute, on behalf of each covered employee, 5.0% of the employees' compensation. The County is also required to match contributions from 3.0% to 6.0% of compensation based on division.

Participants may make voluntary contributions into the plan. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after four years of continuous service. The employee contributions become fully vested at the time of their contribution to the plan. County contributions for, and interest forfeited by, employees who leave employment before four years of service are used to reduce the County's current-period contribution requirement. Vesting is based on years of participation in the plan. If the employee withdraws from the plan, that period of time is not included as time vested.

Employer and employee contributions to the plan for the year ended September 30, 2025 amounted to \$872,252 and \$383,912, respectively.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

17. OTHER POSTEMPLOYMENT BENEFITS

The County administers a single-employer defined benefit healthcare plan (OPEB Plan) that is used to provide postemployment benefits other than pensions (OPEB) in accordance with union agreements and/or personnel policies, to employees who have retired. Effective May 27, 2009, the County adopted the Michigan Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund the obligation. The OPEB Plan is closed to new hires. Stand-alone financial statements are not issued for the OPEB Plan.

The MERS Retiree Health Funding Vehicle became operational in the fall of 2004, and was made available to all municipalities in Michigan. Participating municipalities can contribute monies to the Trust as desired and no contribution method is imposed. These funds constitute a health care fund, which enable municipalities to accumulate monies to provide or subsidize health benefits for retirees and beneficiaries as defined by Code Section 213. The Retiree Health Funding Vehicle accounts are invested in the MERS portfolio choices and earnings are tax exempt as a result of the MERS Private Letter Ruling. Plan provisions and requirements are specified in the MERS Health Care Savings Program and Retiree Health Funding Vehicle Plan Document and Trust.

Management of the OPEB Plan is vested with the County Board of Commissioners.

Plan Membership. At the October 1, 2023 valuation date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	41
Active plan members	<u>29</u>
Total membership	<u><u>70</u></u>

Benefits Provided. The County Board of Commissioners has the authority to establish or amend benefit terms, to determine the types of benefits provided through the OPEB Plan, and to determine the classes of plan members covered. The OPEB Plan provides medical insurance and prescription drug coverage to qualified retirees and their beneficiaries.

Contributions. The contribution requirements of OPEB Plan members and the County are established and may be amended by the County Board of Commissioners. Retirees receiving benefits contribute a percentage of actual premiums for retiree and spousal coverage, depending on bargaining unit.

Investments

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the County Board of Commissioners. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board of Commissioners deems appropriate. The OPEB Plan's asset allocation policy is shown below.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Concentrations. At September 30, 2025, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle.

Rate of Return. For the year ended September 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-term Expected Rate of Return. The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.16%	0.43%
Private investments	20.0%	6.50%	1.30%
	100.00%		
Inflation			2.50%
Less: risk factor adjustment			-0.18%
Investment rate of return			6.75%

Discount Rate. The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the County will continue to pay benefits on a pay-as-you-go basis. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The County's net OPEB asset was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of October 1, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

Salary increases including inflation	2.5%
Investment rate of return	6.75%
Healthcare cost trend rate	Pre-65 annual medical trend rate of 5.3%, trending to an ultimate rate of 3.9%; post-65 annual medical trend rate of 4.8%, trending to an ultimate rate of 3.9%
Employee turnover/withdrawal	For general employees, ranging from 23.4% for 0 years of service to 2.6% for 25 years of service and over; for public safety employees, ranging from 13.9% for 0 years of service to 1.5% for 25 years of service and over
Retirement	Rates ranging from 5.0% for 5-9 years of service to 40.0% for 35 years of service and over
Mortality:	
Command Unit, Corrections and Deputies	PubS-2010 Mortality Table with generational projection per the MP-2021 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement
All Others	PubG-2010 Mortality Table with generational projection per the MP-2021 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement
Probability of accepting benefits	60.0% of current eligible employees are expected to participate in the retiree health insurance plan

Net OPEB Asset of the County

The components of the net OPEB asset of the County at September 30, 2025, were as follows:

Plan fiduciary net position	\$ 6,416,866
Total OPEB liability	<u>3,589,524</u>
County's net OPEB asset	<u>\$ 2,827,342</u>
Plan fiduciary net position as a percentage of the total OPEB liability	178.8%

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Asset

The components of the change in the net OPEB asset are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances at September 30, 2024	\$ 3,606,163	\$ 6,111,089	\$ (2,504,926)
Changes for the year:			
Service cost	15,417	-	15,417
Interest	235,572	-	235,572
Net investment income	-	586,168	(586,168)
Benefit payments, including refunds of employee contributions	(267,628)	(267,628)	-
Administrative expense	-	(12,763)	12,763
Net changes	<u>(16,639)</u>	<u>305,777</u>	<u>(322,416)</u>
Balances at September 30, 2025	<u>\$ 3,589,524</u>	<u>\$ 6,416,866</u>	<u>\$ (2,827,342)</u>

Changes in assumptions. Amounts reported as changes in assumptions resulted from updates to the medical trend assumption to better reflect anticipated future experience.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate. The following presents the net OPEB asset of the County, calculated using the discount rate of 6.75%, as well as what the County's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County's net OPEB (asset)	\$ (2,503,889)	\$ (2,827,342)	\$ (3,108,645)

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB asset of the County, calculated using the healthcare cost trend rate of 5.3% trending to 3.9% for pre-65 and 4.8% trending to 3.9% for post-65, as well as what the County's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1% lower (4.3%/3.8% trending to 2.9%) or 1% higher (6.3%/5.8% trending to 4.9%) than the current rate:

	1% Decrease (4.3% / 3.8% trending to 2.9%)	Current Healthcare Trend Rate (5.3% / 4.8% trending to 3.9%)	1% Increase (6.3% / 5.8% trending to 4.9%)
County's net OPEB asset	\$ (3,161,198)	\$ (2,827,342)	\$ (2,445,532)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the County recognized OPEB benefit of \$333,964. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 30,965	\$ (30,965)
Changes in assumptions	21,792	-	21,792
Net difference between projected and actual earnings on OPEB plan investments	-	357,286	(357,286)
Total	<u>\$ 21,792</u>	<u>\$ 388,251</u>	<u>\$ (366,459)</u>

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

Year Ended September 30,	Amount
2026	\$ 28,865
2027	(205,974)
2028	(152,698)
2029	<u>(36,652)</u>
Total	<u>\$ (366,459)</u>

Payable to the OPEB Plan. At September 30, 2025, the County had no amounts payable for contributions to the OPEB plan.

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COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Sheriff Road Patrol	County Jail	Opioid Settlement
Nonspendable:				
Long-term advances	\$ 300,000	\$ -	\$ -	\$ -
Prepays	75,816	22,144	13,565	-
Total nonspendable	375,816	22,144	13,565	-
Restricted for:				
Family counseling (P.A. 368)	94,219	-	-	-
Dragon trail	-	-	-	-
Law enforcement and concealed pistol licensing	-	13,247	-	-
Community development	-	-	-	-
Jail training	-	-	37,799	-
Building inspections (P.A. 245)	-	-	-	-
Register of deeds technology (P.A. 698)	-	-	-	-
Commission on aging programs	-	-	-	-
Law library (P.A. 59)	-	-	-	-
Indigent defense	-	-	-	-
Debt service	-	-	-	-
Other purposes	14,152	-	-	641,344
Total restricted	108,371	13,247	37,799	641,344
Committed for:				
Law enforcement	-	-	-	-
Jail operations	-	-	1,428,974	-
Friend of court	-	-	-	-
General capital improvements	-	-	-	-
Other purposes	37,666	-	-	-
Total committed	37,666	-	1,428,974	-
Assigned for:				
Emergency services	-	-	-	-
Community development	-	-	-	-
Animal control	18,306	-	-	-
Law enforcement	-	285,672	-	-
County parks	-	-	-	-
Friend of court	-	-	-	-
Social services	-	-	-	-
Child care	-	-	-	-
Soldiers' relief	-	-	-	-
Commission on aging programs	-	-	-	-
Other purposes	77,477	-	-	-
Total assigned	95,783	285,672	-	-
Unassigned	8,333,467	-	-	-
Total fund balances, governmental funds	\$ 8,951,103	\$ 321,063	\$ 1,480,338	\$ 641,344

American Rescue Plan	Commission on Aging	Capital Improvement	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ 300,000
-	3,194	-	15,304	130,023
-	3,194	-	15,304	430,023
-	-	-	-	94,219
-	-	-	170,601	170,601
-	-	-	235,987	249,234
-	-	-	974,459	974,459
-	-	-	-	37,799
-	-	-	163,749	163,749
-	-	-	47,873	47,873
-	189,067	-	-	189,067
-	-	-	9,735	9,735
-	-	-	297,954	297,954
-	-	-	153,650	153,650
-	-	-	60,198	715,694
-	189,067	-	2,114,206	3,104,034
-	-	-	33,394	33,394
-	-	-	-	1,428,974
-	-	-	190,063	190,063
-	-	3,032,115	1,283,935	4,316,050
-	-	-	-	37,666
-	-	3,032,115	1,507,392	6,006,147
-	-	-	68,853	68,853
-	-	-	131,615	131,615
-	-	-	-	18,306
-	-	-	39,765	325,437
-	-	-	304,061	304,061
-	-	-	231,250	231,250
-	-	-	48,806	48,806
-	-	-	401,153	401,153
-	-	-	106,885	106,885
-	1,640,565	-	-	1,640,565
423,474	-	-	21,313	522,264
423,474	1,640,565	-	1,353,701	3,799,195
-	-	-	-	8,333,467
\$ 423,474	\$ 1,832,826	\$ 3,032,115	\$ 4,990,603	\$ 21,672,866

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

19. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of September 30, 2025, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated/amortized	\$ 2,521,181	\$ -	\$ 2,271,011
Capital assets being depreciated/amortized, net	8,583,834	149,961	71,849,447
	<u>11,105,015</u>	<u>149,961</u>	<u>74,120,458</u>
Related debt:			
Bonds and notes payable	429,000	-	1,613,374
Lease liability	1,496,415	-	-
SBITA liability	10,234	-	-
Premium on bonds payable	-	-	14,662
Installment purchase agreements	-	-	1,176,497
	<u>1,935,649</u>	<u>-</u>	<u>2,804,533</u>
Net investment in capital assets	<u><u>\$ 9,169,366</u></u>	<u><u>\$ 149,961</u></u>	<u><u>\$ 71,315,925</u></u>

20. OPIOID SETTLEMENT

The County is part of various nationwide Opioid settlements reached by states and local political subdivisions against pharmaceutical distributors, manufacturers, and pharmacies. The terms of the settlements vary by entity; however, the County received installments beginning in 2023 and expects to receive future installments through 2030. The County currently expects the total amount of the settlement to be \$3,217,177. Settlement payments received during the year ended September 30, 2025 were \$198,398. The total receivable for all of the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2025 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2025 is \$1,797,422.

Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of September 30, 2025, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

21. ADJUSTMENTS TO BEGINNING EQUITY

For the year ended September 30, 2025, the County had the following adjustments to beginning net position:

	2022 and Prior Delinquent Tax (various)	2023 Delinquent Tax (516223)	Nonmajor Enterprise Funds
Net position, beginning of year, as previously reported	\$ 18,976,190	\$ 401,771	\$ 1,761,886
Change within the financial reporting entity:			
Change from nonmajor to major fund	597,614	-	(597,614)
Change from major fund to nonmajor fund	-	(401,771)	401,771
Net position, beginning of year, as adjusted	<u>\$ 19,573,804</u>	<u>\$ -</u>	<u>\$ 1,566,043</u>

For the year ended September 30, 2025, the County had the following adjustments to beginning fund balance:

	Capital Improvement (403)	Nonmajor Governmental Funds
Fund balance, beginning of year, as previously reported	\$ -	\$ 6,595,198
Change within the financial reporting entity:		
Change from nonmajor to major fund	1,963,031	(1,963,031)
Fund balance, beginning of year, as adjusted	<u>\$ 1,963,031</u>	<u>\$ 4,632,167</u>



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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

	Year Ended September 30,			
	2025	2024	2023	2022
Total pension liability				
Service cost	\$ 49,282	71,497	\$ 62,202	\$ 63,462
Interest	1,932,919	1,953,679	1,979,178	2,039,569
Change in benefits	-	-	-	-
Difference between expected and actual experience	(412,815)	157,544	(53,082)	(143,390)
Changes in assumptions	(69,905)	166,991	-	841,427
Benefit payments, including refunds of employee contributions	(2,391,328)	(2,338,704)	(2,350,608)	(2,325,127)
Other changes	-	-	-	-
Net change in total pension liability	<u>(891,847)</u>	<u>11,007</u>	<u>(362,310)</u>	<u>475,941</u>
Total pension liability, beginning of year	<u>28,091,902</u>	<u>28,080,895</u>	<u>28,443,205</u>	<u>27,967,264</u>
Total pension liability, end of year	<u>27,200,055</u>	<u>28,091,902</u>	<u>28,080,895</u>	<u>28,443,205</u>
Plan fiduciary net position				
Employer contributions	573,624	677,667	837,696	1,330,836
Employee contributions	19,932	26,497	25,505	26,032
Net investment income (loss)	1,614,749	2,343,449	(2,824,530)	3,132,549
Benefit payments, including refunds of employee contributions	(2,391,328)	(2,338,704)	(2,350,608)	(2,325,127)
Administrative expense	(47,314)	(48,792)	(46,011)	(37,164)
Other changes	-	-	-	-
Net change in plan fiduciary net position	<u>(230,337)</u>	<u>660,117</u>	<u>(4,357,948)</u>	<u>2,127,126</u>
Plan fiduciary net position, beginning of year	<u>22,027,402</u>	<u>21,367,285</u>	<u>25,725,233</u>	<u>23,598,107</u>
Plan fiduciary net position, end of year	<u>21,797,065</u>	<u>22,027,402</u>	<u>21,367,285</u>	<u>25,725,233</u>
County's net pension liability	<u>\$ 5,402,990</u>	<u>6,064,500</u>	<u>\$ 6,713,610</u>	<u>\$ 2,717,972</u>
Plan fiduciary net position as a percentage of total pension liability	80.14%	78.41%	76.10%	90.44%
Covered payroll	\$ 383,782	\$ 558,524	\$ 485,848	\$ 542,550
County's net pension liability as a percentage of covered payroll	1407.83%	1085.81%	1381.83%	500.96%

See notes to required supplementary information.



Year Ended September 30,					
2021	2020	2019	2018	2017	2016
\$ 71,254	\$ 67,897	\$ 78,355	\$ 110,514	\$ 113,354	\$ 144,182
1,977,966	1,995,165	1,986,018	1,996,376	2,006,374	1,964,674
-	-	-	-	12,026	-
161,681	424,899	201,248	(173,466)	(255,874)	(63,125)
901,312	851,353	-	-	-	1,143,513
(2,270,388)	(2,238,974)	(2,053,138)	(2,040,505)	(1,958,348)	(1,857,659)
-	-	-	-	(2)	(391)
841,825	1,100,340	212,483	(107,081)	(82,470)	1,331,194
27,125,439	26,025,099	25,812,616	25,919,697	26,002,167	24,670,973
27,967,264	27,125,439	26,025,099	25,812,616	25,919,697	26,002,167
1,351,383	1,251,654	1,246,560	920,388	1,006,665	1,160,256
29,547	31,647	41,861	50,390	47,892	4,701
2,955,370	2,658,198	(824,596)	2,593,572	2,115,490	(296,005)
(2,270,388)	(2,238,974)	(2,053,138)	(2,040,505)	(1,958,348)	(1,857,659)
(42,741)	(45,780)	(41,286)	(41,160)	(41,781)	(43,207)
-	-	-	(11,201)	-	-
2,023,171	1,656,745	(1,630,599)	1,471,484	1,169,918	(1,031,914)
21,574,936	19,918,191	21,548,790	20,077,306	18,907,388	19,939,302
23,598,107	21,574,936	19,918,191	21,548,790	20,077,306	18,907,388
<u>\$ 4,369,157</u>	<u>\$ 5,550,503</u>	<u>\$ 6,106,908</u>	<u>\$ 4,263,826</u>	<u>\$ 5,842,391</u>	<u>\$ 7,094,779</u>
84.38%	79.54%	76.53%	83.48%	77.46%	72.71%
\$ 607,089	\$ 616,318	\$ 710,825	\$ 959,101	\$ 1,089,831	\$ 1,396,627
719.69%	900.59%	859.13%	444.56%	536.08%	507.99%

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

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

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2025	\$ 677,916	\$ 677,916	\$ -	\$ 382,763	177.11%
2024	538,860	538,860	-	494,664	108.93%
2023	723,936	723,936	-	530,664	136.42%
2022	875,616	875,616	-	570,231	153.55%
2021	1,482,576	1,482,576	-	567,758	261.13%
2020	1,307,652	1,307,652	-	629,134	207.85%
2019	1,232,988	1,232,988	-	739,302	166.78%
2018	1,251,084	1,251,084	-	901,479	138.78%
2017	810,156	810,156	-	1,092,546	74.15%
2016	805,812	1,072,168	(266,356)	1,445,878	74.15%

See notes to required supplementary information.

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COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefits Plan

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

	Year Ended September 30,				
	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 15,417	14,336	17,539	\$ 20,561	\$ 20,985
Interest	235,572	238,219	243,557	270,232	272,677
Changes in benefit terms	-	-	(47,176)	-	-
Differences between expected and actual experience	-	(152,399)	-	(312,731)	-
Changes in assumptions	-	107,246	-	(3,172)	-
Benefit payments, including refunds of employee contributions	(267,628)	(228,411)	(349,210)	(384,330)	(276,340)
Net change in total OPEB liability	(16,639)	(21,009)	(135,290)	(409,440)	17,322
Total OPEB liability, beginning of year	3,606,163	3,627,172	3,762,462	4,171,902	4,154,580
Total OPEB liability, end of year	3,589,524	3,606,163	3,627,172	3,762,462	4,171,902
Plan fiduciary net position					
Employer contributions	-	-	-	259,140	276,340
Net investment income (loss)	586,168	937,583	603,138	(811,772)	1,113,551
Benefit payments, including refunds of employee contributions	(267,628)	(228,411)	(349,210)	(384,330)	(276,340)
Administrative expense	(12,763)	(12,155)	(10,510)	(10,601)	(10,366)
Net change in plan fiduciary net position	305,777	697,017	243,418	(947,563)	1,103,185
Plan fiduciary net position, beginning of year	6,111,089	5,414,072	5,170,654	6,118,217	5,015,032
Plan fiduciary net position, end of year	6,416,866	6,111,089	5,414,072	5,170,654	6,118,217
County's net OPEB (asset) liability	\$ (2,827,342)	\$ (2,504,926)	\$ (1,786,900)	\$ (1,408,192)	\$ (1,946,315)
Plan fiduciary net position as a percentage of total OPEB liability	178.77%	169.46%	149.26%	137.43%	146.65%
Covered payroll	\$ 1,427,548	1,732,577	1,786,935	\$ 2,402,717	\$ 3,429,112
County's net OPEB (asset) liability as a percentage of covered payroll	-198.06%	-144.58%	-100.00%	-58.61%	-56.76%

See notes to required supplementary information.



Year Ended September 30,

2020	2019	2018
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\$ 27,329	\$ 38,532	\$ 37,139
394,256	387,474	383,857
(132,440)	-	-
(1,794,799)	-	-
(22,283)	-	-
<u>(257,731)</u>	<u>(369,132)</u>	<u>(368,496)</u>
(1,785,668)	56,874	52,500
<u>5,940,248</u>	<u>5,883,374</u>	<u>5,830,874</u>
<u>4,154,580</u>	<u>5,940,248</u>	<u>5,883,374</u>

257,731	310,777	946,504
340,779	114,947	237,810
(257,731)	(369,132)	(368,496)
<u>(8,612)</u>	<u>(8,912)</u>	<u>(11,211)</u>
332,167	47,680	804,607
<u>4,682,865</u>	<u>4,635,185</u>	<u>3,830,578</u>
<u>5,015,032</u>	<u>4,682,865</u>	<u>4,635,185</u>
<u>\$ (860,452)</u>	<u>\$ 1,257,383</u>	<u>\$ 1,248,189</u>

120.71%	78.83%	78.78%
\$ 3,644,803	\$ 3,719,487	\$ 4,024,782
-23.61%	33.81%	31.01%

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefits Plan

Schedule of Contributions

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 1,427,548	0.00%
2024	-	-	-	1,732,577	0.00%
2023	-	-	-	1,786,935	0.00%
2022	-	259,140	(259,140)	2,402,717	10.79%
2021	-	276,340	(276,340)	3,429,112	8.06%
2020	-	257,731	(257,731)	3,644,803	7.07%
2019	-	310,777	(310,777)	3,719,487	8.36%
2018	-	946,504	(946,504)	4,024,782	23.52%

See notes to required supplementary information.

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefits Plan

Schedule of Investment Returns

Year Ended September 30,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2025	9.74%
2024	17.62%
2023	12.05%
2022	-13.37%
2021	22.23%
2020	7.28%
2019	2.51%
2018	5.75%

See notes to required supplementary information.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

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

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

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

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

In 2024, amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

In 2025, amounts reported as changes in assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, and termination rates.

Notes to the Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 9 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2025, based on the 12/31/2022 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	1-9 years, depending on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation
Normal retirement age	Age 60

COUNTY OF NEWAYGO, MICHIGAN

Notes to Required Supplementary Information

Mortality

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

Single-Employer Other Postemployment Benefits Plan

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

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Benefit Terms. In 2020, amounts reported as changes in benefit terms related to 1) effective 1-1-2013, new full-time employees to the Dispatch Benefit Group were no longer eligible for the retiree medical plan and 2) effective 1-1-2019, all remaining Dispatch employees were no longer eligible to purchase county health insurance for themselves or their spouses.

In 2023, amounts reported as changes in benefit terms related to the Corrections Officer Benefit Group under their union agreement effective 1/1/2023. Employees, in this benefit group, employed as full-time before 1/1/2024 had an opportunity to make a one-time, irrevocable decision to choose one of the two options as their sole retiree health insurance benefit: 1) effective 1/1/2023, the employer will contribute \$50 per pay to a health savings plan, or 2) maintain the retiree health insurance benefit under which the employer will provide single subscriber health insurance for future retirees.

Changes in Assumptions. In 2020, amounts reported as changes of assumptions related to an update to the trend assumption to reflect the elimination of the excise tax as part of the Secure Act of 2019. In 2022, amounts reported as changes of assumptions resulted from an update to the mortality scale.

In 2024, amounts reported as changes of assumptions resulted from an update to the medical trend assumption to better reflect anticipated future experience.

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

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NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2025

	Special Revenue	Debt Service	Park & Recreation Improvement (410)	Totals
Assets				
Cash and cash equivalents	\$ 2,803,411	\$ 153,650	\$ 1,293,910	\$ 4,250,971
Accounts receivable	19,755	-	-	19,755
Loans receivable	917,873	-	-	917,873
Due from other governments	208,489	-	-	208,489
Due from other funds	107	-	-	107
Prepays	15,304	-	-	15,304
Total assets	<u>\$ 3,964,939</u>	<u>\$ 153,650</u>	<u>\$ 1,293,910</u>	<u>\$ 5,412,499</u>
Liabilities				
Accounts payable	\$ 294,565	\$ -	\$ 9,975	\$ 304,540
Accrued liabilities	94,515	-	-	94,515
Due to other governments	22,532	-	-	22,532
Due to other funds	136	-	-	136
Unearned revenue	173	-	-	173
Total liabilities	<u>411,921</u>	<u>-</u>	<u>9,975</u>	<u>421,896</u>
Fund balances				
Nonspendable	15,304	-	-	15,304
Restricted	1,960,556	153,650	-	2,114,206
Committed	223,457	-	1,283,935	1,507,392
Assigned	1,353,701	-	-	1,353,701
Total fund balances	<u>3,553,018</u>	<u>153,650</u>	<u>1,283,935</u>	<u>4,990,603</u>
Total liabilities and fund balances	<u>\$ 3,964,939</u>	<u>\$ 153,650</u>	<u>\$ 1,293,910</u>	<u>\$ 5,412,499</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and

Change in Fund Balances - Nonmajor Governmental Funds

For the Year Ended September 30, 2025

	Special Revenue	Debt Service	Park & Recreation Improvement (410)	Capital Improvement (403)	Totals
Revenues					
Taxes	\$ 194,693	\$ 341,565	\$ -		\$ 536,258
Intergovernmental:					
Federal	531,375	-	-		531,375
State	1,808,579	45,332	-		1,853,911
Local	2,639	89,640	-		92,279
Licenses and permits	46,534	-	-		46,534
Fines and forfeitures	5,565	-	-		5,565
Charges for services	1,586,181	246,838	-		1,833,019
Interest and rentals	20,345	5,998	-		26,343
Contributions from private sources	84,641	-	-		84,641
Other revenues/reimbursements	11,299	-	-		11,299
Total revenues	<u>4,291,851</u>	<u>729,373</u>	<u>-</u>		<u>5,021,224</u>
Expenditures					
Current:					
Judicial	2,168,967	-	-		2,168,967
General government	84,522	-	-		84,522
Public safety	1,026,713	-	-		1,026,713
Health and welfare	1,749,505	-	-		1,749,505
Community and economic development	58,049	-	-		58,049
Recreation and cultural	1,041,521	-	-		1,041,521
Debt service:					
Principal	64,050	1,271,000	-		1,335,050
Interest	3,871	30,311	-		34,182
Capital outlay	6,821	-	216,065		222,886
Total expenditures	<u>6,204,019</u>	<u>1,301,311</u>	<u>216,065</u>		<u>7,721,395</u>
Revenue over (under) expenditures	<u>(1,912,168)</u>	<u>(571,938)</u>	<u>(216,065)</u>		<u>(2,700,171)</u>
Other financing sources (uses)					
Issuance of long-term liabilities	6,821	-	-		6,821
Transfers in	1,593,601	41,001	1,500,000		3,134,602
Transfers out	-	(97,387)	-		(97,387)
Proceeds from sale of capital assets	14,571	-	-		14,571
Total other financing sources (uses)	<u>1,614,993</u>	<u>(56,386)</u>	<u>1,500,000</u>		<u>3,058,607</u>
Net change in fund balances	<u>(297,175)</u>	<u>(628,324)</u>	<u>1,283,935</u>		<u>358,436</u>
Fund balances, beginning of year, as previously reported	<u>3,850,193</u>	<u>781,974</u>	<u>-</u>	\$ 1,963,031	<u>6,595,198</u>
Change within financial reporting entity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,963,031)</u>	<u>(1,963,031)</u>
Fund balances, beginning of year, as adjusted	<u>3,850,193</u>	<u>781,974</u>	<u>-</u>	<u>\$ -</u>	<u>4,632,167</u>
Fund balances, end of year	<u>\$ 3,553,018</u>	<u>\$ 153,650</u>	<u>\$ 1,283,935</u>		<u>\$ 4,990,603</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2025

	Emergency Services (259)	Crime Victim Rights (216)	Law Enforcement (266)	County Parks (208)
Assets				
Cash and cash equivalents	\$ 98,673	\$ 14,780	\$ 24,445	\$ 371,953
Accounts receivable	352	-	-	-
Loans receivable	-	-	-	-
Due from other governments	22,309	8,208	64,480	22,485
Due from other funds	-	-	-	-
Prepays	6,029	-	288	-
Total assets	<u>\$ 127,363</u>	<u>\$ 22,988</u>	<u>\$ 89,213</u>	<u>\$ 394,438</u>
Liabilities				
Accounts payable	\$ 1,551	\$ -	\$ 689	\$ 63,656
Accrued liabilities	6,512	1,675	4,629	26,721
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	173	-	-	-
Total liabilities	<u>8,236</u>	<u>1,675</u>	<u>5,318</u>	<u>90,377</u>
Fund balances				
Nonspendable	6,029	-	288	-
Restricted	44,245	-	83,607	-
Committed	-	-	-	-
Assigned	68,853	21,313	-	304,061
Total fund balances	<u>119,127</u>	<u>21,313</u>	<u>83,895</u>	<u>304,061</u>
Total liabilities and fund balances	<u>\$ 127,363</u>	<u>\$ 22,988</u>	<u>\$ 89,213</u>	<u>\$ 394,438</u>

Dragon Trail (2081)	Friend of the Court (215)	Community Development (246)	Building Safety and Permits (249)	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2661)
\$ 170,601	\$ 392,580	\$ 188,201	\$ 232,121	\$ 49,943	\$ 39,765
-	1,733	-	16,265	1,405	-
-	-	917,873	-	-	-
-	58,857	-	-	-	-
-	-	-	-	-	-
600	-	-	2,433	-	5,954
<u>\$ 171,201</u>	<u>\$ 453,170</u>	<u>\$ 1,106,074</u>	<u>\$ 250,819</u>	<u>\$ 51,348</u>	<u>\$ 45,719</u>
\$ -	\$ 1,678	\$ -	\$ 84,141	\$ 2,603	\$ -
-	30,179	-	496	872	-
-	-	-	-	-	-
-	-	-	-	-	-
-	31,857	-	84,637	3,475	-
600	-	-	2,433	-	5,954
170,601	-	974,459	163,749	47,873	-
-	190,063	-	-	-	-
-	231,250	131,615	-	-	39,765
<u>171,201</u>	<u>421,313</u>	<u>1,106,074</u>	<u>166,182</u>	<u>47,873</u>	<u>45,719</u>
<u>\$ 171,201</u>	<u>\$ 453,170</u>	<u>\$ 1,106,074</u>	<u>\$ 250,819</u>	<u>\$ 51,348</u>	<u>\$ 45,719</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2025

	Indigent Defense (260)	Concealed Pistol Licensing (263)	Drug Law Enforcement (265)	County Law Library (269)
Assets				
Cash and cash equivalents	\$ 403,576	\$ 118,710	\$ 65,687	\$ 9,885
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other governments	-	2,196	-	-
Due from other funds	-	107	-	-
Prepays	-	-	-	-
Total assets	\$ 403,576	\$ 121,013	\$ 65,687	\$ 9,885
Liabilities				
Accounts payable	\$ 105,486	\$ 66	\$ -	\$ 150
Accrued liabilities	-	860	-	-
Due to other governments	-	-	-	-
Due to other funds	136	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	105,622	926	-	150
Fund balances				
Nonspendable	-	-	-	-
Restricted	297,954	120,087	32,293	9,735
Committed	-	-	33,394	-
Assigned	-	-	-	-
Total fund balances	297,954	120,087	65,687	9,735
Total liabilities and fund balances	\$ 403,576	\$ 121,013	\$ 65,687	\$ 9,885



Social Services (290)	Child Care (292)	Veterans Relief (293)	Total
\$ 48,806	\$ 455,455	\$ 118,230	\$ 2,803,411
-	-	-	19,755
-	-	-	917,873
-	17,163	12,791	208,489
-	-	-	107
-	-	-	15,304
<u>\$ 48,806</u>	<u>\$ 472,618</u>	<u>\$ 131,021</u>	<u>\$ 3,964,939</u>
\$ -	\$ 28,169	\$ 6,376	\$ 294,565
-	15,914	6,657	94,515
-	22,532	-	22,532
-	-	-	136
-	-	-	173
<u>-</u>	<u>66,615</u>	<u>13,033</u>	<u>411,921</u>
-	-	-	15,304
-	4,850	11,103	1,960,556
-	-	-	223,457
<u>48,806</u>	<u>401,153</u>	<u>106,885</u>	<u>1,353,701</u>
<u>48,806</u>	<u>406,003</u>	<u>117,988</u>	<u>3,553,018</u>
<u>\$ 48,806</u>	<u>\$ 472,618</u>	<u>\$ 131,021</u>	<u>\$ 3,964,939</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2025

	Emergency Services (259)	Crime Victim Rights (216)	Law Enforcement (266)	County Parks (208)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	25,766	-	-	-
State	-	51,300	206,587	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	4,825	-	-	942,910
Interest and rentals	-	-	-	-
Contributions from private sources	-	-	-	74,000
Other revenue/reimbursements	18,054	-	-	6,918
Total revenues	<u>48,645</u>	<u>51,300</u>	<u>206,587</u>	<u>1,023,828</u>
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	286,611	57,360	181,447	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	1,036,032
Debt service:				
Principal	-	-	31,473	30,224
Interest	-	-	2,069	1,655
Capital outlay	-	-	-	-
Total expenditures	<u>286,611</u>	<u>57,360</u>	<u>214,989</u>	<u>1,067,911</u>
Revenue over (under) expenditures	<u>(237,966)</u>	<u>(6,060)</u>	<u>(8,402)</u>	<u>(44,083)</u>
Other financing sources				
Issuance of long-term liabilities	-	-	-	-
Transfers in	242,547	2,498	50,528	-
Proceeds from sale of capital assets	-	-	-	14,571
Total other financing sources	<u>242,547</u>	<u>2,498</u>	<u>50,528</u>	<u>14,571</u>
Net change in fund balances	4,581	(3,562)	42,126	(29,512)
Fund balances, beginning of year	<u>114,546</u>	<u>24,875</u>	<u>41,769</u>	<u>333,573</u>
Fund balances, end of year	<u>\$ 119,127</u>	<u>\$ 21,313</u>	<u>\$ 83,895</u>	<u>\$ 304,061</u>

Dragon Trail (2081)	Friend of the Court (215)	Community Development (246)	Building Safety and Permits (249)	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2661)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,282	502,327	-	-	-	-
-	79,386	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,065
-	88,083	-	483,195	53,795	7,812
-	-	-	19,279	-	-
-	-	5,341	-	-	-
-	-	(13,673)	-	-	-
<u>3,282</u>	<u>669,796</u>	<u>(8,332)</u>	<u>502,474</u>	<u>53,795</u>	<u>8,877</u>
-	1,116,334	-	-	-	-
-	-	-	-	56,578	-
-	-	-	493,098	-	8,197
-	-	-	-	-	-
-	-	58,049	-	-	-
5,489	-	-	-	-	-
2,353	-	-	-	-	-
147	-	-	-	-	-
6,821	-	-	-	-	-
<u>14,810</u>	<u>1,116,334</u>	<u>58,049</u>	<u>493,098</u>	<u>56,578</u>	<u>8,197</u>
<u>(11,528)</u>	<u>(446,538)</u>	<u>(66,381)</u>	<u>9,376</u>	<u>(2,783)</u>	<u>680</u>
6,821	-	-	-	-	-
-	519,676	-	-	-	-
-	-	-	-	-	-
<u>6,821</u>	<u>519,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,707)	73,138	(66,381)	9,376	(2,783)	680
175,908	348,175	1,172,455	156,806	50,656	45,039
<u>\$ 171,201</u>	<u>\$ 421,313</u>	<u>\$ 1,106,074</u>	<u>\$ 166,182</u>	<u>\$ 47,873</u>	<u>\$ 45,719</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2025

	Indigent Defense (260)	Concealed Pistol Licensing (263)	Drug Law Enforcement (265)	County Law Library (269)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	-	-	-	-
State	891,852	-	-	-
Local	-	-	-	-
Licenses and permits	-	46,534	-	-
Fines and forfeitures	-	-	-	4,500
Charges for services	-	-	-	-
Interest and rentals	-	1,066	-	-
Contributions from private sources	-	-	-	-
Other revenue/reimbursements	-	-	-	-
Total revenues	<u>891,852</u>	<u>47,600</u>	<u>-</u>	<u>4,500</u>
Expenditures				
Current:				
Judicial	1,043,767	-	-	8,866
General government	-	27,944	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,043,767</u>	<u>27,944</u>	<u>-</u>	<u>8,866</u>
Revenue over (under) expenditures	<u>(151,915)</u>	<u>19,656</u>	<u>-</u>	<u>(4,366)</u>
Other financing sources				
Issuance of long-term liabilities	-	-	-	-
Transfers in	202,989	-	-	12,150
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	<u>202,989</u>	<u>-</u>	<u>-</u>	<u>12,150</u>
Net change in fund balances	51,074	19,656	-	7,784
Fund balances, beginning of year	<u>246,880</u>	<u>100,431</u>	<u>65,687</u>	<u>1,951</u>
Fund balances, end of year	<u>\$ 297,954</u>	<u>\$ 120,087</u>	<u>\$ 65,687</u>	<u>\$ 9,735</u>

Social Services (290)	Child Care (292)	Veterans Relief (293)	Total
\$ -	\$ -	\$ 194,693	\$ 194,693
-	-	-	531,375
-	514,060	65,394	1,808,579
-	-	2,639	2,639
-	-	-	46,534
-	-	-	5,565
3,954	1,607	-	1,586,181
-	-	-	20,345
-	-	5,300	84,641
-	-	-	11,299
<u>3,954</u>	<u>515,667</u>	<u>268,026</u>	<u>4,291,851</u>
-	-	-	2,168,967
-	-	-	84,522
-	-	-	1,026,713
52,403	1,339,795	357,307	1,749,505
-	-	-	58,049
-	-	-	1,041,521
-	-	-	64,050
-	-	-	3,871
-	-	-	6,821
<u>52,403</u>	<u>1,339,795</u>	<u>357,307</u>	<u>6,204,019</u>
<u>(48,449)</u>	<u>(824,128)</u>	<u>(89,281)</u>	<u>(1,912,168)</u>
-	-	-	6,821
20,382	450,000	92,831	1,593,601
-	-	-	14,571
<u>20,382</u>	<u>450,000</u>	<u>92,831</u>	<u>1,614,993</u>
(28,067)	(374,128)	3,550	(297,175)
<u>76,873</u>	<u>780,131</u>	<u>114,438</u>	<u>3,850,193</u>
<u>\$ 48,806</u>	<u>\$ 406,003</u>	<u>\$ 117,988</u>	<u>\$ 3,553,018</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances
 Budget and Actual - Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2025

	Emergency Services (259)			Crime Victim Rights (216)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal	39,431	25,766	(13,665)	-	-	-
State	-	-	-	63,194	51,300	(11,894)
Local	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	4,825	4,825	-	-	-	-
Interest and rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other revenue/reimbursements	17,255	18,054	799	-	-	-
Total revenues	61,511	48,645	(12,866)	63,194	51,300	(11,894)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	306,234	286,611	(19,623)	65,692	57,360	(8,332)
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and cultural	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	306,234	286,611	(19,623)	65,692	57,360	(8,332)
Revenues over (under) expenditures	(244,723)	(237,966)	6,757	(2,498)	(6,060)	(3,562)
Other financing sources						
Issuance of long-term liabilities	-	-	-	-	-	-
Transfers in	242,547	242,547	-	2,498	2,498	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	242,547	242,547	-	2,498	2,498	-
Net change in fund balances	(2,176)	4,581	6,757	-	(3,562)	(3,562)
Fund balances, beginning of year	114,546	114,546	-	24,875	24,875	-
Fund balances, end of year	\$ 112,370	\$ 119,127	\$ 6,757	\$ 24,875	\$ 21,313	\$ (3,562)

Law Enforcement (266)			County Parks (208)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
226,863	206,587	(20,276)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,030,390	942,910	(87,480)
-	-	-	-	-	-
-	-	-	74,000	74,000	-
-	-	-	23,149	6,918	(16,231)
<u>226,863</u>	<u>206,587</u>	<u>(20,276)</u>	<u>1,127,539</u>	<u>1,023,828</u>	<u>(103,711)</u>
-	-	-	-	-	-
-	-	-	-	-	-
244,017	181,447	(62,570)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,257,149	1,036,032	(221,117)
31,035	31,473	438	23,615	30,224	6,609
2,339	2,069	(270)	1,670	1,655	(15)
-	-	-	6,622	-	(6,622)
<u>277,391</u>	<u>214,989</u>	<u>(62,402)</u>	<u>1,289,056</u>	<u>1,067,911</u>	<u>(221,145)</u>
<u>(50,528)</u>	<u>(8,402)</u>	<u>42,126</u>	<u>(161,517)</u>	<u>(44,083)</u>	<u>117,434</u>
-	-	-	-	-	-
50,528	50,528	-	-	-	-
-	-	-	14,571	14,571	-
<u>50,528</u>	<u>50,528</u>	<u>-</u>	<u>14,571</u>	<u>14,571</u>	<u>-</u>
-	42,126	42,126	(146,946)	(29,512)	117,434
<u>41,769</u>	<u>41,769</u>	<u>-</u>	<u>333,573</u>	<u>333,573</u>	<u>-</u>
<u>\$ 41,769</u>	<u>\$ 83,895</u>	<u>\$ 42,126</u>	<u>\$ 186,627</u>	<u>\$ 304,061</u>	<u>\$ 117,434</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances
 Budget and Actual - Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2025

	Dragon Trail (2081)			Friend of the Court (215)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal	3,300	3,282	(18)	472,705	502,327	29,622
State	-	-	-	94,000	79,386	(14,614)
Local	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	84,650	88,083	3,433
Interest and rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other revenue/reimbursements	-	-	-	-	-	-
Total revenues	3,300	3,282	(18)	651,355	669,796	18,441
Expenditures						
Current:						
Judicial	-	-	-	1,202,227	1,116,334	(85,893)
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and cultural	5,700	5,489	(211)	-	-	-
Debt service:						
Principal	2,353	2,353	-	-	-	-
Interest	148	147	(1)	-	-	-
Capital outlay	6,821	6,821	-	-	-	-
Total expenditures	15,022	14,810	(212)	1,202,227	1,116,334	(85,893)
Revenues over (under) expenditures	(11,722)	(11,528)	194	(550,872)	(446,538)	104,334
Other financing sources						
Issuance of long-term liabilities	6,821	6,821	-	-	-	-
Transfers in	-	-	-	519,676	519,676	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	6,821	6,821	-	519,676	519,676	-
Net change in fund balances	(4,901)	(4,707)	194	(31,196)	73,138	104,334
Fund balances, beginning of year	175,908	175,908	-	348,175	348,175	-
Fund balances, end of year	\$ 171,007	\$ 171,201	\$ 194	\$ 316,979	\$ 421,313	\$ 104,334

Community Development (246)			Building Safety and Permits (249)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	452,286	483,195	30,909
-	-	-	19,160	19,279	119
5,341	5,341	-	-	-	-
-	(13,673)	(13,673)	-	-	-
<u>5,341</u>	<u>(8,332)</u>	<u>(13,673)</u>	<u>471,446</u>	<u>502,474</u>	<u>31,028</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	473,333	493,098	19,765
-	-	-	-	-	-
58,049	58,049	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>58,049</u>	<u>58,049</u>	<u>-</u>	<u>473,333</u>	<u>493,098</u>	<u>19,765</u>
<u>(52,708)</u>	<u>(66,381)</u>	<u>(13,673)</u>	<u>(1,887)</u>	<u>9,376</u>	<u>11,263</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(52,708)</u>	<u>(66,381)</u>	<u>(13,673)</u>	<u>(1,887)</u>	<u>9,376</u>	<u>11,263</u>
<u>1,172,455</u>	<u>1,172,455</u>	<u>-</u>	<u>156,806</u>	<u>156,806</u>	<u>-</u>
<u>\$ 1,119,747</u>	<u>\$ 1,106,074</u>	<u>\$ (13,673)</u>	<u>\$ 154,919</u>	<u>\$ 166,182</u>	<u>\$ 11,263</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances
 Budget and Actual - Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2025

	Register of Deeds Automation (256)			Law Enforcement Technical Fund (2661)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	920	1,065	145
Charges for services	50,000	53,795	3,795	7,085	7,812	727
Interest and rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other revenue/reimbursements	-	-	-	-	-	-
Total revenues	<u>50,000</u>	<u>53,795</u>	<u>3,795</u>	<u>8,005</u>	<u>8,877</u>	<u>872</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	69,586	56,578	(13,008)	-	-	-
Public safety	-	-	-	8,500	8,197	(303)
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and cultural	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>69,586</u>	<u>56,578</u>	<u>(13,008)</u>	<u>8,500</u>	<u>8,197</u>	<u>(303)</u>
Revenues over (under) expenditures	<u>(19,586)</u>	<u>(2,783)</u>	<u>16,803</u>	<u>(495)</u>	<u>680</u>	<u>1,175</u>
Other financing sources						
Issuance of long-term liabilities	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(19,586)</u>	<u>(2,783)</u>	<u>16,803</u>	<u>(495)</u>	<u>680</u>	<u>1,175</u>
Fund balances, beginning of year	<u>50,656</u>	<u>50,656</u>	<u>-</u>	<u>45,039</u>	<u>45,039</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,070</u>	<u>\$ 47,873</u>	<u>\$ 16,803</u>	<u>\$ 44,544</u>	<u>\$ 45,719</u>	<u>\$ 1,175</u>

Indigent Defense (260)			Concealed Pistol Licensing Fund (263)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
891,852	891,852	-	-	-	-
-	-	-	-	-	-
-	-	-	35,000	46,534	11,534
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	250	1,066	816
-	-	-	-	-	-
-	-	-	-	-	-
<u>891,852</u>	<u>891,852</u>	<u>-</u>	<u>35,250</u>	<u>47,600</u>	<u>12,350</u>
1,162,758	1,043,767	(118,991)	-	-	-
-	-	-	35,250	27,944	(7,306)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,162,758</u>	<u>1,043,767</u>	<u>(118,991)</u>	<u>35,250</u>	<u>27,944</u>	<u>(7,306)</u>
<u>(270,906)</u>	<u>(151,915)</u>	<u>118,991</u>	<u>-</u>	<u>19,656</u>	<u>19,656</u>
-	-	-	-	-	-
202,989	202,989	-	-	-	-
-	-	-	-	-	-
<u>202,989</u>	<u>202,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(67,917)	51,074	118,991	-	19,656	19,656
<u>246,880</u>	<u>246,880</u>	<u>-</u>	<u>100,431</u>	<u>100,431</u>	<u>-</u>
<u>\$ 178,963</u>	<u>\$ 297,954</u>	<u>\$ 118,991</u>	<u>\$ 100,431</u>	<u>\$ 120,087</u>	<u>\$ 19,656</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances
 Budget and Actual - Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2025

	Drug Law Enforcement (265)			County Law Library (269)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	4,500	4,500	-
Charges for services	-	-	-	-	-	-
Interest and rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other revenue/reimbursements	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Expenditures						
Current:						
Judicial	-	-	-	16,650	8,866	(7,784)
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and cultural	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,650</u>	<u>8,866</u>	<u>(7,784)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,150)</u>	<u>(4,366)</u>	<u>7,784</u>
Other financing sources						
Issuance of long-term liabilities	-	-	-	-	-	-
Transfers in	-	-	-	12,150	12,150	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,150</u>	<u>12,150</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,784</u>	<u>7,784</u>
Fund balances, beginning of year	<u>65,687</u>	<u>65,687</u>	<u>-</u>	<u>1,951</u>	<u>1,951</u>	<u>-</u>
Fund balances, end of year	<u>\$ 65,687</u>	<u>\$ 65,687</u>	<u>\$ -</u>	<u>\$ 1,951</u>	<u>\$ 9,735</u>	<u>\$ 7,784</u>

Social Services (290)			Child Care (292)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	613,937	514,060	(99,877)
-	-	-	-	-	-
-	-	-	-	-	-
5,000	3,954	(1,046)	1,830	1,607	(223)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,000</u>	<u>3,954</u>	<u>(1,046)</u>	<u>615,767</u>	<u>515,667</u>	<u>(100,100)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	52,403	(7,597)	1,469,345	1,339,795	(129,550)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>60,000</u>	<u>52,403</u>	<u>(7,597)</u>	<u>1,469,345</u>	<u>1,339,795</u>	<u>(129,550)</u>
<u>(55,000)</u>	<u>(48,449)</u>	<u>6,551</u>	<u>(853,578)</u>	<u>(824,128)</u>	<u>29,450</u>
-	-	-	-	-	-
20,382	20,382	-	450,000	450,000	-
-	-	-	-	-	-
<u>20,382</u>	<u>20,382</u>	<u>-</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
(34,618)	(28,067)	6,551	(403,578)	(374,128)	29,450
<u>76,873</u>	<u>76,873</u>	<u>-</u>	<u>780,131</u>	<u>780,131</u>	<u>-</u>
<u>\$ 42,255</u>	<u>\$ 48,806</u>	<u>\$ 6,551</u>	<u>\$ 376,553</u>	<u>\$ 406,003</u>	<u>\$ 29,450</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2025

	Veterans Relief (293)			Total		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ 195,140	\$ 194,693	\$ (447)	\$ 195,140	\$ 194,693	\$ (447)
Intergovernmental:						
Federal	-	-	-	515,436	531,375	15,939
State	65,209	65,394	185	1,955,055	1,808,579	(146,476)
Local	1,180	2,639	1,459	1,180	2,639	1,459
Licenses and permits	-	-	-	35,000	46,534	11,534
Fines and forfeitures	-	-	-	5,420	5,565	145
Charges for services	-	-	-	1,636,066	1,586,181	(49,885)
Interest and rentals	-	-	-	19,410	20,345	935
Contributions from private sources	1,000	5,300	4,300	80,341	84,641	4,300
Other revenue/reimbursements	-	-	-	40,404	11,299	(29,105)
Total revenues	262,529	268,026	5,497	4,483,452	4,291,851	(191,601)
Expenditures						
Current:						
Judicial	-	-	-	2,381,635	2,168,967	(212,668)
General government	-	-	-	104,836	84,522	(20,314)
Public safety	-	-	-	1,097,776	1,026,713	(71,063)
Health and welfare	382,398	357,307	(25,091)	1,911,743	1,749,505	(162,238)
Community and economic development	-	-	-	58,049	58,049	-
Recreation and cultural	-	-	-	1,262,849	1,041,521	(221,328)
Debt service:						
Principal	-	-	-	57,003	64,050	7,047
Interest	-	-	-	4,157	3,871	(286)
Capital outlay	-	-	-	13,443	6,821	(6,622)
Total expenditures	382,398	357,307	(25,091)	6,891,491	6,204,019	(687,472)
Revenues over (under) expenditures	(119,869)	(89,281)	30,588	(2,408,039)	(1,912,168)	495,871
Other financing sources						
Issuance of long-term liabilities	-	-	-	6,821	6,821	-
Transfers in	92,831	92,831	-	1,593,601	1,593,601	-
Proceeds from sale of capital assets	-	-	-	14,571	14,571	-
Total other financing sources	92,831	92,831	-	1,614,993	1,614,993	-
Net change in fund balances	(27,038)	3,550	30,588	(793,046)	(297,175)	495,871
Fund balances, beginning of year	114,438	114,438	-	3,850,193	3,850,193	-
Fund balances, end of year	\$ 87,400	\$ 117,988	\$ 30,588	\$ 3,057,147	\$ 3,553,018	\$ 495,871

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2025

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (396)	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 153,650	\$ 153,650
Fund balances				
Restricted	\$ -	\$ -	\$ 153,650	\$ 153,650

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended September 30, 2025

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (396)	Total
Revenues				
Taxes	\$ -	\$ 341,565	\$ -	\$ 341,565
Intergovernmental:				
State	-	44,746	586	45,332
Local	-	4,131	85,509	89,640
Charges for services	246,838	-	-	246,838
Interest and rentals	-	5,982	16	5,998
Total revenues	<u>246,838</u>	<u>396,424</u>	<u>86,111</u>	<u>729,373</u>
Expenditures				
Debt service:				
Principal	570,000	625,000	76,000	1,271,000
Interest	4,776	12,189	13,346	30,311
Total expenditures	<u>574,776</u>	<u>637,189</u>	<u>89,346</u>	<u>1,301,311</u>
Revenues under expenditures	<u>(327,938)</u>	<u>(240,765)</u>	<u>(3,235)</u>	<u>(571,938)</u>
Other financing sources (uses)				
Transfers in	-	-	41,001	41,001
Transfers out	(36,386)	(41,001)	(20,000)	(97,387)
Total other financing sources (uses)	<u>(36,386)</u>	<u>(41,001)</u>	<u>21,001</u>	<u>(56,386)</u>
Net change in fund balances	(364,324)	(281,766)	17,766	(628,324)
Fund balances, beginning of year	<u>364,324</u>	<u>281,766</u>	<u>135,884</u>	<u>781,974</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,650</u>	<u>\$ 153,650</u>

NONMAJOR ENTERPRISE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2025

	2023 Delinquent Tax (516223)	2025 Delinquent Tax (516225)	Sanitary Sewer Construction (852)
Assets			
Current assets:			
Cash and cash equivalents	\$ 255,239	\$ 11,833	\$ -
Accounts receivable	-	-	-
Delinquent taxes receivable	752,774	9,676	-
Prepays	1,760	-	-
Total current assets	<u>1,009,773</u>	<u>21,509</u>	<u>-</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Total assets	<u>1,009,773</u>	<u>21,509</u>	<u>-</u>
Liabilities			
Current liabilities:			
Accounts payable	-	10,509	-
Due to other funds	390,000	11,000	-
Total liabilities (all current)	<u>390,000</u>	<u>21,509</u>	<u>-</u>
Net position			
Investment in capital assets	-	-	-
Unrestricted	619,773	-	-
Total net position	<u>\$ 619,773</u>	<u>\$ -</u>	<u>\$ -</u>



PRE Audit (530)	Building Authority (569)	Jail Commissary (595)	Total
\$ 40,947	\$ 292,082	\$ 554,199	\$ 1,154,300
-	-	35,895	35,895
-	-	-	762,450
-	-	-	1,760
<u>40,947</u>	<u>292,082</u>	<u>590,094</u>	<u>1,954,405</u>
-	-	22,200	22,200
<u>40,947</u>	<u>292,082</u>	<u>612,294</u>	<u>1,976,605</u>
21,008	-	1,653	33,170
-	-	-	401,000
<u>21,008</u>	<u>-</u>	<u>1,653</u>	<u>434,170</u>
-	-	22,200	22,200
<u>19,939</u>	<u>292,082</u>	<u>588,441</u>	<u>1,520,235</u>
<u>\$ 19,939</u>	<u>\$ 292,082</u>	<u>\$ 610,641</u>	<u>\$ 1,542,435</u>

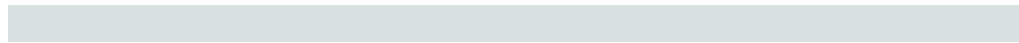
COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended September 30, 2025

	2022 Delinquent Tax (516222)	2023 Delinquent Tax (516223)	2025 Delinquent Tax (516225)
Operating revenues			
Charges for services		\$ -	\$ -
Rentals		-	-
Interest and penalties on delinquent taxes		221,523	-
Reimbursements		-	-
Total operating revenues		<u>221,523</u>	<u>-</u>
Operating expenses			
Supplies and operating expenses		3,521	-
Depreciation		-	-
Total operating expenses		<u>3,521</u>	<u>-</u>
Operating income		<u>218,002</u>	<u>-</u>
Nonoperating revenues (expenses)			
Investment earnings		-	-
Interest expense		-	-
Total nonoperating revenues (expense)		<u>-</u>	<u>-</u>
Income before transfers		218,002	-
Transfers			
Transfers out		-	-
Change in net position		<u>218,002</u>	<u>-</u>
Net position, beginning of year, as previously reported	\$ 597,614	-	-
Change within financial reporting entity	<u>(597,614)</u>	<u>401,771</u>	<u>-</u>
Net position, beginning of year, as adjusted	<u>\$ -</u>	<u>401,771</u>	<u>-</u>
Net position, end of year		<u>\$ 619,773</u>	<u>\$ -</u>



Sanitary Sewer Construction (852)	PRE Audit (530)	Building Authority (569)	Jail Commissary (595)	Total
\$ 196	\$ -	\$ -	\$ 451,840	\$ 452,036
-	-	110,232	-	110,232
-	-	-	-	221,523
-	-	-	3,759	3,759
196	-	110,232	455,599	787,550
-	-	91,930	105,573	201,024
-	-	-	9,315	9,315
-	-	91,930	114,888	210,339
196	-	18,302	340,711	577,211
-	-	-	26,531	26,531
(196)	-	-	-	(196)
(196)	-	-	26,531	26,335
-	-	18,302	367,242	603,546
-	-	(17,154)	(610,000)	(627,154)
-	-	1,148	(242,758)	(23,608)
-	19,939	290,934	853,399	1,761,886
-	-	-	-	(195,843)
-	19,939	290,934	853,399	1,566,043
\$ -	\$ 19,939	\$ 292,082	\$ 610,641	\$ 1,542,435

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2025

	2023 Delinquent Tax (516223)	2025 Delinquent Tax (516225)	Sanitary Sewer Construction (852)
Cash flows from operating activities			
Receipts from customers and users	\$ 1,649,335	\$ 833	\$ -
Payments to vendors	(5,281)	-	-
Net cash provided by operating activities	<u>1,644,054</u>	<u>833</u>	<u>-</u>
Cash flows from noncapital financing activities			
Cash received from interfund loan	-	11,000	
Cash paid for interfund loan	(1,810,000)	-	-
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(1,810,000)</u>	<u>11,000</u>	<u>-</u>
Cash flows from capital financing activities			
Principal paid on long-term liabilities	-	-	(24,180)
Interest paid on long-term liabilities	-	-	(196)
Cash received from installment sales agreement	-	-	24,376
Net cash provided by capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	<u>(165,946)</u>	<u>11,833</u>	<u>-</u>
Cash and cash equivalents, beginning of year	<u>421,185</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 255,239</u></u>	<u><u>\$ 11,833</u></u>	<u><u>\$ -</u></u>



PRE Audit (530)	Building Authority (569)	Jail Commissary (595)	Total
\$ 6,147	\$ 110,232	\$ 466,181	\$ 2,232,728
-	(91,930)	(112,774)	(209,985)
<u>6,147</u>	<u>18,302</u>	<u>353,407</u>	<u>2,022,743</u>
-	-	-	11,000
-	-	-	(1,810,000)
-	(17,154)	(610,000)	(627,154)
<u>-</u>	<u>(17,154)</u>	<u>(610,000)</u>	<u>(2,426,154)</u>
-	-	-	(24,180)
-	-	-	(196)
-	-	-	24,376
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	26,531	26,531
6,147	1,148	(230,062)	(376,880)
<u>34,800</u>	<u>290,934</u>	<u>784,261</u>	<u>1,531,180</u>
<u>\$ 40,947</u>	<u>\$ 292,082</u>	<u>\$ 554,199</u>	<u>\$ 1,154,300</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2025

	2023 Delinquent Tax (516223)	2025 Delinquent Tax (516225)	Sanitary Sewer Construction (852)
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 218,002	\$ -	\$ 196
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	-	(196)
Delinquent taxes receivable	1,427,812	(9,676)	-
Prepays	(1,760)	-	-
Accounts payable	-	10,509	-
Net cash provided by operating activities	\$ 1,644,054	\$ 833	\$ -



PRE Audit (530)	Building Authority (569)	Jail Commissary (595)	Total
\$ -	\$ 18,302	\$ 340,711	\$ 577,211
-	-	9,315	9,315
-	-	10,582	10,386
-	-	-	1,418,136
-	-	-	(1,760)
<u>6,147</u>	<u>-</u>	<u>(7,201)</u>	<u>9,455</u>
<u>\$ 6,147</u>	<u>\$ 18,302</u>	<u>\$ 353,407</u>	<u>\$ 2,022,743</u>

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INTERNAL SERVICE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

September 30, 2025

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Assets			
Current assets:			
Cash and cash equivalents	\$ 247,660	\$ -	\$ 43,776
Accounts receivable	-	-	705
Due from other governments	-	-	-
Prepays	1,317	-	14,718
Total current assets	<u>248,977</u>	-	<u>59,199</u>
Noncurrent assets -			
Capital assets being depreciated/amortized, net	55,075	-	1,962
Total assets	<u>304,052</u>	-	<u>61,161</u>
Liabilities			
Current liabilities:			
Accounts payable	39,154	-	255
Accrued liabilities	17,268	-	-
Due to other funds	-	-	-
Current portion of long-term liabilities	10,875	-	-
Total current liabilities	<u>67,297</u>	-	<u>255</u>
Noncurrent liabilities:			
Long-term liabilities, net of current portion	26,120	-	-
Total liabilities	<u>93,417</u>	-	<u>255</u>
Net position			
Net investment in capital assets	18,080	-	1,962
Unrestricted	192,555	-	58,944
Total net position	<u>\$ 210,635</u>	<u>\$ -</u>	<u>\$ 60,906</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 314,894	\$ 203,422	\$ 142,727	\$ 217,148	\$ 151,031
-	79,071	-	-	-
-	-	-	-	-
18,886	-	-	1,453	-
<u>333,780</u>	<u>282,493</u>	<u>142,727</u>	<u>218,601</u>	<u>151,031</u>
32,384	12,362	37,128	4,902	70,432
<u>366,164</u>	<u>294,855</u>	<u>179,855</u>	<u>223,503</u>	<u>221,463</u>
68,971	336	9,459	8,528	3,097
3,142	-	-	-	-
-	49,701	-	-	-
-	12,002	-	-	33,926
<u>72,113</u>	<u>62,039</u>	<u>9,459</u>	<u>8,528</u>	<u>37,023</u>
-	-	-	-	49,366
<u>72,113</u>	<u>62,039</u>	<u>9,459</u>	<u>8,528</u>	<u>86,389</u>
32,384	360	37,128	4,902	(12,860)
<u>261,667</u>	<u>232,456</u>	<u>133,268</u>	<u>210,073</u>	<u>147,934</u>
<u>\$ 294,051</u>	<u>\$ 232,816</u>	<u>\$ 170,396</u>	<u>\$ 214,975</u>	<u>\$ 135,074</u>

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COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

September 30, 2025

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Assets			
Current assets:			
Cash and cash equivalents	\$ 54,383	\$ 1,536,179	\$ 398,293
Accounts receivable	-	65,183	-
Due from other governments	-	7,208	-
Prepays	-	344,167	449,202
Total current assets	<u>54,383</u>	<u>1,952,737</u>	<u>847,495</u>
Noncurrent assets -			
Capital assets being depreciated/amortized, net	-	-	-
Total assets	<u>54,383</u>	<u>1,952,737</u>	<u>847,495</u>
Liabilities			
Current liabilities:			
Accounts payable	-	123,483	-
Accrued liabilities	1,067	74,164	394,217
Due to other funds	-	-	-
Current portion of long-term liabilities	-	-	-
Total current liabilities	<u>1,067</u>	<u>197,647</u>	<u>394,217</u>
Noncurrent liabilities:			
Long-term liabilities, net of current portion	-	-	-
Total liabilities	<u>1,067</u>	<u>197,647</u>	<u>394,217</u>
Net position			
Net investment in capital assets	-	-	-
Unrestricted	53,316	1,755,090	453,278
Total net position	<u>\$ 53,316</u>	<u>\$ 1,755,090</u>	<u>\$ 453,278</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ 344,314	\$ 940,050	\$ 1,166,767	\$ 5,760,644
-	-	-	144,959
-	-	-	7,208
90,890	-	2,363	922,996
<u>435,204</u>	<u>940,050</u>	<u>1,169,130</u>	<u>6,835,807</u>
-	-	-	214,245
<u>435,204</u>	<u>940,050</u>	<u>1,169,130</u>	<u>7,050,052</u>
-	-	-	253,283
5,674	-	10,475	506,007
-	-	-	49,701
-	-	441,077	497,880
<u>5,674</u>	<u>-</u>	<u>451,552</u>	<u>1,306,871</u>
-	-	91,547	167,033
<u>5,674</u>	<u>-</u>	<u>543,099</u>	<u>1,473,904</u>
-	-	-	81,956
<u>429,530</u>	<u>940,050</u>	<u>626,031</u>	<u>5,494,192</u>
<u>\$ 429,530</u>	<u>\$ 940,050</u>	<u>\$ 626,031</u>	<u>\$ 5,576,148</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2025

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Operating revenues			
Charges for services	\$ 879,586	\$ -	\$ 1,967
Reimbursements	636	-	-
Total operating revenues	<u>880,222</u>	<u>-</u>	<u>1,967</u>
Operating expenses			
Supplies and operating expenses	835,980	147,902	6,168
Depreciation/amortization	17,999	-	1,962
Total operating expenses	<u>853,979</u>	<u>147,902</u>	<u>8,130</u>
Operating income (loss)	<u>26,243</u>	<u>(147,902)</u>	<u>(6,163)</u>
Nonoperating revenues (expenses)			
Investment earnings	-	-	-
Interest expense	(269)	-	-
Gain on sale of capital assets	3,201	-	-
Insurance pool distribution	-	-	-
Total nonoperating revenues (expenses)	<u>2,932</u>	<u>-</u>	<u>-</u>
Change in net position	29,175	(147,902)	(6,163)
Net position, beginning of year	<u>181,460</u>	<u>147,902</u>	<u>67,069</u>
Net position, end of year	<u>\$ 210,635</u>	<u>\$ -</u>	<u>\$ 60,906</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 721,462	\$ 254,576	\$ 60,909	\$ 58,338	\$ 24,170
-	-	-	-	-
<u>721,462</u>	<u>254,576</u>	<u>60,909</u>	<u>58,338</u>	<u>24,170</u>
653,397	225,084	66,169	62,055	16,636
11,519	15,678	16,934	14,706	32,275
<u>664,916</u>	<u>240,762</u>	<u>83,103</u>	<u>76,761</u>	<u>48,911</u>
<u>56,546</u>	<u>13,814</u>	<u>(22,194)</u>	<u>(18,423)</u>	<u>(24,741)</u>
-	11,411	-	-	-
-	(287)	-	-	(662)
-	-	-	-	13,001
-	-	-	-	-
<u>-</u>	<u>11,124</u>	<u>-</u>	<u>-</u>	<u>12,339</u>
56,546	24,938	(22,194)	(18,423)	(12,402)
<u>237,505</u>	<u>207,878</u>	<u>192,590</u>	<u>233,398</u>	<u>147,476</u>
<u>\$ 294,051</u>	<u>\$ 232,816</u>	<u>\$ 170,396</u>	<u>\$ 214,975</u>	<u>\$ 135,074</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2025

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Operating revenues			
Charges for services	\$ -	\$ -	\$ 507,740
Reimbursements	59,523	4,482,506	400
Total operating revenues	<u>59,523</u>	<u>4,482,506</u>	<u>508,140</u>
Operating expenses			
Supplies and operating expenses	51,446	4,662,715	585,610
Depreciation/amortization	-	-	-
Total operating expenses	<u>51,446</u>	<u>4,662,715</u>	<u>585,610</u>
Operating income (loss)	<u>8,077</u>	<u>(180,209)</u>	<u>(77,470)</u>
Nonoperating revenues (expenses)			
Investment earnings	-	-	-
Interest expense	-	-	-
Gain on sale of capital assets	-	-	-
Insurance pool distribution	-	-	116,495
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>116,495</u>
Change in net position	8,077	(180,209)	39,025
Net position, beginning of year	<u>45,239</u>	<u>1,935,299</u>	<u>414,253</u>
Net position, end of year	<u>\$ 53,316</u>	<u>\$ 1,755,090</u>	<u>\$ 453,278</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ -	\$ -	\$ -	\$ 2,508,748
<u>380,743</u>	<u>2,060,532</u>	<u>369,877</u>	<u>7,354,217</u>
<u>380,743</u>	<u>2,060,532</u>	<u>369,877</u>	<u>9,862,965</u>
485,978	1,952,995	203,049	9,955,184
<u>-</u>	<u>-</u>	<u>-</u>	<u>111,073</u>
<u>485,978</u>	<u>1,952,995</u>	<u>203,049</u>	<u>10,066,257</u>
<u>(105,235)</u>	<u>107,537</u>	<u>166,828</u>	<u>(203,292)</u>
-	-	-	11,411
-	-	-	(1,218)
-	-	-	16,202
<u>103,219</u>	<u>-</u>	<u>-</u>	<u>219,714</u>
<u>103,219</u>	<u>-</u>	<u>-</u>	<u>246,109</u>
(2,016)	107,537	166,828	42,817
<u>431,546</u>	<u>832,513</u>	<u>459,203</u>	<u>5,533,331</u>
<u>\$ 429,530</u>	<u>\$ 940,050</u>	<u>\$ 626,031</u>	<u>\$ 5,576,148</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2025

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Cash flows from operating activities			
Receipts from interfund services	\$ 880,322	\$ -	\$ 2,266
Payments to vendors	(330,927)	(147,902)	(3,749)
Payments for personnel services	(485,768)	(7,088)	-
Net cash provided by (used in) operating activities	<u>63,627</u>	<u>(154,990)</u>	<u>(1,483)</u>
Cash flows from noncapital financing activities			
Insurance pool distribution	-	-	-
Cash flows from capital and related financing activities			
Principal paid on long-term liabilities	(21,193)	-	-
Interest paid on long-term liabilities	(269)	-	-
Proceeds from sale of capital assets	10,101	-	-
Purchases of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>(11,361)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	52,266	(154,990)	(1,483)
Cash and cash equivalents, beginning of year	<u>195,394</u>	<u>154,990</u>	<u>45,259</u>
Cash and cash equivalents, end of year	<u>\$ 247,660</u>	<u>\$ -</u>	<u>\$ 43,776</u>
Noncash capital and related financing activity			
Lease assets acquired through lease liabilities	<u>\$ 20,772</u>	<u>\$ -</u>	<u>\$ -</u>

Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 721,462	201,779	\$ 60,909	\$ 58,338	\$ 24,170
(542,967)	(98,088)	(63,462)	(58,267)	(16,362)
(87,283)	(116,091)	-	-	-
<u>91,212</u>	<u>(12,400)</u>	<u>(2,553)</u>	<u>71</u>	<u>7,808</u>
-	-	-	-	-
-	(3,681)	-	-	(45,633)
-	(285)	(1)	-	(666)
-	-	-	-	25,435
-	-	(7,123)	-	-
<u>-</u>	<u>(3,966)</u>	<u>(7,124)</u>	<u>-</u>	<u>(20,864)</u>
-	11,411	-	-	-
91,212	(4,955)	(9,677)	71	(13,056)
<u>223,682</u>	<u>208,377</u>	<u>152,404</u>	<u>217,077</u>	<u>164,087</u>
<u>\$ 314,894</u>	<u>\$ 203,422</u>	<u>\$ 142,727</u>	<u>\$ 217,148</u>	<u>\$ 151,031</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,000</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2025

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Cash flows from operating activities			
Receipts from interfund services	\$ 59,523	\$ 5,376,402	\$ 508,140
Payments to vendors	(21,671)	(4,281,540)	(603,587)
Payments for personnel services	(29,633)	(302,512)	-
Net cash provided by (used in) operating activities	<u>8,219</u>	<u>792,350</u>	<u>(95,447)</u>
Cash flows from noncapital financing activities			
Insurance pool distribution	-	-	116,495
Cash flows from capital and related financing activities			
Principal paid on long-term liabilities	-	-	-
Interest paid on long-term liabilities	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	8,219	792,350	21,048
Cash and cash equivalents, beginning of year	<u>46,164</u>	<u>743,829</u>	<u>377,245</u>
Cash and cash equivalents, end of year	<u>\$ 54,383</u>	<u>\$ 1,536,179</u>	<u>\$ 398,293</u>
Noncash capital and related financing activity			
Lease assets acquired through lease liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ 380,743	\$ 2,060,532	\$ 369,877	\$ 10,704,463
(364,201)	-	(39,086)	(6,571,809)
(134,082)	(1,952,995)	(212,887)	(3,328,339)
<u>(117,540)</u>	<u>107,537</u>	<u>117,904</u>	<u>804,315</u>
<u>103,219</u>	<u>-</u>	<u>-</u>	<u>219,714</u>
-	-	-	(70,507)
-	-	-	(1,221)
-	-	-	35,536
-	-	-	(7,123)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,315)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,411</u>
(14,321)	107,537	117,904	992,125
<u>358,635</u>	<u>832,513</u>	<u>1,048,863</u>	<u>4,768,519</u>
<u>\$ 344,314</u>	<u>\$ 940,050</u>	<u>\$ 1,166,767</u>	<u>\$ 5,760,644</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,772</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2025

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 26,243	\$ (147,902)	\$ (6,163)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization expense	17,999	-	1,962
Change in operating assets and liabilities:			
Accounts receivable	100	-	299
Due from other governments	-	-	-
Prepays	(1,317)	-	2,194
Accounts payable	16,840	-	225
Accrued liabilities	3,762	(7,088)	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 63,627</u>	<u>\$ (154,990)</u>	<u>\$ (1,483)</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 56,546	\$ 13,814	\$ (22,194)	\$ (18,423)	\$ (24,741)
11,519	15,678	16,934	14,706	32,275
-	(52,797)	-	-	-
-	-	-	-	-
(6,582)	-	-	(323)	-
29,353	(215)	2,707	4,111	274
376	-	-	-	-
-	11,120	-	-	-
-	-	-	-	-
<u>\$ 91,212</u>	<u>\$ (12,400)</u>	<u>\$ (2,553)</u>	<u>\$ 71</u>	<u>\$ 7,808</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2025

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 8,077	\$ (180,209)	\$ (77,470)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization expense	-	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	901,104	-
Due from other governments	-	(7,208)	-
Prepays	-	(38,102)	(51,122)
Accounts payable	-	122,080	-
Accrued liabilities	142	(5,315)	33,145
Due to other funds	-	-	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 8,219</u>	<u>\$ 792,350</u>	<u>\$ (95,447)</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ (105,235)	\$ 107,537	\$ 166,828	\$ (203,292)
-	-	-	111,073
-	-	-	848,706
-	-	-	(7,208)
(13,603)	-	(2,363)	(111,218)
-	-	(51)	175,324
1,298	-	5,330	31,650
-	-	-	11,120
-	-	(51,840)	(51,840)
<u>\$ (117,540)</u>	<u>\$ 107,537</u>	<u>\$ 117,904</u>	<u>\$ 804,315</u>

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CUSTODIAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

September 30, 2025

	Trust and Agency (701)	Inmate Custodial (714)	Library Penal (721)	Total
Assets				
Cash and cash equivalents	\$ 7,010,649	\$ 62,050	\$ 136,340	\$ 7,209,039
Liabilities				
Accounts payable	100,711	-	-	100,711
Due to other governments	6,909,938	-	-	6,909,938
Undistributed receipts	-	-	136,340	136,340
Total liabilities	<u>7,010,649</u>	<u>-</u>	<u>136,340</u>	<u>7,146,989</u>
Net position				
Restricted for:				
Individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 62,050</u>	<u>\$ -</u>	<u>\$ 62,050</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2025

	Trust and Agency (701)	Inmate Custodial (714)	Library Penal (721)	Total
Additions				
Circuit court juvenile division collections	\$ 2,596	\$ -	\$ -	\$ 2,596
County clerk collections	56,644	-	-	56,644
District court collections	233,990	-	-	233,990
Circuit court clerk collections	85,404	-	-	85,404
Probate court collections	60,596	-	-	60,596
Register of deeds collections	2,094,950	-	-	2,094,950
County treasurer collections	14,520,131	-	-	14,520,131
Sheriff's collections	47,407	-	-	47,407
County jail collections	1,372	-	-	1,372
Other	546	-	-	546
Inmate collections	-	1,102,406	-	1,102,406
Library penal fines collections	-	-	67,096	67,096
Total additions	17,103,636	1,102,406	67,096	18,273,138
Deductions				
Circuit court juvenile division distributions	2,596	-	-	2,596
County clerk distributions	56,644	-	-	56,644
District court distributions	233,990	-	-	233,990
Circuit court clerk distributions	85,404	-	-	85,404
Probate court distributions	60,596	-	-	60,596
Register of deeds distributions	2,094,950	-	-	2,094,950
County treasurer distributions	14,520,131	-	-	14,520,131
Sheriff's distributions	47,407	-	-	47,407
County jail distributions	1,372	-	-	1,372
Other	546	-	-	546
Inmate distributions	-	1,102,053	-	1,102,053
Library penal fines distributions	-	-	67,096	67,096
Total deductions	17,103,636	1,102,053	67,096	18,272,785
Change in net position	-	353	-	353
Net position, beginning of year	-	61,697	-	61,697
Net position, end of year	\$ -	\$ 62,050	\$ -	\$ 62,050

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COMPONENT UNITS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Drain Commissioner Component Unit
September 30, 2025

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Assets				
Cash and cash equivalents	\$ 785,375	\$ 97,067	\$ 47,470	\$ 91,640
Special assessments receivable	1,793,650	-	80,000	80,500
Due from other funds	-	203,160	-	-
Total assets	\$ 2,579,025	\$ 300,227	\$ 127,470	\$ 172,140
Liabilities				
Accounts payable	\$ -	\$ 227	\$ -	\$ 7,750
Due to other funds	203,160	-	-	-
Advance from primary government	-	300,000	-	-
Unearned revenue	93,498	-	-	-
Total liabilities	296,658	300,227	-	7,750
Deferred inflows of resources				
Unavailable revenues - special assessments	1,793,650	-	80,000	80,500
Fund balances				
Restricted for drain maintenance and construction	488,717	-	47,470	83,890
Restricted for debt service	-	-	-	-
Total fund balances	488,717	-	47,470	83,890
Total liabilities, deferred inflows of resources and fund balances	\$ 2,579,025	\$ 300,227	\$ 127,470	\$ 172,140

Diamond Lake Board (847)	Pickereel-Kimball Lakes Board (848)	Ryerson Lake Board (849)	Engel Wright Lake Board (850)	Drain Debt Service (851)	Total
\$ 40,759	\$ 123,864	\$ 16,060	\$ 4,451	\$ 46,598	\$ 1,253,284
18,000	160,000	37,000	16,000	-	2,185,150
-	-	-	-	-	203,160
<u>\$ 58,759</u>	<u>\$ 283,864</u>	<u>\$ 53,060</u>	<u>\$ 20,451</u>	<u>\$ 46,598</u>	<u>\$ 3,641,594</u>
\$ -	\$ 6,530	\$ 3,750	\$ -	\$ -	\$ 18,257
-	-	-	-	-	203,160
-	-	-	-	-	300,000
-	-	-	-	-	93,498
-	6,530	3,750	-	-	614,915
18,000	160,000	37,000	16,000	-	2,185,150
40,759	117,334	12,310	4,451	-	794,931
-	-	-	-	46,598	46,598
<u>40,759</u>	<u>117,334</u>	<u>12,310</u>	<u>4,451</u>	<u>46,598</u>	<u>841,529</u>
<u>\$ 58,759</u>	<u>\$ 283,864</u>	<u>\$ 53,060</u>	<u>\$ 20,451</u>	<u>\$ 46,598</u>	<u>\$ 3,641,594</u>

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Component Unit
Drain Commissioner Component Unit
September 30, 2025

Fund balances - total governmental funds \$ 841,529

Amounts reported for the *component unit* in the statement of net position are different because:

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

Capital assets not being depreciated	65,350
Capital assets being depreciated, net	1,516,079

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

Deferred inflows of resources for special assessments receivable	2,185,150
--	-----------

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

Bonds and notes payable	(1,353,374)
Premium on long-term debt	<u>(14,662)</u>

Net position of component unit \$ 3,240,072

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Drain Commissioner Component Unit
For the Year Ended September 30, 2025

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Revenues				
Special assessments	\$ 256,654	\$ -	\$ 80,000	\$ 80,500
Contributions	91,674	-	-	-
Unrestricted investment earnings	1,193	-	-	-
Total revenues	<u>349,521</u>	<u>-</u>	<u>80,000</u>	<u>80,500</u>
Expenditures				
Current - public works	273,755	-	70,282	36,373
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>273,755</u>	<u>-</u>	<u>70,282</u>	<u>36,373</u>
Revenues over (under) expenditures	75,766	-	9,718	44,127
Other financing sources				
Issuance of long-term debt	-	-	-	-
Net change in fund balances	75,766	-	9,718	44,127
Fund balances, beginning of year	<u>412,951</u>	<u>-</u>	<u>37,752</u>	<u>39,763</u>
Fund balances, end of year	<u>\$ 488,717</u>	<u>\$ -</u>	<u>\$ 47,470</u>	<u>\$ 83,890</u>

Diamond Lake Board (847)	Pickereel-Kimball Lakes Board (848)	Ryerson Lake Board (849)	Engel Wright Lake Board (850)	Drain Debt Service (851)	Total
\$ 18,000	\$ 160,000	\$ 37,000	\$ 16,000	\$ 136,583	\$ 784,737
-	10,000	-	-	-	101,674
-	-	-	-	-	1,193
<u>18,000</u>	<u>170,000</u>	<u>37,000</u>	<u>16,000</u>	<u>136,583</u>	<u>887,604</u>
17,930	613,329	35,891	12,641	-	1,060,201
-	54,126	-	-	98,400	152,526
-	5,901	-	-	34,364	40,265
<u>17,930</u>	<u>673,356</u>	<u>35,891</u>	<u>12,641</u>	<u>132,764</u>	<u>1,252,992</u>
70	(503,356)	1,109	3,359	3,819	(365,388)
-	475,500	-	-	-	475,500
70	(27,856)	1,109	3,359	3,819	110,112
<u>40,689</u>	<u>145,190</u>	<u>11,201</u>	<u>1,092</u>	<u>42,779</u>	<u>731,417</u>
<u>\$ 40,759</u>	<u>\$ 117,334</u>	<u>\$ 12,310</u>	<u>\$ 4,451</u>	<u>\$ 46,598</u>	<u>\$ 841,529</u>

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Component Unit
Drain Commissioner Component Unit
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ 110,112

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (106,584)

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

Change in deferred inflows of resources for special assessments receivable (70,390)

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

Principal payments on bonds and notes payable 152,526

Amortization of premium on long-term debt 1,165

Issuance of long-term debt (475,500)

Change in net position of component unit \$ (388,671)

COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2025

	Governmental Fund (243)	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 55,113	\$ -	\$ 55,113
Liabilities			
Accounts payable	\$ 424	-	424
Due to other governments	421	-	421
Total liabilities	<u>845</u>	<u>-</u>	<u>845</u>
Fund balance			
Unassigned	<u>54,268</u>	<u>(54,268)</u>	
Total liabilities and fund balances	<u>\$ 55,113</u>		
Net position			
Unrestricted		<u>\$ 54,268</u>	<u>\$ 54,268</u>

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance /

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2025

	Governmental Fund (243)	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 26,918	\$ -	\$ 26,918
Charges for services	13,052	-	13,052
Total revenues	39,970	-	39,970
Expenditures / expenses			
Community and economic development	47,080	-	47,080
Net change in fund balance / net position	(7,110)	-	(7,110)
Fund balance/net position, beginning of year	61,378	-	61,378
Fund balance/net position, end of year	<u>\$ 54,268</u>	<u>\$ -</u>	<u>\$ 54,268</u>

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County of
Newaygo,
Michigan



Year Ended
September 30,
2025

Single Audit Act
Compliance

Rehmann

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards	4
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>	6
Independent Auditors' Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	8
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	14



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

March 6, 2026

Board of Commissioners
County of Newaygo, Michigan
White Cloud, 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 Newaygo, Michigan** (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 6, 2026, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Loborn LLC



COUNTY OF NEWAYGO, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Forest Service School and Roads Cluster:					
Title I, Federal Fiscal Year 2024	10.665	MDNR	-n/a-	\$ 53,153	\$ 53,153
Title III, Federal Fiscal Year 2019	10.665	MDNR	-n/a-	-	3,426
				<u>53,153</u>	<u>56,579</u>
State and Private Forestry Hazardous Fuel Reduction Program	10.697	Direct	23-DG-11094200-462	-	177,500
Law Enforcement Agreements	10.704	Direct	21-LE-11090400-019	-	2,600
Total U.S. Department of Agriculture				<u>53,153</u>	<u>236,679</u>
U.S. Department of the Interior					
Payments in Lieu of Taxes	15.226	Direct	-n/a-	-	168,702
U.S. Department of Justice					
Bullet Proof Vest Partnership Program - 2024	16.607	Direct	-n/a-	-	3,113
U.S. Department of Transportation					
Metropolitan Transportation Planning and State	20.505	MDOT	MI-2022-037-02	-	54,936
Formula Grants for Rural Areas and Tribal Transit Programs	20.509	MDOT	MI-2020-008-07	-	3,575
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individual with Disabilities Program	20.513	MDOT	MI-2023-037	-	149,433
Hazardous Materials Emergency Preparedness Grant	20.703	MSP	693JK32240063HMEP	-	1,920
Total U.S. Department of Transportation				-	<u>209,864</u>
U.S. Department of Treasury					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	-n/a-	-	1,482,111
U.S. Department of Health and Human Services					
Aging Cluster:					
Part B - Transportation	93.044	AAAWM	61.78	-	328
Part B - Transportation	93.044	AAAWM	61.78	-	25,500
Part B - Transportation	93.044	AAAWM	61.78	-	1,295
Adult Day Care	93.044	AAAWM	61.78	-	691
Adult Day Care	93.044	AAAWM	61.78	-	1,882
				<u>-</u>	<u>29,696</u>
Part C1 - Congregate Meals	93.045	AAAWM	61.78	-	57,265
Part C2 - Home Delivered Meals	93.045	AAAWM	61.78	-	112,779
Part C2 - Home Delivered Meals	93.045	AAAWM	61.78	-	17,354
				<u>-</u>	<u>187,398</u>
Total Aging Cluster				-	<u>217,094</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Concluded)					
Medicare Enrollment Assistance Program	93.071	MMAP	2401MIMISH / 2401MIMIAA	\$ -	\$ 650
Child Support Enforcement:					
Title IV-D - Incentive Payments	93.563	MDHHS	-n/a-	-	102,705
Title IV-D - Friend of the Court	93.563	MDHHS	CSFOC-24-62001	-	399,622
Title IV-D - Prosecuting Attorney	93.563	MDHHS	CSPA-24-62002	-	93,553
				<u>-</u>	<u>595,880</u>
Total U.S. Department of Health and Human Services				<u>-</u>	<u>813,624</u>
U.S. Department of Homeland Security					
Marine Safety Program:					
Fiscal Year 2025 Award	97.012	MDNR	MS25-050	-	15,550
Homeland Security Grant Program:					
2022 Equipment	97.067	WMRMC	EMW-2022-SS-0031-S01	-	23,846
Total U.S. Department of Homeland Security				<u>-</u>	<u>39,396</u>
Total Expenditures of Federal Awards				<u>\$ 53,153</u>	<u>\$ 2,953,489</u>

concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule"), includes the federal grant activity of the County of Newaygo, Michigan (the "County"), under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's financial statements. The County's financial statements include the operations of the Newaygo County Road Commission and the Newaygo Medical Care Facility discretely presented component units, which received federal awards that are not included in the Schedule for the year ended September 30, 2025, as these entities were separately audited.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the County has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. RECONCILIATION TO FINANCIAL STATEMENTS

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

Federal revenue as reported in the financial statements:	
Governmental funds	\$ 2,901,289
Federal revenue reported as component unit operating grants and contributions	<u>52,200</u>
Federal expenditures as reported in the Schedule	<u><u>\$ 2,953,489</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

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

Pass-through Agency Abbreviation	Pass-through Agency Name
AAAWM	Area Agency on Aging of Western Michigan, Inc.
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MMAP	Michigan Medicare/Medicaid Assistance Program
MSP	Michigan State Police
WMRMC	West Michigan Regional Medical Consortium



**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***

March 6, 2026

Board of Commissioners
County of Newaygo, Michigan
White Cloud, 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 Newaygo, Michigan** (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 6, 2026. Our report includes a reference to other auditors who audited the financial statements of the Newaygo County Road Commission and the Newaygo Medical Care Facility discretely presented component units as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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



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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

March 6, 2026

Board of Commissioners
County of Newaygo, Michigan
White Cloud, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the compliance of the **County of Newaygo, Michigan** (the "County"), with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2025. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

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



Other Matter – Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Newaygo County Road Commission and the Newaygo Medical Care Facility, which expended federal awards which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2025. Our compliance audit, described in the "Opinion on the Major Federal Program," does not include the operations of the Newaygo County Road Commission and the Newaygo Medical Care Facility because they arranged for separate audits. The Newaygo County Road Commission and the Newaygo Medical Care Facility did not meet the criteria for an audit of compliance.

Responsibilities of Management for Compliance

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

Independent Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

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

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of the Major Program

Assistance Listing Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,000,000

Auditee qualified as low-risk auditee? X yes no

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

COUNTY OF NEWAYGO, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2025

None reported.



INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 6, 2026

Board of Commissioners
County of Newaygo, Michigan
White Cloud, 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 Newaygo, Michigan** (the "County"), as of and for the year ended September 30, 2025, and have issued our report thereon dated March 6, 2026. We did not audit the financial statements of the Newaygo County Road Commission or the Newaygo Medical Care Facility. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions on the financial statements and this report, insofar as they relate to the Newaygo County Road Commission and the Newaygo County Medical Care Facility, are based solely on the reports of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 5, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated March 6, 2026.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on December 8, 2025.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the County's Significant Accounting Practices

Significant Accounting Policies

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

The County changed accounting policies related to accounting for the liability for compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was the assumptions used in the actuarial valuations of the other postemployment benefits (OPEB) plan, which are based on historical trends and industry standards.

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

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

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

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

Very truly yours,

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

COUNTY OF NEWAYGO, MICHIGAN

Attachment A - Upcoming Changes in Accounting Standards / Regulations

For the September 30, 2025 Audit

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

GASB 103 ■ Financial Reporting Model Improvements

Effective 06/15/2026 (your FY 2026)

This standard establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following: a. management's discussion and analysis (MD&A), b. unusual or infrequent items, c. presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, d. information about major component units in basic financial statements, e. budgetary comparison information, and f. financial trends information in the statistical section.

GASB 104 ■ Disclosure of Certain Capital Assets

Effective 06/15/2026 (your FY 2026)

This standard requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, requires certain intangible assets to be disclosed separately by major class, and requires additional disclosures for capital assets held for sale.

GASB 105 ■ Subsequent Events

Effective 06/15/2027 (your FY 2027)

This standard defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued, modifies the subsequent events time frame throughout the GASB literature, and also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.



COUNTY OF NEWAYGO, MICHIGAN

Attachment B - Management Representations

For the September 30, 2025 Audit

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



Office of Administration

P.O. BOX 885
1087 NEWELL
WHITE CLOUD, MICHIGAN 49349
FAX (231) 689-7205
PHONE (231) 689-7234

March 6, 2026

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

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Newaygo, Michigan* (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 6, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 5, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to the nonattest services provided, which include any assistance you provided in drafting the financial statements and related notes, proposing standard, adjusting or conversion journal entries, and assistance in completing portions of the Data Collection form, we have performed the following:
 - a. Made all management decisions and performed all management functions;

- b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
 7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
 8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
 9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
 10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
 11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
 12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
 13. All funds and activities are properly classified.
 14. All funds that meet the quantitative GASB criteria for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
 15. All components of net position and fund balance classifications have been properly reported.
 16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
 18. All interfund and intra-entity transactions and balances have been properly classified and reported.
 19. Deposit and investment risks have been properly and fully disclosed.

20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. We are responsible for the fair presentation of the County's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the County's participation in the plan, and have reviewed the information provided by MERS for inclusion in the County's financial statements.
24. There were no omissions from the participants' data provided to the single-employer OPEB Plan's actuary for the purpose of determining the actuarial present value of the Plan's benefit obligations and the other actuarially determined amounts in the financial statements.
25. The single-employer OPEB Plan's administrator agrees with the actuarial methods and assumptions and methods used by the actuary for funding purposes and for determining the Plan's benefit obligations and has no knowledge or belief that such methods or assumptions are inappropriate in the circumstances. We did not give any, nor cause any, instructions to be given to the Plan's actuary with respect to the values of amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plan's actuary.
26. The following have been properly recorded and disclosed in the financial statements:
 - a. The actuarial methods or assumptions used in calculating amounts recorded or disclosures in the financial statements.
 - b. Changes in the single-employer OPEB Plan's provisions between the actuarial valuation date and the date of this letter.
27. All required filings of the single-employer OPEB Plan's documents with the appropriate agencies have been made.
28. The single-employer OPEB Plan (and the trust established by the Plan) is qualified under the appropriate section of the internal revenue code and we intend to continue as a qualified plan (and trust). The Plan sponsor has operated the Plan in a manner that did not jeopardize this tax status.
29. The single-employer OPEB Plan has complied with the Department of Labor's regulations concerning the timely remittance of participants' contributions to trusts containing assets of the Plan.
30. The single-employer OPEB Plan's management has obtained and reviewed the relevant service auditor's SOC-1 reports and management is performing the applicable user control.

Information Provided

31. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.

32. All transactions have been recorded in the accounting records and are reflected in the financial statements.
33. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
34. We have no knowledge of any fraud or suspected fraud that affects the County and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
35. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
36. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
37. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
38. We have a process to track the status of audit findings and recommendations.
39. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
40. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
41. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
42. We have disclosed to you the identity of the County's related parties and all the related party relationships and transactions of which we are aware.
43. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
44. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
45. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
46. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
47. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
48. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
49. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
50. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
51. We have conducted a comprehensive risk assessment and determined that no material concentrations or constraints are required to be disclosed in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the County's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
52. We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events, if any.

Supplementary Information in Relation to the Financial Statements as a Whole

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

Required Supplementary Information

54. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.

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

Uniform Guidance (2 CFR 200)

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

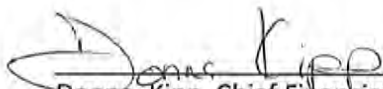
- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the County of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.

- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine if they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have issued management decisions timely after the receipt of subrecipients' auditor reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that the subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- w. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- x. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- y. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- z. The reporting package does not contain protected personally identifiable information.
- aa. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- bb. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- cc. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



Christopher Wren, County Administrator



Donna, Kipp, Chief Financial Officer