

County of
Muskegon,
Michigan



Year Ended
September 30,
2020

Comprehensive
Annual Financial
Report





County of Muskegon, Michigan

Comprehensive Annual Financial Report
For the Year Ended September 30, 2020

Prepared by
Department of Finance and Management Services/Accounting

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Director of Finance/Assistant County Administrator

Dwight D. Avery, CPA, CCM, CGFM
Accounting Manager

COUNTY OF MUSKEGON, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

Principal Officials

As of March 29, 2021

BOARD OF COMMISSIONERS

Robert N. Scolnik, Chair (District 4)
Charles Nash, Vice Chair (District 6)
Rillastine R. Wilkins (District 1)
Marcia Hovey-Wright (District 2)
Susie Hughes (District 3)
Zach Lahring (District 5)
Malinda Pego (District 7)
Doug Brown (District 8)
Kim Cyr (District 9)

JUDICIARY

14th Circuit Court Judges

Timothy G. Hicks, Chief Judge
Annette R. Smedley, Pro Tem
William C. Marietti
Kathy L. Hoogstra*

* Family Division Judge also

60th District Court Judges

Raymond L. Kostrzewa, Jr., Chief Judge
Maria Ladas Hoopes, Pro Tem
Paula B. Mathes
Geoffrey T. Nolan

Probate Court Judges

Gregory C. Pittman, Presiding Judge*
Brenda E. Sprader*

OTHER ELECTED OFFICIALS

Michael J. Poulin
County Sheriff

Tony Moulatsiotis
County Treasurer

D.J. Hilson
Prosecutor

Mark F. Fairchild
Register of Deeds

Timothy W. DeMumbrum
County Surveyor

Nancy A. Waters
County Clerk

Brenda M. Moore
Water Resources Commissioner

ADMINISTRATION

Mark E. Eisenbarth
County Administrator

Beth M. Dick, CPA
Director of Finance/Assistant County Administrator

MUSKEGON COUNTY

M I C H I G A N

BOARD OF COMMISSIONERS

Robert Scolnik
Chair, District 4

Charles Nash
Vice Chair, District 6

Rillastine R. Wilkins
District 1

Marcia Hovey-Wright
District 2

Susie Hughes
District 3

Zach Lahring
District 5

Malinda Pego
District 7

Doug Brown
District 8

Kim Cyr
District 9

March 29, 2021

To the Citizens, Administrator Mark Eisenbarth and
the Board of Commissioners of the County of Muskegon:

State law requires that all general-purpose local governments in Michigan publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the County of Muskegon, Michigan for the fiscal year ended September 30, 2020.

Management Responsibility

This report consists of management's representations concerning the finances of the County of Muskegon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County of Muskegon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit

The County of Muskegon financial statements have been audited by Rehmann Robson, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Muskegon for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Muskegon financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

PROFILE OF MUSKEGON COUNTY GOVERNMENT

The County of Muskegon, incorporated in 1859, is located in the western part of Michigan at the intersection of U.S. Highway 31 and Interstate 96 along the shoreline of Lake Michigan. The county is a top tourist destination serving approximately 174,000 residents within an area of 527 square miles. The County of Muskegon is governed by an elected Board of Commissioners consisting of a Board Chair and eight other members. The County Board is empowered to levy a property tax on both real and personal property located within the county.

Policy-making and legislative authority are vested in the County Commission. The Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the County Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County and for overseeing the day-to-day operations of the County. The Commissioners are elected on a partisan basis by district. Commission members serve two-year terms.

The Board of Commissioners adopts an annual budget. The annual budget serves as a foundation for the County of Muskegon's financial planning and control. A narrative of the budget process is presented in the notes to financial statements section of this report.

Reporting Entity and Services

As required by generally accepted accounting principles, these financial statements present the County of Muskegon primary government and related component units. The individual component units are included in the County's reporting entity because of their operational or financial relationships with the County.

The County provides a wide range of municipal services. These services include general government, judicial, public safety, public works, health and welfare, community and economic development, recreation and culture, wastewater treatment, solid waste disposal, transportation (airport and bus services) and general administrative services. In addition to general government activities, because of the significance of their operational and financial relationship, the Muskegon County Road Commission, the Office of the Muskegon County Water Resources Commissioner and the Muskegon County Land Bank Authority are included in the reporting entity.

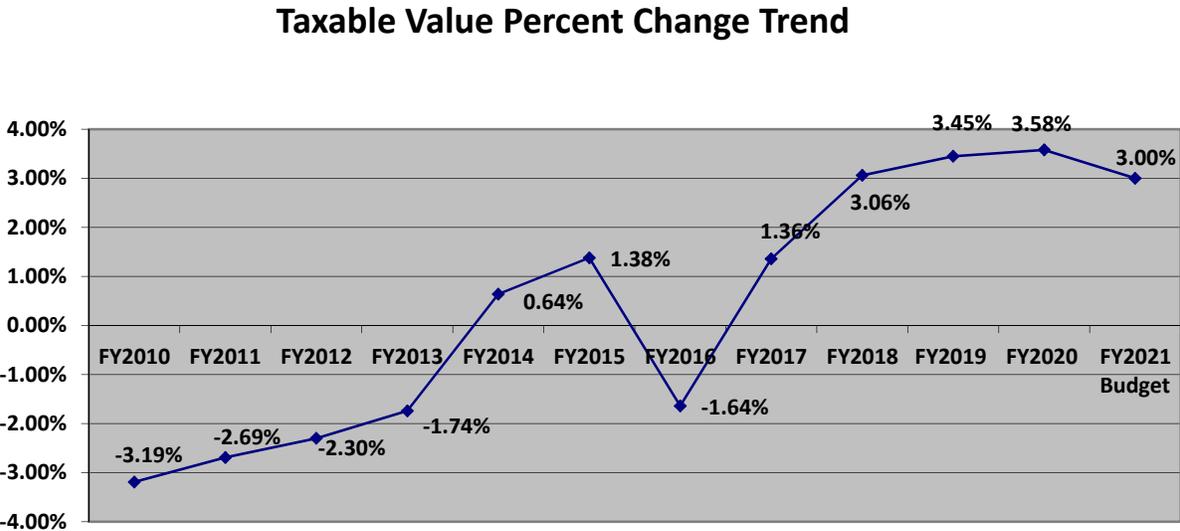
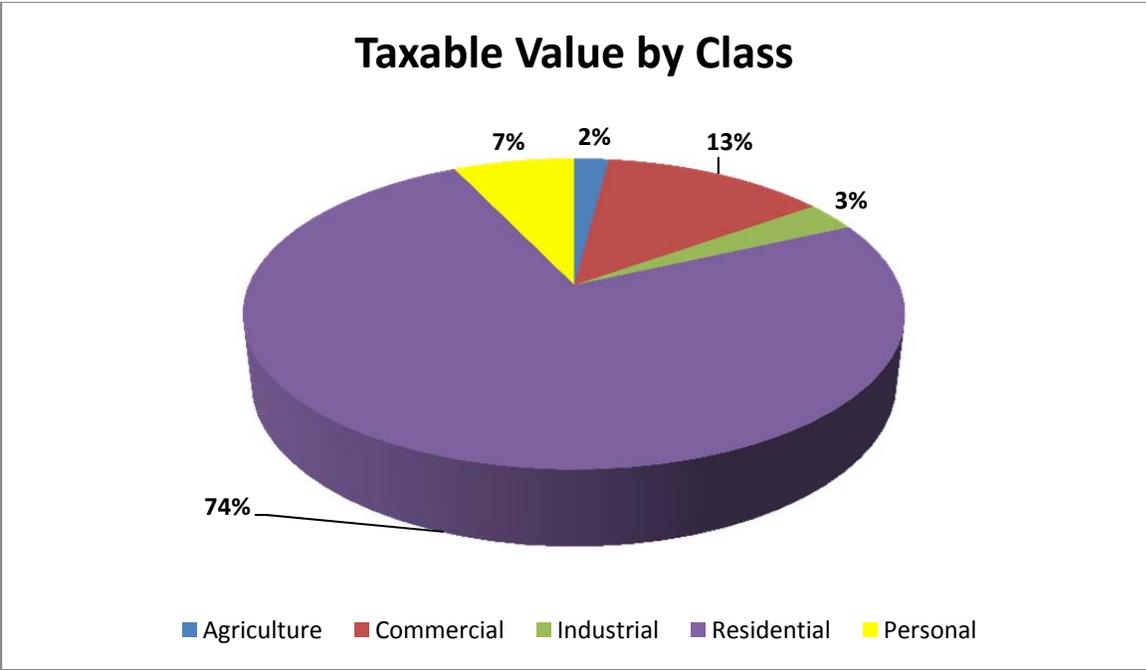
FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Like other counties in the state, Muskegon County was significantly impacted by the economic downturn that began in 2008. As depicted in the following graphs, taxable values declined from 2010 through 2013 until they finally began to rise again beginning in 2014. Total General Fund property tax revenues have exceeded 2008 revenues beginning with fiscal 2018. Although the COVID-19 pandemic impacted County operations in many ways, property tax revenues were not significantly impacted in FY2020. The County's tax base is primarily residential which has continued to expand even during the pandemic.

COUNTY OF MUSKEGON, MICHIGAN

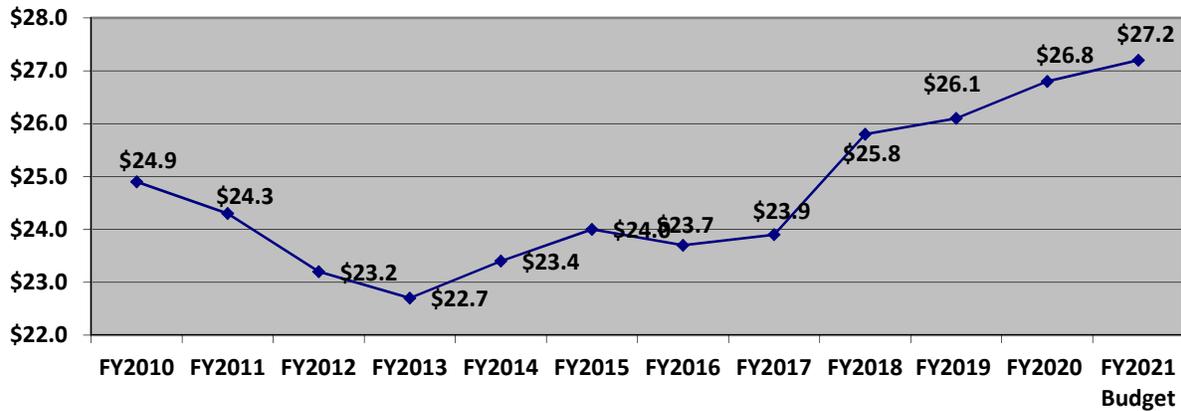
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COUNTY OF MUSKEGON, MICHIGAN

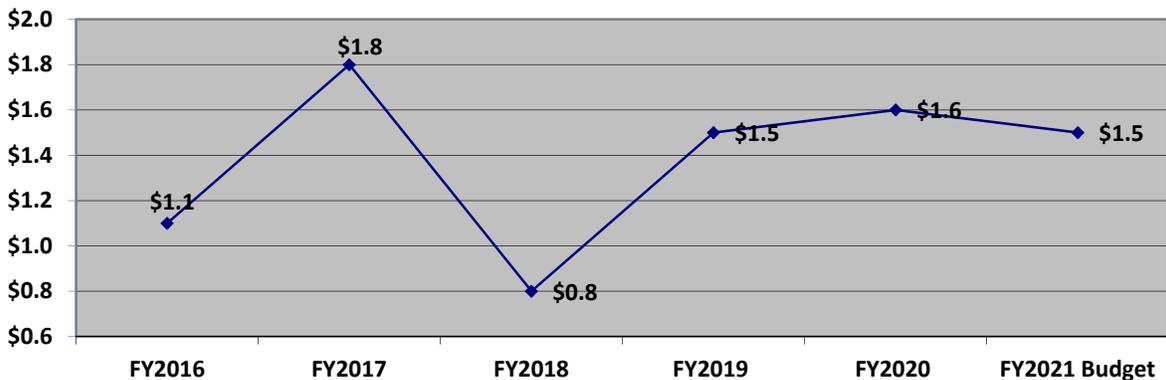
Transmittal Letter

General Fund Property Tax Revenue Trend (in millions)



The decrease in taxable values again in 2016 was the result of the Personal Property Tax Reform passed by the State of Michigan. This law caused a reduction in property tax revenues from those taxpayers that filed for personal property exemptions. Included in the reform was a component that the State would reimburse municipalities for those personal property tax losses. The graph below illustrates the reimbursements the County has received since the reform went into effect.

General Fund Personal Property Tax Reimbursement (in millions)



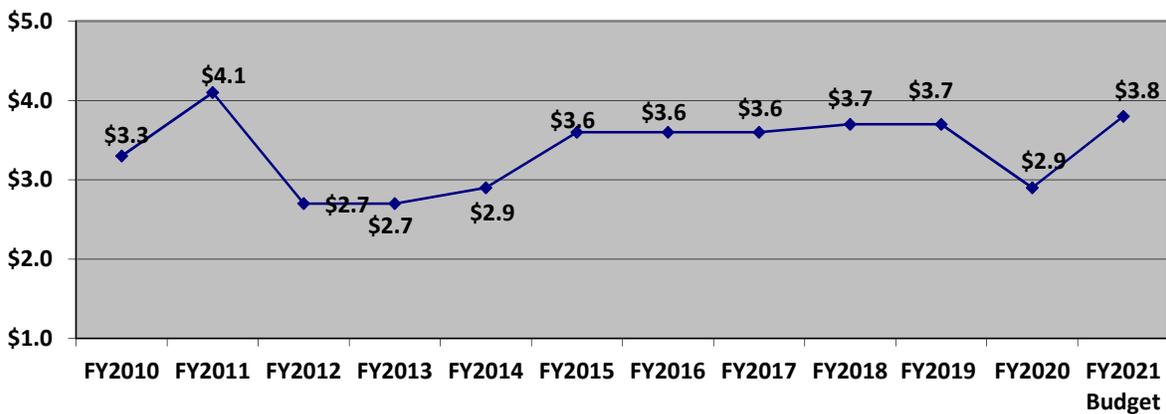
Fiscal year 2020 began the year with Muskegon County unemployment at 3.9% and ended the year at 10.2% due to the impact of the COVID-19 pandemic. By December 2020 the unemployment rate dropped to 6.7% as the virus continued to subside and industries and businesses brought employees back to work.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

The State of Michigan’s financial condition also has a significant impact on the County’s budget. Revenue sharing distributions to counties has not been a consistent revenue stream over the last several years. The graph below illustrates that after achieving a high point in FY2011, these revenues had gradually recovered back to almost that same level. Then in FY2020 as a result of COVID-19, the State reduced revenue sharing payments to counties in order to fill a State budget gap. This resulted in a reduction of approximately \$890,000 in revenues to the General Fund. This reduction was offset by the receipt of Coronavirus Relief Local Government Grant funds of \$1.370 million through the CARES Act which was used to cover eligible public safety payroll costs during the year.

General Fund State Revenue Sharing Trend (in millions)



In addition, for fiscal year 2020 the State required that the traditional revenue sharing payments be contingent upon meeting the requirements of the “County Incentive Program” (CIP). This required that the County provide the following:

1. A *Citizen’s Guide* showing most-recent local finances and recognition of unfunded liabilities
2. A *Performance Dashboard* of key performance indicators
3. A *Debt Service Report* showing details of all debt, including type of debt, issuance date and amount, pledged revenues, and debt service payment schedules
4. A *Projected Budget Report* displaying current year budget, as well as next year projections

The County complied with all of these CIP requirements.

COVID-19 Impact

Fiscal 2020 was challenging both financially and operationally due to the COVID-19 pandemic. The County Board and staff had to quickly navigate how to continue to provide essential county services while still following all state mandated restrictions and keeping both the public and employees safe. All county employees rose to the occasion from adapting to working from home to conducting county business through virtual meetings. Capacity adjustments were made from the number of inmates in the jail to the number of passengers on the county buses.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

COVID-19 restrictions impacted County finances from decreases in state revenue sharing, charges for services in various county departments, as well as hotel tax revenues. County staff applied for and received numerous CARES Act grants that helped to offset those revenue losses and cover COVID-19 related expenditures. In addition, approximately 400 county employees participated in furloughs from April through September and some beyond with the goal of reducing expenditures in the face of the uncertain magnitude of revenue losses. All of these measures contributed to the ability of the County to successfully continue to provide services in a fiscally responsible manner.

Long-term financial planning

Since the County Board contracted with a consultant to prepare a five-year financial forecast of the General Fund (FY2018-FY2022), many steps have been taken toward implementing several of the recommendations from that report to improve the financial outlook. The purpose of the five-year forecast was to gain a better understanding of the financial direction the County's General Fund was headed and to allow time for corrective action to be taken if necessary. The consultant reviewed several years of historical financial information looking at revenue and expenditure trends. Regional economic data was utilized to project future property tax revenues and develop assumptions for wage and benefit projections. The results of the consultant's forecast revealed that the general outlook for Muskegon County's General Fund for the following five years was unsustainable. The report showed overall revenues were expected to remain fairly stagnant increasing only about 0.4% per year. Expenditures however were expected to increase significantly due primarily to the debt service obligations related to the County Jail and Juvenile Transition Center (JTC) as well as defined benefit pension contributions to the Municipal Employees' Retirement System of Michigan (MERS). The original forecast revealed that the consistent disparity between revenues and expenditures would have resulted in the depletion of General Fund reserves within the following five years if no action were taken.

Recommendations from the consultant's report for improving the financial projection of the General Fund included:

Recommendation	Action Taken	Result
Reduce appropriations/subsidies to other funds by exploring special millage options	Placed a millage proposal for a youth and family services millage on the November 2017 ballot to generate \$4.3 million and replace the General Fund appropriation to the Child Care Fund.	<ul style="list-style-type: none"> • The millage was not approved by the voters. • The County will continue to explore other millage opportunities in the future including a Headlee override.
Restructure the Jail/JTC bond issue	During FY2018, the County issued new taxable bonds through the County Building Authority that defeased the original series 2013 \$38.9 million bond issue.	<ul style="list-style-type: none"> • Reduced the debt service interest rate from 4.75% to 3.93%. • Reduced the annual debt service payment that originally escalated to \$6.2 million by FY2026 to a more manageable annual debt service payment of \$2.7 million.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

Recommendation	Action Taken	Result
Consider the option of issuing pension bonds to minimize the impact of significant projected increases in pension contributions	During FY2019 the County implemented a comprehensive plan to reduce retirement costs which included the following: a) Negotiated with 5 of 9 unions to reduce their pension benefit for future years b) Made a \$6.9 million lump sum pension contribution from the Wastewater fund c) Issued \$43 million in pension obligation bonds	<ul style="list-style-type: none"> Increased the County's defined benefit plan funding level from 65% to 81%. Lowered the annual defined benefit pension costs including the debt service payments to an average of \$7.7 million from the MERS projected amount of \$10.2 million in FY2020 and increasing \$1 million per year thereafter peaking at \$20 million by FY2029.
Explore options for reducing the cost of retiree health insurance premiums	Through union contract negotiation eliminated the high cost medical plan option for all future retirees and kept the HSA option. In addition, changed providers for the Medicare Advantage program for post 65 retirees.	<ul style="list-style-type: none"> Change in Medicare Advantage program provider resulting in an annual savings of \$1.9 million in retiree medical costs. Increased County's OPEB plan from 40.7% to 93.1% funded as of 9/30/20.
Research new or increased revenue generating opportunities such as updating fees, selling assets and renting County Jail bed space to federal and state prisoners	The County has actively pursued the sale of various assets such as the building formerly known as Brookhaven Medical Care Facility as well as various former mental health group homes and business park land properties.	<ul style="list-style-type: none"> Proceeds from these asset sales are utilized to fund other capital improvement needs throughout the County. Efforts to rent additional jail bed space to federal and state prisoners have yet to achieve any results.
Limit funding for capital improvements	Annual budgets include minimal funds for capital improvements in order to maximize funding needed for operations.	<ul style="list-style-type: none"> Relied on proceeds from sale of assets to fund critical capital improvements.

Significant financial progress has been made over the past four years. County department heads, elected officials, administrative staff and the County Board of Commissioners are committed to continuing these efforts of improving the County's overall financial outlook while protecting the County's core services.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

MAJOR INITIATIVES

Even in the face of a global pandemic the County Board continued to make decisions and implement changes with the vision and goals of the 5 year strategic plan that was developed in 2017 in mind. As part of the strategic plan process the Board was asked to describe a vision of what Muskegon County would look like to a visitor in the year 2022. The following table describes their vision, the 5 major goal areas identified to achieve the vision and examples of accomplishments toward those goals:

Vision	Goal Area	Status
Connected with other municipalities through coordinated infrastructure including transportation, energy, water, sewer and internet	Infrastructure Maintenance and Expansion Citizen Customer Service	<ul style="list-style-type: none"> • Dalton Township connected Michigan's Adventure to send flow to Wastewater System • Channel Crossing project in progress to create redundancy to Northside water system • Completed a Transit System Route Study to develop a more efficient, cost effective system to better serve the citizens. Began the implementation of the recommendations from this study in September 2020 which included streamlining the bus route system.
Be a vibrant high-tech manufacturing center focusing on workforce development and technology education	Economic Development	<ul style="list-style-type: none"> • Supported economic development of over \$1 billion in investments county-wide
The Port of Muskegon will have increased activity from tourism, shipping, retail and housing	Economic Development	<ul style="list-style-type: none"> • Served as a port for Great Lakes cruise ships for 14 ports of call in 2019. Ports of call for 2020 were suspended due to COVID-19. • New housing construction has increased from 277 in 2018 to 333 in 2019
Increased services to senior citizens	Citizen Customer Service	<ul style="list-style-type: none"> • Upon approval of the senior millage in 2016, created the Senior Activities Committee that has distributed \$8 million in funds for services to seniors
Mobile and changing workforce with staff sustainability	Citizen Customer Service	<ul style="list-style-type: none"> • Implemented several wage and benefit changes through the most recent union contract negotiations

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

Vision	Goal Area	Status
Improved interaction and collaboration with other local and regional governments to increase participation in the regional economy	Expanded Community Coordination & Communication Economic Development	<ul style="list-style-type: none"> • Continued participation in the development agreement with the City of Muskegon and a local hotel owner to build a \$22 million downtown convention center scheduled to be completed in April 2021. • Continued discussions on Class II Casino operation with the Little River Band of Ottawa Indians. Federal approval achieved in 2020. State approval is needed. • Collaborated with municipality leadership and private stakeholders to reorganize and create Muskegon Area First 2.0
Improved financial stability	Financial Stability & Sustainability	<ul style="list-style-type: none"> • Refinanced Jail/JTC Debt - 2018 • Maintain AA bond rating • Lowered annual pension costs - defined benefit plan • Raised the General Fund unassigned fund balance from 16.5% in 2015 to 18.9% in 2020 • Implemented medical insurance plan changes

VanDyke Mortgage Convention Center-Downtown Muskegon



A major initiative that the County continues to be involved in is a public/private partnership with the City of Muskegon and Parkland Properties for the development of a \$22 million convention center attached to a downtown hotel and ice arena. Through an intergovernmental agreement, the City of Muskegon issued bonds in October 2019 to finance the construction of the VanDyke Mortgage Convention Center with the County transferring accommodations

taxes from downtown hotels to fund the City’s scheduled debt service payments. The hotel owner Parkland Properties invested \$8 million in improvements into the downtown hotel, rebranded as Delta Hotels by Marriott Muskegon Downtown.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

The convention center, which broke ground in the spring of 2019, will offer 20,000 square feet of meeting space including breakout rooms and pre-function space. The attached hotel offers an additional 10,000 square feet of meeting space, 200 guest rooms and a 200 seat restaurant. Located within walking distance of the new convention center are another 140 hotel rooms, 20 restaurants, the historic Frauenthal Center for the Performing Arts, the Mercy Health Arena and much more. The downtown convention center is designed to meet the needs of groups requiring space for up to 1,000 attendees. Completion is scheduled for April 2021.

Dune Harbor Park

An additional opportunity to promote tourism and recreation within the County was presented to the Parks Department during FY2020 that would expand its recreational offerings to residents and visitors through a land acquisition. The Nugent Sand property is a 322-acre former sand mine with two inland lakes, forested acreage, critical shoreline sand dunes, and approximately 2,000 feet of Lake Michigan frontage.

After initial discussions with the landowner and the Land Conservancy of West Michigan, the County Board of Commissioners gave the Parks Department approval to submit a 2020 application for a Michigan Natural Resources Trust Fund (MNRTF) request for \$10 million to acquire the property. The landowner agreed to a generous donation of 33% of the total cost of the property.

In December 2020, the MNRTF Board of Directors granted Muskegon County \$5 million toward the project, and the County is submitting a 2021 grant for the additional \$5 million from the original request to complete the sale.

The 2020 grant will allow the County to close on Phase I of the project, the "South Lake." Close is expected by November 2021, at which time the Parks Department will have 90 days to open the South Lake portion of the property. The MNRTF Board of Directors will announce the recipients of the 2021 grants in December 2021.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 44th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance and Management Services Department, as well as the staff throughout the County responsible for financial management and reporting, and the capable assistance of independent auditors. Each participant has our sincere appreciation for the contributions made in the preparation of this report. In addition, we would like to recognize the County Board of Commissioners for its leadership and support in the management and reporting of the County.

Respectfully submitted,

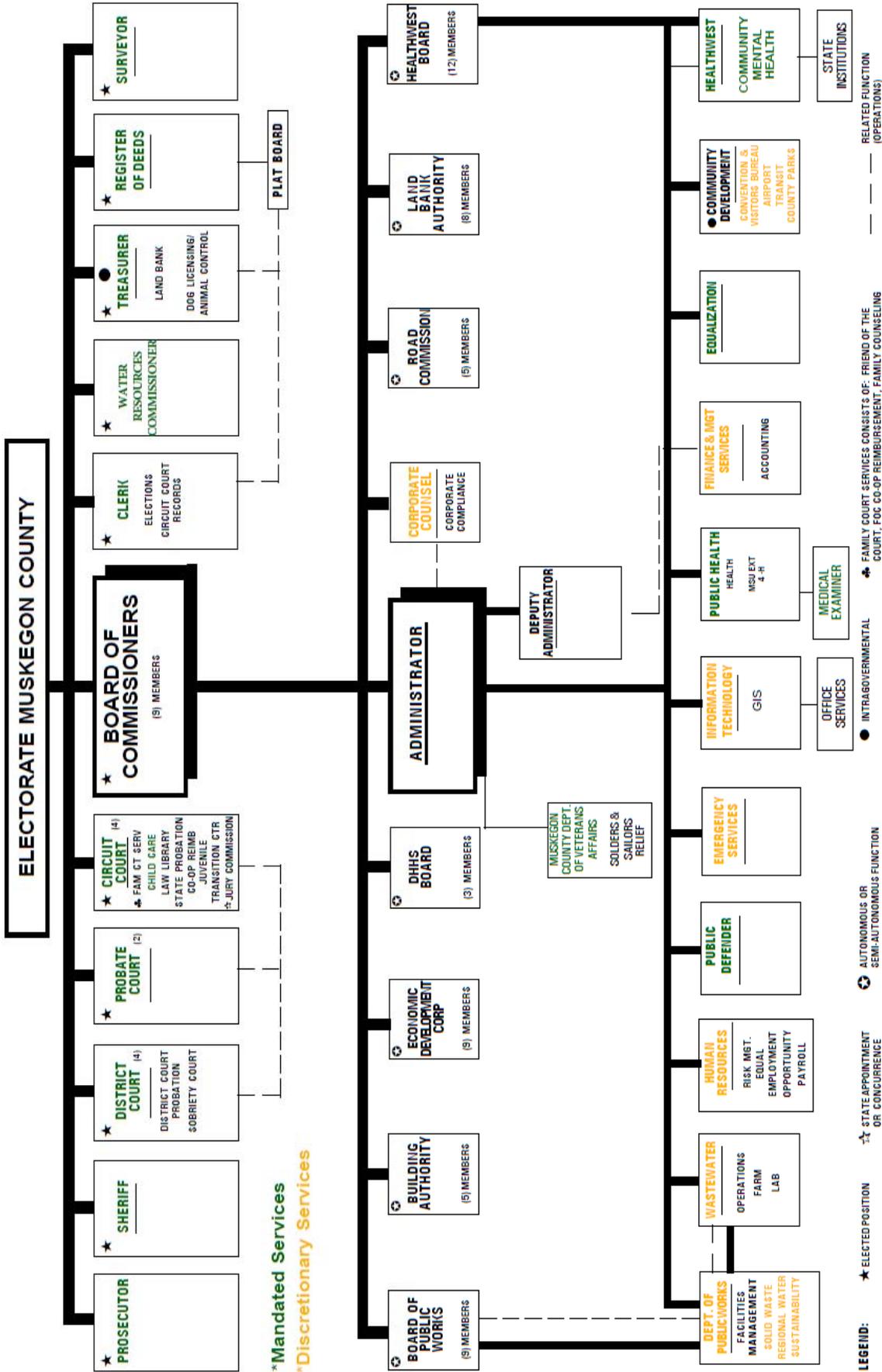


Beth M. Dick, CPA
Director of Finance/Assistant County Administrator



Dwight D. Avery, CPA, CCM, CGFM
Accounting Manager

2020 ORGANIZATIONAL CHART



*Mandated Services
*Discretionary Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Muskegon
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 29, 2021

Honorable Members of the
Board of Commissioners
of the County of Muskegon, Michigan
Muskegon, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, a discretely presented component unit, which represents 77 percent, 85 percent, and 86 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. In addition, we did not audit the financial statements of the HealthWest fund, a major special revenue fund and therefore its own separate opinion unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission and the HealthWest special revenue fund, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Muskegon County Road Commission were not audited in accordance with *Government Auditing Standards*.

Rehmann is an independent member of Nexia International.



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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan as of September 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The introductory and statistical sections, combining and individual fund financial statements and schedules and the schedules required for the Muskegon Area Transit System are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedules required for the Muskegon Area Transit System (excluding Schedule 4N) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, and the schedules required for the Muskegon Area Transit System (excluding Schedule 4N) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, and Muskegon Area Transit System Schedule 4N, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters in a separately issued single audit act compliance report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

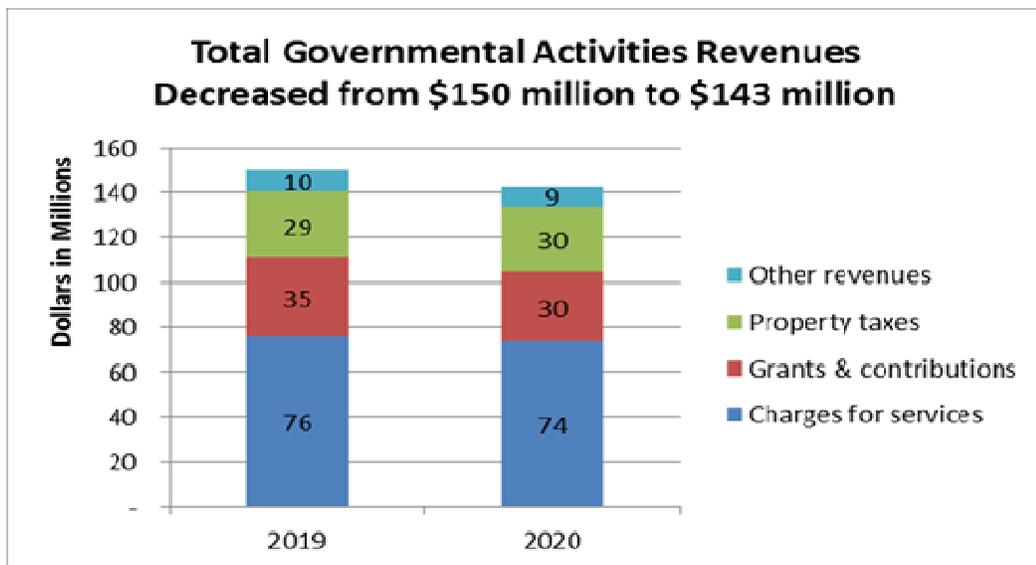
COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

As management of the County of Muskegon, 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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found in the introductory section of this report, and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The *assets and deferred outflows of resources* of the County of Muskegon exceeded its *liabilities and deferred inflows of resources* at September 30, 2020; the difference representing net position of \$49.8 million reported by the primary government. Of this amount, a negative \$85.4 million in *unrestricted (deficit) net position* results from the reporting requirements of Governmental Accounting Standards Board (GASB) Statement Nos. 68 to record a net pension liability in the amount of \$51.5 million on the government-wide financial statements. *Restricted net position* of \$7.9 million may be used for the County's ongoing obligations related to programs with external restrictions. The County's *net investment in capital assets* was \$127.3 million.
- The County's *net position* increased by \$10.3 million as a result of the current year's operations. Net position of governmental activities increased by approximately \$3.2 million and net position of business-type activities increased by approximately \$7.1 million for current year activities.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending *fund balances* of \$9.6 million, a decrease of \$801K from the prior year ending fund balance of \$10.4 million. Approximately \$9.5 million (99%) of the governmental funds total fund balance amount is *unassigned fund balance* in the General Fund.



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 comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and statistical information in addition to the basic financial statements themselves.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Reporting the County as a Whole

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 difference 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., 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, judicial, public safety, public works, health & welfare, recreation & culture, community & economic development, and interest expense. The business-type activities of the County include Brookhaven Medical Care, delinquent tax revolving, local government public works financing, solid waste, airport operations, regional water, wastewater, and other enterprise funds.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the legally separate Economic Development Corporation (no activity during the fiscal year), Muskegon County Road Commission, Muskegon County Office of Water Resources Commissioner and the Muskegon County Land Bank Authority for which the County is financially accountable. Information for these *component units* are reported separately from the financial information presented for the primary government itself.

Reporting the County's Most Significant Funds

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and change in fund balances* for the General Fund and HealthWest special revenue fund, which are considered *major funds*. Data is combined into a single aggregated presentation for the other governmental funds (*nonmajor governmental funds*). Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and schedules.

The County adopts an annual appropriated budget for its General Fund and special revenue funds as required by state law. Budgetary comparison statements or schedules have been provided for these funds to demonstrate compliance with this budget.

- **Proprietary Funds.** *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its regional water, delinquent tax revolving, local government public works financing, solid waste, airport operations, wastewater, as well as other enterprise operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the County's various functions.

The County utilizes *internal service funds* to account for its office services, south campus facilities management, sheriff garage, energy improvements, equipment revolving, and insurance. Because these services primarily benefit the County's governmental rather than business-type functions, they have been included within the 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 regional water, delinquent tax revolving, local government public works financing, solid waste, airport operations, and wastewater funds, which are considered to be major funds of the County. Conversely, nonmajor enterprise funds and internal service funds are combined into single, aggregate presentations in the proprietary fund financial statements.

- **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 required supplementary information. This is limited to this discussion and analysis and required pension and other postemployment benefit (OPEB) information. Supplemental information follows the required pension and OPEB information and includes combining and individual fund statements and schedules.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

REPORTING THE COUNTY AS A WHOLE: GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$49.8 million at the close of the most recent fiscal year. The following chart illustrates the composition of net position at September 30.

	NET POSITION (in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 52.2	\$ 46.7	\$ 87.8	\$ 85.9	\$ 140.0	\$ 132.6
Capital assets, net	72.0	78.0	161.8	161.4	233.8	239.4
Total assets	<u>124.2</u>	<u>124.7</u>	<u>249.6</u>	<u>247.3</u>	<u>373.8</u>	<u>372.0</u>
Deferred outflows of resources	<u>19.3</u>	<u>26.3</u>	<u>2.5</u>	<u>3.5</u>	<u>21.8</u>	<u>29.8</u>
Liabilities						
Long-term debt outstanding	112.5	116.2	105.7	110.4	218.2	226.6
Other liabilities	72.5	63.3	9.8	7.8	82.3	71.1
Total liabilities	<u>185.0</u>	<u>179.5</u>	<u>115.5</u>	<u>118.2</u>	<u>300.5</u>	<u>297.7</u>
Deferred inflows of resources	<u>37.5</u>	<u>53.7</u>	<u>7.8</u>	<u>10.9</u>	<u>45.3</u>	<u>64.6</u>
Net position						
Net investment in capital assets	15.1	18.2	112.2	106.7	127.3	124.9
Restricted	7.5	8.8	0.4	-	7.9	8.8
Unrestricted (deficit)	(101.6)	(109.2)	16.2	15.0	(85.4)	(94.2)
Total net position	<u>\$ (79.0)</u>	<u>\$ (82.2)</u>	<u>\$ 128.8</u>	<u>\$ 121.7</u>	<u>\$ 49.8</u>	<u>\$ 39.5</u>

By far the largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. 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 represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit unrestricted net position amount of \$85.4 million.

Statement of Activities. The County's total revenue for the fiscal year ended September 30, 2020, was approximately \$184.3 million while total cost of all programs and services was \$174.0 million. The fiscal year's operations result in an increase in the primary government's net position of \$10.3 million. The *Changes in Net Position* table that follows presents a summary for the years ended September 30.

- **Governmental Activities.** Revenues for the County's governmental activities decreased by 5.0% (\$7.5 million), while total expenses increased by 7.3% (\$9.5 million). The increase in net position for governmental activities was \$3.2 million in 2020. This compares to a \$20.5 million increase in net position in 2019.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

	CHANGES IN NET POSITION (in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 73.9	\$ 76.2	\$ 36.2	\$ 36.1	\$ 110.1	\$ 112.3
Operating grants	30.1	34.4	4.6	4.8	34.7	39.2
Capital grants	0.4	0.4	0.8	4.9	1.2	5.3
General revenues:						
Property taxes	29.6	28.8	-	-	29.6	28.8
Other taxes	2.0	2.3	-	-	2.0	2.3
State shared revenue	2.9	3.7	-	-	2.9	3.7
Other	3.6	4.2	0.2	0.1	3.8	4.3
Total revenues	<u>142.5</u>	<u>150.0</u>	<u>41.8</u>	<u>45.9</u>	<u>184.3</u>	<u>195.9</u>
Program expenses						
General government	11.2	11.8	-	-	11.2	11.8
Judicial	16.9	13.2	-	-	16.9	13.2
Public safety	16.7	13.8	-	-	16.7	13.8
Public works	0.5	0.2	-	-	0.5	0.2
Health and welfare	87.9	84.8	-	-	87.9	84.8
Recreation and culture	2.3	2.3	-	-	2.3	2.3
Community & economic development	0.8	0.5	-	-	0.8	0.5
Interest	4.2	4.4	-	-	4.2	4.4
Brookhaven	-	-	-	0.2	-	0.2
Delinquent tax revolving	-	-	1.0	1.1	1.0	1.1
Local govt public works financing	-	-	0.6	0.6	0.6	0.6
Solid waste	-	-	5.5	3.7	5.5	3.7
Airport operations	-	-	2.7	2.7	2.7	2.7
Regional water	-	-	2.9	3.0	2.9	3.0
Wastewater	-	-	16.2	15.8	16.2	15.8
Other enterprise funds	-	-	4.6	4.4	4.6	4.4
Total program expenses	<u>140.5</u>	<u>131.0</u>	<u>33.5</u>	<u>31.5</u>	<u>174.0</u>	<u>162.5</u>
Increase (decrease) before transfers	2.0	19.0	8.3	14.4	10.3	33.4
Transfers	1.2	1.5	(1.2)	(1.5)	-	-
Changes in net position	3.2	20.5	7.1	12.9	10.3	33.4
Net position, beginning of year	(82.2)	(102.7)	121.7	108.8	39.5	6.1
Net position, end of year	<u>\$ (79.0)</u>	<u>\$ (82.2)</u>	<u>\$ 128.8</u>	<u>\$ 121.7</u>	<u>\$ 49.8</u>	<u>\$ 39.5</u>

The decrease in governmental activities revenues was primarily in the charges for services and operating grants categories. COVID-19 contributed to a decrease in charges for services revenues both in the courts and the jail. Shutdown of court operations due to the pandemic resulted in less revenues being generated for fines and costs. Restrictions on jail capacity due to the pandemic also caused a decrease in the revenue generated from housing of inmates. Reductions in substance abuse and behavioral health grants of \$1.9 million in fiscal 2020 were offset by various CARES Act and COVID-19 related grants of \$3.2 million. In addition the County received a one-time \$5.0 million grant in fiscal 2019 from the state to fund environmental and remediation efforts related to Muskegon Lake contributing to operating grant revenues being higher in the prior year.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The increases in expenses of the various governmental activities functions were primarily due to increases in pension costs. In fiscal 2019, due to a combination of the County issuing \$41.2 million in pension obligation bonds applicable to governmental activities and negotiating a reduction in future pension benefits with 5 of the 9 bargaining units and the nonbargaining employees, pension income of \$3.9 million was realized. In fiscal 2020, a decrease in the assumed rate of return on investments contributed to an increase in the net pension liability and therefore resulted in a pension expense for governmental activities of \$12.1.

- **Business-type Activities.** Business-type activities increased the County's net position by approximately \$7.1 million during the year.

The decrease in capital grant revenues for business-type activities of \$4.1 million was primarily related to \$4.0 million of capital improvements to the Airport Runway 6-24 received in fiscal 2019 for a rehabilitation and lighting project that was 97.5% funded by federal and state grants however there were no significant projects in fiscal 2020 where capital grants were received.

The increase in program expenses associated with business-type activities was primarily related to the Solid Waste operations which included increases in closure and post closure related expenses over the prior year.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS: FUND FINANCIAL STATEMENTS

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

Governmental Funds. The focus of the County'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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$9.6 million, a decrease of \$801K from the prior year.

The *General Fund* is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9.5 million while total fund balance amounted to \$11.6 million. The General Fund's total fund balance increased from the prior year by \$1.625 million. At September 30, 2020, General Fund unassigned fund balance approximated 18.9% of reported General Fund expenditures plus transfers out (excluding special items) for the prior year, which compares with approximately 20.1% at the end of the prior year. This increase was primarily the result of various expenditures coming in less than budgeted resulting in a revenues exceeding expenditures and therefore increasing unassigned fund balance. For additional explanations of the reasons for the increase in fund balance see the *General Fund Budgetary Highlights* section.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

An increase in demand for community mental health (CMH) services combined with significant delays in payments of State-source payments to fund allowable expenditures continued to have an impact across the balance sheet of the *HealthWest major special revenue fund*. Prior to 2017 the timing of receipts from State funding sources had not resulted in delayed collections beyond December 31st following fiscal year end. HealthWest fund balance deficits at the end of 2018, 2019 and 2020 resulted solely from the revenue deferrals resulting from the delayed payments. HealthWest's \$12.34 million fund balance deficit should be eliminated when payment in full is received on past due receivables due from the State. Following is a summary of the composition of its deferred inflows of resources.

HealthWest major special revenue fund				
Analysis of Deferred Inflows of Resources				
Fiscal year ended September 30, 2020				
Deferred Inflows of Resources (dollars in millions)	Total Health West	Portion of revenue deferred from receivables created in fiscal year		
		2020	2019	2018
Balance, beginning of fiscal year 2020	\$ 12.281	\$ -	\$ 10.587	\$ 1.694
Less: Recognition of revenue from collection of prior year receivables	(0.394)	-	(0.394)	-
Add: Deferral of revenue from delayed payment of new 2020 receivables	1.259	1.259	-	-
Balance, end of fiscal year 2020	<u>\$ 13.146</u>	<u>\$ 1.259</u>	<u>\$ 10.193</u>	<u>\$ 1.694</u>

Contacts at the State have acknowledged to HealthWest management that HealthWest, as well as the CMH system as a whole, has not received timely payments on valid receivables over the past three years. The State completed an actuarial study and based on its findings increases in capitated funding rates were planned to be rolled out over a two-year period with the intent to eliminate HealthWest's fund balance deficit. Half of the rates increase was recognized in fiscal 2020 by the Lakeshore Regional Entity (LRE), the fiscal agent for HealthWest's region. The remaining rate increase is planned for fiscal 2021 to build the LRE's cash balance so that past due and current receivables can be made to HealthWest and other participating CMH organizations in the region. Additional information can be located in its separately issued financial statements of the HealthWest fund, as well as under Governmental Activities above.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

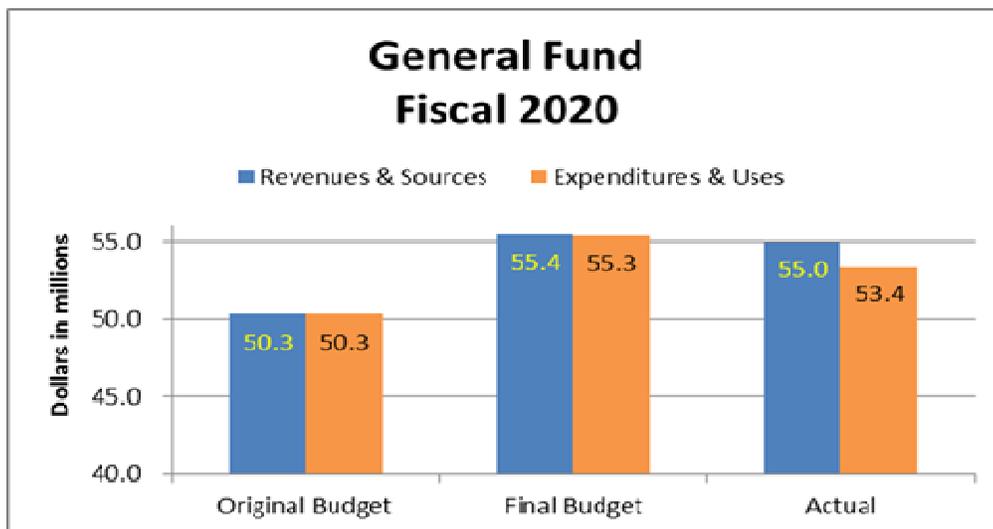
Proprietary Funds. The County’s proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Muskegon County enterprise funds provide service to most residents and businesses of the County and reported an increase in net position of \$7.1 million. The composition of the net position of the County's enterprise funds as September 30, 2020, is shown in the below table.

Enterprise Funds Net Position (dollars in 000s)	Net Investment in Capital Assets	Restricted Net Position	Unrest- ricted Net Position	Total Net Position
Regional water	\$ 4,150	\$ -	\$ 3,499	\$ 7,649
Delinquent tax revolving	-	-	3,881	3,881
Local government public works	-	-	272	272
Solid waste	6,124	-	(547)	5,577
Airport	31,050	-	(1,526)	29,524
Wastewater	63,597	414	14,419	78,430
Nonmajor enterprise funds	7,300	-	(3,805)	3,495
Total net position	<u>\$ 112,221</u>	<u>\$ 414</u>	<u>\$ 16,193</u>	<u>\$ 128,828</u>

Information regarding funds with deficit unrestricted net position balances can be found in Note 3 of this report.

General Fund Budgetary Highlights. The County Board of Commissioners adopts a General Fund operating budget prior to the start of each fiscal year. During the fiscal year ended September 30, 2020, the Board approved several project-oriented budget amendments and revised the full General Fund budget three times. The General Fund actual results and the original and final budgets are summarized in the following table:



COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Significant revisions from the Original Budget included the following:

- Proceeds from the issuance of a \$5.22 million judgment obligation bond were added to other financing sources which were not included in the original FY2020 budget. In addition a corresponding expenditure of \$5.15 million was added to the budget for the amount of bond proceeds paid to satisfy the judgment. Bond closing costs of \$67K were also added to the budget.
- Federal grant revenues increased from the original budget by \$2.37 million due to the receipt of several CARES Act grants for First Responder Hazard Pay Premiums, Public Safety and Public Health Payroll Reimbursements and Coronavirus Recovery Local Government Grant. All of these grants were available as a result of the COVID-19 pandemic.
- State grants and contributions were amended downward by \$880K due to the reduction in State revenue sharing counties experienced as a result of the COVID-19 pandemic and the State needing the funds to fill a State budget shortfall.
- Local grants and contributions were amended upward by \$563K from the original budget due to an anticipated increase in the activity in the DTE Test and Tune-up program. This increase in revenues was offset by a corresponding increase of \$585K in the welfare program expenditures.
- Charges for services were amended downward by \$1.025 million for decreases in jail inmate related revenues as well as district court costs resulting from restrictions related to COVID-19.
- General government expenditures were amended upward by \$209K primarily due to an increase in corporate counsel expenditures.
- Other revenue was amended downward by \$100K for a reduction in revenues in the fairgrounds budget for the reimbursement for projects that did not occur in FY2020.
- General government expenditures were amended upward by \$441K primarily due to an increase in state institution expenditures.
- Judicial expenditures were amended downward by \$591k primarily due to the reduction in wages and fringes attributable to the furloughs court affiliated employees participated in.
- Public Safety expenditures were amended downward by \$302K primarily due to decreases in wages and fringe benefits from vacant positions within the Jail budget. In addition, contractual services within the jail budget were also reduced due to the COVID-19 restrictions on the inmate capacity.
- Transfers in were amended downward by \$962K due to a reduction in anticipated transfers from the Delinquent Tax Revolving and Tax Forfeiture Funds due to a reduction in the amount of funds available to be transferred to the General Fund.
- Transfers out to other funds was amended downward by \$117K. The appropriation to the Child Care Fund was decreased by \$272K due to reductions in expenditures in in-home intensive treatment, foster care, juvenile transition center and residential institutions much of which was attributable to COVID-19 restrictions. Additionally the appropriation to the Indigent Defense Fund was decreased by \$93K due to the receipt of another grant that offset the need for General Fund support. These decreases were offset by an increase in appropriation to the Family Court Fund of \$298K due to changes in the grant funding formula related to the reimbursement eligibility of administrative costs.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Significant Final Budget to Actual fluctuations included the following:

- Local grants and contributions were \$337K under budget primarily due to the activity in the DTE Test and Tune-up program coming in lower than anticipated. Correspondingly expenditures in the Welfare category were also less than budget by \$277K as a result of the lower activity.
- Charges for services were \$121K under budget. This was primarily due to District Court costs, alcohol assessment fees, filing fees and writs and garnishments coming in lower than anticipated primarily due to COVID-19.
- Judicial expenditures were \$399K under budget primarily due to salaries and fringe benefits in most of the court related departments coming in lower than anticipated due to vacant positions and extended furloughs. In addition, jury related expenditures were under budget since restrictions related to COVID-19 limited the number of jury trials that could be held.
- Public safety expenditures were \$121K under budget. This variance was primarily due to savings in salaries and fringe benefits due to vacant positions primarily within the Sheriff jail, building security and courtroom security budgets.
- Transfers out to the Child Card fund were \$465K under budget. The variance was primarily due to expenditures for in home intensive treatment, the juvenile transition center, foster care and residential placements coming in lower than anticipated.
- Transfers out to the Public Health Fund were \$155K under budget which was primarily due to the receipt of COVID-19 related grants that were able to cover expenditures that were originally anticipated to be covered by a General Fund appropriation.
- Transfers out to other funds were \$502K under budget. This was primarily due to Family Court grant and other revenues coming in higher than estimated by \$184K. Family Court expenditures plus transfers out were also under budget by \$296K which therefore resulted in the General Fund having to appropriate less than anticipated to balance the fund.
- The General Fund's State Institutions actual spending and accrued expenditures for the year exceeded the final budget of \$731K by \$31K. Payments are made to the State of Michigan Department of Health and Human Services (MDHHS) representing the County General Fund's mandated 10 percent share of costs of the care of Muskegon County residents at State psychiatric hospitals. The monthly averages for the first ten months' billings available when the final budget was prepared were less than the average of the final two months for which bills were received after year end. The Miscellaneous Contingency budget included a line item representing estimated salary and fringe benefit savings from vacant positions throughout General Fund departments and therefore was budgeted as a negative expenditure. The actual savings for vacant positions appeared in the individual departments actual results therefore causing the Miscellaneous Contingency budget to appear over budget. The Sheriff Jail actual expenditures of \$7.523 million exceeded its final budget of \$7.447 million primarily due to higher than anticipated expenditures in contractual services related to inmate medical costs.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30 were as follows:

	CAPITAL ASSETS (in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 4.6	\$ 4.6	\$ 20.6	\$ 20.2	\$ 25.2	\$ 24.8
Construction in progress	0.4	2.7	9.3	11.5	9.7	14.2
Depreciable capital assets	129.9	134.6	301.5	291.3	431.4	425.9
Accumulated depreciation	(62.9)	(63.9)	(169.6)	(161.6)	(232.5)	(225.5)
Total capital assets, net	\$ 72.0	\$ 78.0	\$ 161.8	\$ 161.4	\$ 233.8	\$ 239.4

As of September 30, 2020, net capital assets used in the primary government's governmental and business-type activities decreased by \$5.6 million, or 2.3%, over the prior year. This year-to-year change represents about \$10.1 million in capital additions less \$14.7 million in depreciation expense.

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 total long-term debt, including compensated absences liabilities as follows:

	OUTSTANDING DEBT (in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Bonds	\$ 103.1	\$ 101.6	\$ 65.0	\$ 71.3	\$ 168.1	\$ 172.9
Delinquent tax notes	-	-	15.5	16.0	15.5	16.0
Other debt	1.9	2.7	-	-	1.9	2.7
Total installment debt	105.0	104.3	80.5	87.3	185.5	191.6
Deferred premium & discount	-	0.1	2.1	2.4	2.1	2.5
Legal obligation	-	4.9	-	-	-	4.9
Closure and sludge liability	-	-	21.8	19.5	21.8	19.5
Compensated absences	7.5	6.9	1.3	1.2	8.8	8.1
Totals	\$ 112.5	\$ 116.2	\$ 105.7	\$ 110.4	\$ 218.2	\$ 226.6

Overall outstanding debt decreased by \$8.4 million primarily due to annual principle payments. New debt issues within governmental activities included \$5.1 million for the refunding of 2010 Capital Improvement Bonds and \$5.2 million in Judgment Obligation bonds. Closure and sludge liabilities also increased by \$2.3 million.

State statutes limit the amount of general obligation debt a local government may incur to 10 percent of its total assessed property valuation. The current debt limitation for the County is approximately \$595.6 million, which is significantly in excess of the County's approximately \$187.7 million of outstanding general obligation debt.

More detailed information about the County's long-term liabilities is presented in Note 10 to the financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following table shows a summary of the County General Fund changes in fund balance for the last two fiscal years along with a summary of the fiscal 2021 amended budget adopted on February 23, 2021.

	General Fund Changes in Fund Balance Fiscal 2019 & 2020 with 2021 Budget (dollars in thousands)		
	2021 Budget	2020	2019
Revenues	\$ 48,682	\$ 48,551	\$ 48,264
Expenditures			
Current:			
General government	9,548	9,484	8,655
Judicial	9,402	8,623	9,186
Public safety	14,872	14,336	14,279
Public works	557	516	253
Health and welfare	1,737	1,668	2,541
Recreation and culture	88	6	79
Community and economic development	534	486	508
MERS payment	-	-	40,736
Other - legal obligation	-	5,150	-
Debt service:			
Principle and interest	432	-	-
Bond issuance cost	-	67	292
Total expenditures	37,170	40,336	76,529
Revenues over expenditures	11,512	8,215	(28,265)
Other financing sources/(uses)			
Transfers in	1,591	1,236	2,586
Transfers out	(13,924)	(13,046)	(14,495)
Issuance of long-term debt	-	5,220	41,174
Other	-	-	(119)
Total other financing sources/(uses)	(12,333)	(6,590)	29,146
Change in fund balance	(821)	1,625	881
Fund balance, beginning	11,571	9,946	9,065
Fund balance, ending	\$ 10,750	\$ 11,571	\$ 9,946

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The following economic factors were considered in preparing the County's budget for the 2021 fiscal year:

- After experiencing a 3.58% increase in taxable values for fiscal 2020, General Fund property tax revenues for fiscal 2021 were budgeted assuming a taxable value increase of 3.0%. This equates to an increase of \$429K in current property tax revenues compared to fiscal 2020. This increase is based on projected inflationary increases, new housing construction, home sales and business expansions.
- Federal revenues are decreasing \$2.437 million from FY2020 primarily due to the receipt of CARES Act grants in FY2020 that is not anticipated in FY2021.
- State revenue sharing is budgeted at \$3.765 million which is at the original FY2020 state budget allocation prior to reduction as a result of COVID-19. This represents an increase of \$881K over the final FY2020 allocation.
- Charges for services are budgeted to increase \$896K in FY2021 anticipating that revenues that were impacted by COVID-19 in FY2020 will return to pre-pandemic levels.
- Revenues for the DTE Test and Tune-up program are budgeted to increase by \$1.747 million to \$1.867 million due higher anticipated activity for fiscal 2021 compared to fiscal 2020. This is offset by a corresponding increase in the Welfare expenditures of \$69k.
- FY2021 transfers in from Delinquent Tax Revolving funds increased by \$323k over FY2020 due to an anticipated increase in available funds.
- A 0% increase in medical insurance costs has been incorporated into the amended 2021 budget based on the results of a recent bid process.
- The remainder of the increases in the various expenditure functions are primarily due to increases in wages and fringe benefits over FY2020. While some savings from furloughs was included in the FY2021 budget for the first quarter, it was not anticipated to achieve the same level of expenditure reductions that occurred in FY2020 from furloughs spanning six months.
- Budgeted fiscal 2021 transfers out to other funds show an increase of \$878K primarily due increases in wages and fringe benefits as a result of lower participation in furloughs compared to FY2020 therefore requiring additional General Fund appropriations. Transfers out assume many operations returning back to pre COVID-19 levels.

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 County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance / Assistant County Administrator, Muskegon County, 990 Terrace St, Muskegon, MI 49442.

BASIC FINANCIAL STATEMENTS

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

September 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 15,640,534	\$ 51,221,581	\$ 66,862,115	\$ 10,521,051
Receivables, net	33,903,482	33,409,496	67,312,978	16,186,398
Internal balances	468,729	(468,729)	-	-
Other assets	2,128,553	68,140	2,196,693	4,518,178
Restricted assets	-	2,819,410	2,819,410	-
Advances to component units	100,000	75,000	175,000	-
Capital assets not being depreciated	5,034,355	29,878,449	34,912,804	34,063,224
Capital assets being depreciated, net	67,010,067	131,873,856	198,883,923	69,391,259
Net pension asset	-	221,569	221,569	-
Net OPEB asset	-	503,640	503,640	81,724
Total assets	<u>124,285,720</u>	<u>249,602,412</u>	<u>373,888,132</u>	<u>134,761,834</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	3,102,424	349,459	3,451,883	-
Deferred pension amounts	7,373,649	718,381	8,092,030	2,527,796
Deferred OPEB amounts	8,838,828	1,476,278	10,315,106	744,231
Total deferred outflows of resources	<u>19,314,901</u>	<u>2,544,118</u>	<u>21,859,019</u>	<u>3,272,027</u>
LIABILITIES				
Payables	20,244,720	5,671,182	25,915,902	3,439,518
Advances from primary government	-	-	-	175,000
Unearned revenue	183,287	12,975	196,262	78,620
Long-term debt:				
Due within one year	6,261,399	18,912,290	25,173,689	2,552,460
Due in more than one year	106,242,762	86,804,117	193,046,879	11,063,137
Net pension liability (due in more than one year)	47,582,639	3,931,057	51,513,696	4,419,026
Net OPEB liability (due in more than one year)	4,533,971	153,646	4,687,617	-
Total liabilities	<u>185,048,778</u>	<u>115,485,267</u>	<u>300,534,045</u>	<u>21,727,761</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension amounts	-	182,073	182,073	269,312
Deferred OPEB amounts	37,506,983	7,651,296	45,158,279	549,440
Total deferred inflows of resources	<u>37,506,983</u>	<u>7,833,369</u>	<u>45,340,352</u>	<u>818,752</u>
NET POSITION				
Net investment in capital assets	15,123,041	112,221,121	127,344,162	91,539,574
Restricted for:				
Grant programs and other activities	7,437,844	-	7,437,844	-
Debt service	-	-	-	693,954
Nonexpendable endowments	36,789	-	36,789	-
Pension	-	414,186	414,186	-
Other postemployment benefits	-	-	-	276,515
County roads	-	-	-	9,002,280
Unrestricted (deficit)	(101,552,814)	16,192,587	(85,360,227)	13,975,025
Total net position	<u>\$ (78,955,140)</u>	<u>\$ 128,827,894</u>	<u>\$ 49,872,754</u>	<u>\$ 115,487,348</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2020

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 10,792,514	\$ 4,534,576	\$ 2,769,748	\$ 386,732
Legislative	415,032	-	-	-
Judicial	16,869,072	2,916,975	6,873,265	-
Public safety	16,668,812	1,739,190	3,344,034	-
Public works	542,888	-	-	-
Health	80,847,942	61,671,016	14,983,523	-
Welfare	7,032,817	-	2,034,374	-
Culture	60,113	-	54,076	-
Recreation	2,273,266	871,788	197	-
Community and economic development	754,925	1,751,188	-	-
Interest on long-term debt	4,252,376	385,662	-	-
Total governmental activities	<u>140,509,757</u>	<u>73,870,395</u>	<u>30,059,217</u>	<u>386,732</u>
Business-type activities:				
Delinquent tax revolving	1,003,400	3,529,130	58,807	-
Local government public works financing	587,940	693,916	1,779	-
Solid waste	5,538,898	4,265,551	161,082	-
Airport operations	2,722,015	1,063,624	186,527	512,964
Regional water	2,880,894	3,580,931	57,301	-
Wastewater	16,153,703	22,719,782	170,611	312,703
Other enterprise funds	4,629,287	300,321	3,930,603	-
Total business-type activities	<u>33,516,137</u>	<u>36,153,255</u>	<u>4,566,710</u>	<u>825,667</u>
Total primary government	<u>\$ 174,025,894</u>	<u>\$ 110,023,650</u>	<u>\$ 34,625,927</u>	<u>\$ 1,212,399</u>
Component units				
Road Commission	\$ 18,378,439	\$ 3,379,700	\$ 16,197,730	\$ 5,267,360
Water Resources	1,319,131	24,233	59,677	3,094,300
Land Bank Authority	789,514	265,420	2,500	78,893
Total component units	<u>\$ 20,487,084</u>	<u>\$ 3,669,353</u>	<u>\$ 16,259,907</u>	<u>\$ 8,440,553</u>
Net (expense) revenue				
General revenues:				
Taxes:				
Property taxes				
Liquor control taxes				
Lodging excise taxes				
State shared revenue, not restricted to a specific program				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other revenue				
Transfers - internal activities				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (3,101,458)	\$ -	\$ (3,101,458)	\$ -
(415,032)	-	(415,032)	-
(7,078,832)	-	(7,078,832)	-
(11,585,588)	-	(11,585,588)	-
(542,888)	-	(542,888)	-
(4,193,403)	-	(4,193,403)	-
(4,998,443)	-	(4,998,443)	-
(6,037)	-	(6,037)	-
(1,401,281)	-	(1,401,281)	-
996,263	-	996,263	-
(3,866,714)	-	(3,866,714)	-
<u>(36,193,413)</u>	<u>-</u>	<u>(36,193,413)</u>	<u>-</u>
-	2,584,537	2,584,537	-
-	107,755	107,755	-
-	(1,112,265)	(1,112,265)	-
-	(958,900)	(958,900)	-
-	757,338	757,338	-
-	7,049,393	7,049,393	-
-	(398,363)	(398,363)	-
-	<u>8,029,495</u>	<u>8,029,495</u>	-
<u>(36,193,413)</u>	<u>8,029,495</u>	<u>(28,163,918)</u>	-
-	-	-	6,466,351
-	-	-	1,859,079
-	-	-	<u>(442,701)</u>
-	-	-	<u>7,882,729</u>
<u>(36,193,413)</u>	<u>8,029,495</u>	<u>(28,163,918)</u>	<u>7,882,729</u>
29,594,106	-	29,594,106	-
833,182	-	833,182	-
1,130,275	-	1,130,275	-
2,884,030	-	2,884,030	-
1,074,997	-	1,074,997	140,573
156,928	289,994	446,922	11,283
2,527,055	-	2,527,055	331,355
1,176,019	(1,176,019)	-	-
<u>39,376,592</u>	<u>(886,025)</u>	<u>38,490,567</u>	<u>483,211</u>
3,183,179	7,143,470	10,326,649	8,365,940
<u>(82,138,319)</u>	<u>121,684,424</u>	<u>39,546,105</u>	<u>107,121,408</u>
<u>\$ (78,955,140)</u>	<u>\$ 128,827,894</u>	<u>\$ 49,872,754</u>	<u>\$ 115,487,348</u>

COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2020

	General Fund (1010)	HealthWest (2220)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,274,706	\$ 2,700	\$ 12,305,693	\$ 16,583,099
Receivables, net:				
Accounts	335,292	531,864	231,512	1,098,668
Due from other governments	2,013,544	20,323,116	3,045,280	25,381,940
Property taxes	6,754,221	-	-	6,754,221
Prepaid and other items	3,750	6,660	1,068	11,478
Inventories	-	-	20,998	20,998
Advances to component units	100,000	-	-	100,000
Total assets	<u>\$ 13,481,513</u>	<u>\$ 20,864,340</u>	<u>\$ 15,604,551</u>	<u>\$ 49,950,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Negative equity in pooled cash	\$ -	\$ 9,519,002	\$ 1,779,820	\$ 11,298,822
Payables:				
Accounts payable	714,598	9,908,497	2,288,225	12,911,320
Due to other governments	128,625	583,799	328,333	1,040,757
Accrued liabilities	927,499	-	676,122	1,603,621
Unearned revenue	-	50,050	116,909	166,959
Total liabilities	<u>1,770,722</u>	<u>20,061,348</u>	<u>5,189,409</u>	<u>27,021,479</u>
Deferred inflows of resources:				
Unavailable revenues - Medicaid fee for service and capitation	-	13,146,570	-	13,146,570
Unavailable revenues - state grant	140,007	-	-	140,007
Total deferred inflows of resources	<u>140,007</u>	<u>13,146,570</u>	<u>-</u>	<u>13,286,577</u>
Fund balances:				
Nonspendable	103,750	6,660	58,855	169,265
Restricted	109,823	-	6,649,358	6,759,181
Committed	-	-	3,643,612	3,643,612
Assigned	1,895,466	-	63,317	1,958,783
Unassigned (deficit)	9,461,745	(12,350,238)	-	(2,888,493)
Total fund balances	<u>11,570,784</u>	<u>(12,343,578)</u>	<u>10,415,142</u>	<u>9,642,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,481,513</u>	<u>\$ 20,864,340</u>	<u>\$ 15,604,551</u>	<u>\$ 49,950,404</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
September 30, 2020

Fund balances - total governmental funds	\$ 9,642,348
Amounts reported for <i>governmental activities</i> 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	4,193,297
Capital assets being depreciated, net	56,438,705
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.	
Net position of governmental activities accounted for in internal service funds	9,422,823
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 for unavailable revenues - Medicaid fee for service and capitation	13,146,570
Deferred inflows for unavailable revenues - state grant	140,007
Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment 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 pension liability	(47,582,639)
Deferred outflows related to the net pension liability	7,373,649
Net OPEB liability	(4,533,971)
Deferred outflows related to the net OPEB liability	8,838,828
Deferred inflows related to the net OPEB liability	(37,506,983)
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and capital leases payable, and related premium	(92,624,647)
Unamortized deferred charge on bond refunding	3,011,346
Compensated absences	(7,370,677)
Accrued interest on long-term debt	(1,543,796)
Net position of governmental activities	<u>\$ (78,955,140)</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds

For the Year Ended September 30, 2020

	General Fund (1010)	HealthWest (2220)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 27,825,885	\$ -	\$ 3,752,633	\$ 31,578,518
Grants and contributions:				
Federal	2,602,475	4,807,991	6,664,310	14,074,776
State	5,786,348	2,218,593	8,595,645	16,600,586
Local	1,747,406	205,246	244,633	2,197,285
Charges for services	9,307,914	60,267,301	2,596,524	72,171,739
Fines and forfeitures	426,023	-	1,920	427,943
Investment income	55,931	-	92,481	148,412
Rentals	120,438	-	754,964	875,402
Other	678,444	614,134	673,410	1,965,988
Total revenues	<u>48,550,864</u>	<u>68,113,265</u>	<u>23,376,520</u>	<u>140,040,649</u>
EXPENDITURES				
Current:				
General government	9,123,530	-	422,481	9,546,011
Legislative	360,581	-	-	360,581
Judicial	8,623,436	-	8,788,490	17,411,926
Public safety	14,335,683	-	1,573,655	15,909,338
Public works	516,485	-	-	516,485
Health	-	67,855,705	13,706,496	81,562,201
Welfare	1,667,881	-	5,372,897	7,040,778
Cultural	6,076	-	54,062	60,138
Recreation	-	-	1,808,548	1,808,548
Community and economic development	486,180	-	276,880	763,060
Other - legal obligation	5,150,000	-	-	5,150,000
Debt service:				
Principal	-	-	3,178,573	3,178,573
Interest and fiscal charges	-	-	4,082,393	4,082,393
Bond issuance costs	66,692	-	-	66,692
Capital outlay	-	-	380,298	380,298
Total expenditures	<u>40,336,544</u>	<u>67,855,705</u>	<u>39,644,773</u>	<u>147,837,022</u>
Revenues over (under) expenditures	<u>8,214,320</u>	<u>257,560</u>	<u>(16,268,253)</u>	<u>(7,796,373)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,236,261	736,935	14,661,639	16,634,835
Transfers out	(13,045,869)	(1,369,831)	(963,698)	(15,379,398)
Issuance of long-term debt	5,220,000	-	-	5,220,000
Proceeds from sale of capital assets	-	-	519,941	519,941
Total other financing sources (uses)	<u>(6,589,608)</u>	<u>(632,896)</u>	<u>14,217,882</u>	<u>6,995,378</u>
Net change in fund balances	<u>1,624,712</u>	<u>(375,336)</u>	<u>(2,050,371)</u>	<u>(800,995)</u>
Fund balances, beginning of year	9,946,072	(11,968,242)	12,465,513	10,443,343
Fund balances, end of year	<u>\$ 11,570,784</u>	<u>\$ (12,343,578)</u>	<u>\$ 10,415,142</u>	<u>\$ 9,642,348</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ (800,995)

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

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

Purchase and construction of capital assets	179,324
Depreciation expense	(3,389,795)
Proceeds from sale of capital assets	(519,941)
Gain on sale of capital assets	172,341

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

Net change in deferred inflows for unavailable revenues - Medicaid fee for service and capitation	866,016
Net change in deferred inflows for unavailable revenues - state grant	140,007

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.

Issuance of long-term debt	(5,220,000)
Principal payments on long-term liabilities	3,178,573

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 debt	609,217
Amortization of deferred charge on refunding	(225,166)
Amortization of bond premiums	22,346
Change in the accrual for compensated absences	(600,430)
Change in net pension liability and related deferred amounts	(8,841,950)
Change in net OPEB liability and related deferred amounts	12,423,937
Change in judgment obligation	(250,000)
Payment on judgment obligation	5,150,000

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.

Investment income from internal service funds	926,585
Interest and bond issuance expense from internal service funds	(509,688)
Loss on sale of capital assets from internal service funds	(15,413)
Operating loss from governmental activities in internal service funds	(419,103)
Capital contributions to internal service funds	386,732
Net transfers from internal service funds	(79,418)

Change in net position of governmental activities \$ 3,183,179

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - GENERAL FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Taxes	\$ 27,796,809	\$ 27,817,033	\$ 27,825,885	\$ 8,852
Grants and contributions:				
Federal	160,844	2,534,642	2,602,475	67,833
State	6,582,757	5,704,831	5,786,348	81,517
Local	1,521,123	2,084,052	1,747,406	(336,646)
Charges for services	10,454,012	9,428,873	9,307,914	(120,959)
Fines and forfeitures	593,000	525,090	426,023	(99,067)
Investment income	70,001	70,001	55,931	(14,070)
Rentals	125,376	128,453	120,438	(8,015)
Other	786,671	684,921	678,444	(6,477)
Total revenues	<u>48,090,593</u>	<u>48,977,896</u>	<u>48,550,864</u>	<u>(427,032)</u>
EXPENDITURES				
Current:				
General government	8,653,159	9,094,613	9,123,530	28,917
Legislative	393,085	366,279	360,581	(5,698)
Judicial	9,614,279	9,022,892	8,623,436	(399,456)
Public safety	14,758,855	14,456,649	14,335,683	(120,966)
Public works	566,080	563,897	516,485	(47,412)
Welfare	1,360,111	1,944,823	1,667,881	(276,942)
Cultural	104,441	7,709	6,076	(1,633)
Community and economic development	554,033	506,567	486,180	(20,387)
Other - legal obligation	-	5,150,300	5,150,000	(300)
Debt service:				
Bond issuance costs	-	66,692	66,692	-
Total expenditures	<u>36,004,043</u>	<u>41,180,421</u>	<u>40,336,544</u>	<u>(843,877)</u>
Revenues over expenditures	<u>12,086,550</u>	<u>7,797,475</u>	<u>8,214,320</u>	<u>416,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Delinquent tax fund	2,098,847	1,127,000	1,127,000	-
Other funds	100,000	109,262	109,261	(1)
Total transfers in	<u>2,198,847</u>	<u>1,236,262</u>	<u>1,236,261</u>	<u>(1)</u>
Transfers out:				
Child care fund	(4,297,141)	(4,025,916)	(3,560,849)	(465,067)
Public health fund	(1,790,689)	(1,790,689)	(1,635,570)	(155,119)
Other funds	(8,197,567)	(8,351,964)	(7,849,450)	(502,514)
Total transfers out	<u>(14,285,397)</u>	<u>(14,168,569)</u>	<u>(13,045,869)</u>	<u>(1,122,700)</u>
Issuance of long-term debt	-	5,220,000	5,220,000	-
Total other financing sources (uses)	<u>(12,086,550)</u>	<u>(7,712,307)</u>	<u>(6,589,608)</u>	<u>1,122,699</u>
Net change in fund balances	-	85,168	1,624,712	1,539,544
Fund balances, beginning of year	9,946,072	9,946,072	9,946,072	-
Fund balances, end of year	<u>\$ 9,946,072</u>	<u>\$ 10,031,240</u>	<u>\$ 11,570,784</u>	<u>\$ 1,539,544</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - HEALTHWEST SPECIAL REVENUE FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Grants and contributions:				
Federal	\$ 4,211,580	\$ 6,514,553	\$ 4,807,991	\$ (1,706,562)
State	2,662,500	2,286,823	2,218,593	(68,230)
Local	228,985	431,020	205,246	(225,774)
Charges for services:				
Medicaid fee for service and capitation	56,348,587	64,230,705	60,262,399	(3,968,306)
Other insurance	-	-	4,902	4,902
Other	2,333,552	2,438,586	614,134	(1,824,452)
Total revenues	<u>65,785,204</u>	<u>75,901,687</u>	<u>68,113,265</u>	<u>(7,788,422)</u>
EXPENDITURES				
Current - Health	<u>65,294,419</u>	<u>75,097,682</u>	<u>67,855,705</u>	<u>(7,241,977)</u>
Revenues over (under) expenditures	<u>490,785</u>	<u>804,005</u>	<u>257,560</u>	<u>(546,445)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	736,934	736,935	736,935	-
Transfers out	(1,232,719)	(1,545,940)	(1,369,831)	176,109
Proceeds from sale of capital assets	5,000	5,000	-	(5,000)
Total other financing sources (uses)	<u>(490,785)</u>	<u>(804,005)</u>	<u>(632,896)</u>	<u>171,109</u>
Net change in fund balances	-	-	(375,336)	(375,336)
Fund balances, beginning of year	(11,968,242)	(11,968,242)	(11,968,242)	-
Fund balances, end of year	<u>\$ (11,968,242)</u>	<u>\$ (11,968,242)</u>	<u>\$ (12,343,578)</u>	<u>\$ (375,336)</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise Funds			
	Regional Water (5910)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
ASSETS				
Current assets:				
Cash and investments	\$ 4,420,419	\$ 9,002,459	\$ 269,606	\$ 17,644,757
Receivables, net:				
Accounts	773,193	1,310,936	-	623,530
Due from other governments	159,352	-	-	15,343
Accrued interest	-	-	-	-
Taxes	-	9,125,458	-	-
Notes	7,593	-	-	-
Leases	-	-	989,556	-
Special assessments	103,447	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	4,988
Total current assets	<u>5,464,004</u>	<u>19,438,853</u>	<u>1,259,162</u>	<u>18,288,618</u>
Noncurrent assets:				
Advances to other funds	-	-	-	31,855
Advances to component units	-	75,000	-	-
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	2,691,038
Notes receivable	2,521	-	-	-
Leases receivable	-	-	14,626,055	-
Special assessments receivable	350,188	-	-	-
Capital assets not being depreciated	897,405	-	-	3,129,136
Capital assets being depreciated, net	13,936,995	-	-	2,995,208
Net pension asset	-	-	-	-
Net OPEB asset	35,270	-	-	19,397
Total noncurrent assets	<u>15,222,379</u>	<u>75,000</u>	<u>14,626,055</u>	<u>8,866,634</u>
Total assets	<u>20,686,383</u>	<u>19,513,853</u>	<u>15,885,217</u>	<u>27,155,252</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	97,504	-	251,955	-
Deferred pension amounts	24,974	-	-	131,334
Deferred OPEB amounts	46,110	-	-	197,855
Total deferred outflows of resources	<u>168,588</u>	<u>-</u>	<u>251,955</u>	<u>329,189</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ 19,503,427	\$ 728,838	\$ 51,569,506	\$ 10,356,257
339,566	1,734,513	8,345	4,790,083	430,965
218,276	1,995,877	637,180	3,026,028	23,774
-	-	-	-	213,914
-	-	-	9,125,458	-
-	62,173	-	69,766	-
-	-	-	989,556	-
-	-	-	103,447	-
23,198	-	-	23,198	1,398,301
-	39,954	-	44,942	-
<u>581,040</u>	<u>23,335,944</u>	<u>1,374,363</u>	<u>69,741,984</u>	<u>12,423,211</u>
-	-	-	31,855	500,584
-	-	-	75,000	-
-	-	-	-	697,776
-	-	128,372	2,819,410	-
-	326,394	-	328,915	-
-	-	-	14,626,055	-
-	-	-	350,188	-
16,308,522	9,188,633	354,753	29,878,449	841,058
14,741,409	93,255,257	6,944,987	131,873,856	10,571,362
-	221,569	-	221,569	-
-	108,190	340,783	503,640	-
<u>31,049,931</u>	<u>103,100,043</u>	<u>7,768,895</u>	<u>180,708,937</u>	<u>12,610,780</u>
<u>31,630,971</u>	<u>126,435,987</u>	<u>9,143,258</u>	<u>250,450,921</u>	<u>25,033,991</u>
-	-	-	349,459	91,078
51,219	272,538	238,316	718,381	-
64,177	703,140	464,996	1,476,278	-
<u>115,396</u>	<u>975,678</u>	<u>703,312</u>	<u>2,544,118</u>	<u>91,078</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise Funds			
	Regional Water (5910)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
LIABILITIES				
Current liabilities:				
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -
Payables:				
Accounts payable	1,196,183	167	-	1,810,147
Due to other governments	426,894	-	827	-
Accrued liabilities	11,627	43,318	-	147,517
Accrued interest	128,248	89,185	235,217	5,145
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	1,158,521
Current portion of compensated absences	4,593	-	-	20,082
Current portion of long-term debt	776,588	11,500,000	766,979	11,408
Total current liabilities	<u>2,544,133</u>	<u>11,632,670</u>	<u>1,003,023</u>	<u>3,152,820</u>
Noncurrent liabilities, net of current portion:				
Advances from other funds	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	15,614,575
Compensated absences	35,665	-	-	155,922
Long-term debt	10,171,286	4,000,000	14,861,913	285,816
Net pension liability	159,315	-	-	1,631,973
Net OPEB liability	-	-	-	-
Total noncurrent liabilities	<u>10,366,266</u>	<u>4,000,000</u>	<u>14,861,913</u>	<u>17,688,286</u>
Total liabilities	<u>12,910,399</u>	<u>15,632,670</u>	<u>15,864,936</u>	<u>20,841,106</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension amounts	12,796	-	-	39,742
Deferred OPEB amounts	283,365	-	-	1,026,266
Total deferred outflows of resources	<u>296,161</u>	<u>-</u>	<u>-</u>	<u>1,066,008</u>
NET POSITION				
Net investment in capital assets	4,149,576	-	-	6,124,344
Restricted for pension	-	-	-	-
Unrestricted (deficit)	3,498,835	3,881,183	272,236	(547,017)
Total net position	<u>\$ 7,648,411</u>	<u>\$ 3,881,183</u>	<u>\$ 272,236</u>	<u>\$ 5,577,327</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 228,063	\$ -	\$ 119,862	\$ 347,925	\$ -
146,425	581,609	82,380	3,816,911	462,829
25,503	-	-	453,224	64,372
22,764	174,327	108,654	508,207	2,480,377
4,318	410,122	20,605	892,840	137,648
12,975	-	-	12,975	16,328
-	-	21,145	1,179,666	-
7,680	76,467	36,357	145,179	15,115
9,575	4,477,206	45,689	17,587,445	1,619,006
<u>457,303</u>	<u>5,719,731</u>	<u>434,692</u>	<u>24,944,372</u>	<u>4,795,675</u>
500,584	-	-	500,584	31,855
-	4,740,744	248,843	20,604,162	-
59,629	593,708	282,286	1,127,210	117,363
239,885	34,369,154	1,144,691	65,072,745	10,757,353
509,792	-	1,629,977	3,931,057	-
153,646	-	-	153,646	-
<u>1,463,536</u>	<u>39,703,606</u>	<u>3,305,797</u>	<u>91,389,404</u>	<u>10,906,571</u>
<u>1,920,839</u>	<u>45,423,337</u>	<u>3,740,489</u>	<u>116,333,776</u>	<u>15,702,246</u>
23,214	79,921	26,400	182,073	-
<u>278,743</u>	<u>3,478,008</u>	<u>2,584,914</u>	<u>7,651,296</u>	<u>-</u>
<u>301,957</u>	<u>3,557,929</u>	<u>2,611,314</u>	<u>7,833,369</u>	<u>-</u>
31,049,931	63,597,530	7,299,740	112,221,121	(872,861)
-	414,186	-	414,186	-
(1,526,360)	14,418,683	(3,804,973)	16,192,587	10,295,684
<u>\$ 29,523,571</u>	<u>\$ 78,430,399</u>	<u>\$ 3,494,767</u>	<u>\$ 128,827,894</u>	<u>\$ 9,422,823</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			
	Regional Water (5910)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
Operating revenues:				
Charges for services	\$ 3,347,952	\$ 1,607,957	\$ 113,756	\$ 4,265,389
Farm sales	-	-	-	-
Interest and penalties	-	1,921,173	-	-
Rentals	56,383	-	-	-
Lease interest revenue	-	-	578,477	-
Other revenues	176,596	-	1,683	162
Total operating revenues	<u>3,580,931</u>	<u>3,529,130</u>	<u>693,916</u>	<u>4,265,551</u>
Operating expenses:				
Salaries and fringes	231,806	360,299	6,678	1,156,136
Supplies and other operating expenses	1,932,317	369,716	4,560	3,928,220
Insurance benefits and claims	-	-	-	-
Insurance premiums	-	-	-	-
Depreciation	407,819	-	-	442,170
Total operating expenses	<u>2,571,942</u>	<u>730,015</u>	<u>11,238</u>	<u>5,526,526</u>
Operating income (loss)	<u>1,008,989</u>	<u>2,799,115</u>	<u>682,678</u>	<u>(1,260,975)</u>
Nonoperating revenues (expenses):				
Grants and contributions:				
Federal	-	-	-	13,553
State	-	-	-	-
Local	-	-	-	-
Investment income	57,301	58,807	1,779	147,529
Interest expense	(309,152)	(273,385)	(576,702)	(12,372)
Bond issuance expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	40,995
Total nonoperating revenues (expenses)	<u>(251,851)</u>	<u>(214,578)</u>	<u>(574,923)</u>	<u>189,705</u>
Income (loss) before capital contributions and transfers	757,138	2,584,537	107,755	(1,071,270)
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Capital contributions - local	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(1,358,961)	(353)	-
Change in net position	757,138	1,225,576	107,402	(1,071,270)
Net position, beginning of year	6,891,273	2,655,607	164,834	6,648,597
Net position, end of year	<u>\$ 7,648,411</u>	<u>\$ 3,881,183</u>	<u>\$ 272,236</u>	<u>\$ 5,577,327</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 973,644	\$ 20,929,557	\$ 296,701	\$ 31,534,956	\$ 18,151,034
-	1,730,145	-	1,730,145	-
-	-	-	1,921,173	-
76,300	-	-	132,683	1,208,311
-	-	-	578,477	-
13,680	60,080	3,620	255,821	6,263,323
<u>1,063,624</u>	<u>22,719,782</u>	<u>300,321</u>	<u>36,153,255</u>	<u>25,622,668</u>
598,774	3,239,855	2,267,655	7,861,203	2,247,138
919,774	5,871,068	1,521,940	14,547,595	2,380,966
-	-	-	-	191,309
-	-	-	-	18,805,702
<u>1,193,064</u>	<u>6,056,462</u>	<u>789,959</u>	<u>8,889,474</u>	<u>2,416,656</u>
<u>2,711,612</u>	<u>15,167,385</u>	<u>4,579,554</u>	<u>31,298,272</u>	<u>26,041,771</u>
<u>(1,647,988)</u>	<u>7,552,397</u>	<u>(4,279,233)</u>	<u>4,854,983</u>	<u>(419,103)</u>
171,784	500	2,433,823	2,619,660	-
10,000	-	1,292,780	1,302,780	-
-	-	198,064	198,064	-
4,743	170,111	5,936	446,206	926,585
(10,384)	(986,318)	(49,552)	(2,217,865)	(448,893)
-	-	-	-	(60,795)
<u>105,499</u>	<u>147,925</u>	<u>(4,425)</u>	<u>289,994</u>	<u>(15,413)</u>
<u>281,642</u>	<u>(667,782)</u>	<u>3,876,626</u>	<u>2,638,839</u>	<u>401,484</u>
(1,366,346)	6,884,615	(402,607)	7,493,822	(17,619)
500,734	-	-	500,734	386,732
12,230	-	-	12,230	-
-	312,703	-	312,703	-
183,295	-	-	183,295	42,828
-	-	-	(1,359,314)	(122,246)
<u>(670,087)</u>	<u>7,197,318</u>	<u>(402,607)</u>	<u>7,143,470</u>	<u>289,695</u>
<u>30,193,658</u>	<u>71,233,081</u>	<u>3,897,374</u>	<u>121,684,424</u>	<u>9,133,128</u>
<u>\$ 29,523,571</u>	<u>\$ 78,430,399</u>	<u>\$ 3,494,767</u>	<u>\$ 128,827,894</u>	<u>\$ 9,422,823</u>

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			
	Regional Water (5910)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,667,426	\$ 16,309,391	\$ 1,965,650	\$ 4,049,039
Payments to vendors	(1,193,506)	(376,735)	(4,560)	(784,569)
Payments for personnel services	(247,672)	(362,453)	(6,678)	(1,307,707)
Delinquent taxes purchased	-	(11,542,755)	-	-
Net cash provided by (used in) operating activities	<u>2,226,248</u>	<u>4,027,448</u>	<u>1,954,412</u>	<u>1,956,763</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental receipts	-	-	-	9,948
Intergovernmental payments	-	(1,358,961)	(353)	-
Receipts on advances to component unit	-	75,000	-	-
Issuance of tax notes	-	11,500,000	-	-
Principal paid on pension bonds	(5,345)	-	-	(9,596)
Interest paid on pension bonds	(9,526)	-	-	(17,047)
Principal paid on tax notes	-	(12,000,000)	-	-
Interest paid on tax notes	-	(334,313)	-	-
Federal and/or state grants	-	-	-	10,772
Net cash provided by (used in) noncapital financing activities	<u>(14,871)</u>	<u>(2,118,274)</u>	<u>(353)</u>	<u>(5,923)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds received on refunded bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Principal paid on long-term debt	(660,000)	-	(1,125,000)	-
Interest paid on long-term debt	(399,483)	-	(721,058)	-
Capital contributions received	-	-	-	-
Proceeds from sale of capital assets	-	-	-	40,995
Purchase of capital assets	(888,405)	-	-	(2,678,576)
Net cash provided by (used in) capital and related financing activities	<u>(1,947,888)</u>	<u>-</u>	<u>(1,846,058)</u>	<u>(2,637,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	<u>57,301</u>	<u>58,807</u>	<u>1,779</u>	<u>147,529</u>
Net change in cash and investments	320,790	1,967,981	109,780	(539,212)
Cash and investments, beginning of year	4,099,629	7,034,478	159,826	18,183,969
Cash and investments, end of year	<u>\$ 4,420,419</u>	<u>\$ 9,002,459</u>	<u>\$ 269,606</u>	<u>\$ 17,644,757</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 834,331	\$ 21,705,617	\$ 299,491	\$ 48,830,945	\$ 26,002,214
(690,211)	(5,292,439)	(2,028,364)	(10,370,384)	(23,069,843)
(607,693)	(3,805,828)	(2,437,998)	(8,776,029)	(2,202,109)
-	-	-	(11,542,755)	-
(463,573)	12,607,350	(4,166,871)	18,141,777	730,262
133,295	-	-	143,243	10,025
-	-	-	(1,359,314)	(49,391)
-	-	-	75,000	-
-	-	-	11,500,000	-
(8,054)	-	(38,432)	(61,427)	-
(14,307)	-	(68,274)	(109,154)	-
-	-	-	(12,000,000)	-
-	-	-	(334,313)	-
14,412	500	4,253,034	4,278,718	-
125,346	500	4,146,328	2,132,753	(39,366)
-	-	-	-	5,095,000
-	-	-	-	(4,986,958)
-	(4,360,000)	-	(6,145,000)	(1,527,821)
-	(1,093,012)	-	(2,213,553)	(623,284)
-	312,703	-	312,703	386,732
105,499	382,322	11,500	540,316	338,339
(179,871)	(5,258,241)	-	(9,005,093)	(405,830)
(74,372)	(10,016,228)	11,500	(16,510,627)	(1,723,822)
4,743	170,111	5,936	446,206	926,585
(407,856)	2,761,733	(3,107)	4,210,109	(106,341)
407,856	16,741,694	731,945	47,359,397	10,462,598
\$ -	\$ 19,503,427	\$ 728,838	\$ 51,569,506	\$ 10,356,257

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			
	Regional Water (5910)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,008,989	\$ 2,799,115	\$ 682,678	\$ (1,260,975)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	407,819	-	-	442,170
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	118,000	42,529	300	(213,781)
Due from other governments	(106,407)	-	-	(2,731)
Accrued interest receivable	-	-	-	-
Taxes receivable	-	1,194,977	-	-
Notes receivable	7,163	-	-	-
Leases receivable	-	-	1,271,434	-
Special assessments receivable	67,739	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	884
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	(122,262)
Negative equity in pooled cash	-	-	-	-
Accounts payable	794,051	(7,019)	-	1,629,404
Due to other governments	(55,240)	-	-	-
Accrued liabilities	(2,009)	(2,154)	-	(13,445)
Unearned revenue	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	1,635,625
Accrued compensated absences	5,111	-	-	19,304
Net pension asset	-	-	-	-
Net pension liability	8,263	-	-	(66,971)
Deferred outflows - pension amounts	2,701	-	-	54,146
Deferred inflows - pension amounts	10,556	-	-	31,061
Net OPEB asset	64,914	-	-	190,340
Net OPEB liability	-	-	-	-
Deferred outflows - OPEB amounts	12,666	-	-	61,605
Deferred inflows - OPEB amounts	(118,068)	-	-	(427,611)
Net cash provided by (used in) operating activities	<u>\$ 2,226,248</u>	<u>\$ 4,027,448</u>	<u>\$ 1,954,412</u>	<u>\$ 1,956,763</u>

Noncash transactions:

The Airport fund received noncash capital contributions of \$512,964 for the year ended September 30, 2020.

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ (1,647,988)	\$ 7,552,397	\$ (4,279,233)	\$ 4,854,983	\$ (419,103)
1,193,064	6,056,462	789,959	8,889,474	2,416,656
(234,787)	(441,163)	(230)	(729,132)	87,019
-	(623,669)	-	(732,807)	10,016
-	-	-	-	108,195
-	-	-	1,194,977	-
-	135,188	-	142,351	200,000
-	-	-	1,271,434	-
-	-	-	67,739	-
7,774	-	-	7,774	(1,063,026)
-	25,554	-	26,438	-
-	-	-	-	1,796
-	-	423	(121,839)	-
228,063	-	(407,101)	(179,038)	-
(6,274)	(87,840)	(69,842)	2,252,480	(630,636)
-	-	-	(55,240)	43,687
(37)	25,794	1,796	9,945	37,298
5,494	(84,521)	(600)	(79,627)	(25,684)
-	640,915	(29,904)	2,246,636	-
12,456	38,526	31,280	106,677	(35,956)
-	(221,569)	-	(221,569)	-
(2,026)	(86,957)	110,166	(37,525)	-
(684)	(69,334)	252,743	239,572	-
18,676	62,935	4,443	127,671	-
-	587,321	504,930	1,347,505	-
45,901	-	-	45,901	-
32,938	546,481	1,347	655,037	-
(116,143)	(1,449,170)	(1,077,048)	(3,188,040)	-
<u>\$ (463,573)</u>	<u>\$ 12,607,350</u>	<u>\$ (4,166,871)</u>	<u>\$ 18,141,777</u>	<u>\$ 730,262</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2020

	Agency Funds	Private-Purpose Trust Fund Epic Heir Trust (7650)	Other Post- employment Benefits Trust (7360)
ASSETS			
Cash and investments	\$ 13,255,561	\$ 83,493	\$ -
MERS total market portfolio	-	-	56,440,394
Accounts receivable	177	-	-
Prepays	-	-	112,507
Total assets	<u>\$ 13,255,738</u>	<u>83,493</u>	<u>56,552,901</u>
LIABILITIES			
Negative equity in pooled cash	\$ -	-	7,904
Accounts payable	3,347	-	-
Due to other governments	2,634,457	-	-
Undistributed current and delinquent taxes	9,286,399	-	-
Trust deposits	1,188,722	-	-
Unallocated receipts	142,813	-	-
Total liabilities	<u>\$ 13,255,738</u>	<u>-</u>	<u>7,904</u>
NET POSITION RESTRICTED FOR:			
Epic children		83,493	-
Other postemployment benefits		-	56,544,997
Total net position		<u>\$ 83,493</u>	<u>\$ 56,544,997</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2020

	Private-Purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
ADDITIONS		
Employer contributions	\$ -	\$ 1,128,011
Contributions	17,075	-
Investment earnings	645	3,859,600
Total additions	<u>17,720</u>	<u>4,987,611</u>
DEDUCTIONS		
Benefit payments	-	2,340,702
Administrative expenses	-	98,533
Total deductions	<u>-</u>	<u>2,439,235</u>
Change in net position	17,720	2,548,376
Net position, beginning of year	65,773	53,996,621
Net position, end of year	<u>\$ 83,493</u>	<u>\$ 56,544,997</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
September 30, 2020

	Road Commission	Water Resources	Land Bank Authority	Total
ASSETS				
Cash and investments	\$ 5,495,793	\$ 3,903,397	\$ 1,121,861	\$ 10,521,051
Receivables:				
Accounts	-	-	614,889	614,889
Assessments	-	10,826,400	-	10,826,400
Due from other governments	4,700,231	-	6,043	4,706,274
Other	38,835	-	-	38,835
Prepays and other assets	1,049,280	-	-	1,049,280
Inventories	2,631,213	-	-	2,631,213
Assets held for resale	-	-	837,685	837,685
Capital assets not being depreciated	30,169,536	3,893,688	-	34,063,224
Capital assets being depreciated, net	58,702,430	10,655,124	33,705	69,391,259
Net OPEB asset	81,724	-	-	81,724
Total assets	<u>102,869,042</u>	<u>29,278,609</u>	<u>2,614,183</u>	<u>134,761,834</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	2,527,796	-	-	2,527,796
Deferred OPEB amounts	744,231	-	-	744,231
Total deferred outflows of resources	<u>3,272,027</u>	<u>-</u>	<u>-</u>	<u>3,272,027</u>
LIABILITIES				
Accounts payable	1,535,456	860,652	12,477	2,408,585
Accrued liabilities	848,692	-	10,771	859,463
Accrued interest	-	171,470	-	171,470
Advances from primary government	-	100,000	75,000	175,000
Unearned revenue	53,714	-	24,906	78,620
Long-term debt:				
Due within one year	199,500	2,352,960	-	2,552,460
Due in more than one year	115,168	10,947,969	-	11,063,137
Net pension liability (due in more than one year)	4,419,026	-	-	4,419,026
Total liabilities	<u>7,171,556</u>	<u>14,433,051</u>	<u>123,154</u>	<u>21,727,761</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension amounts	269,312	-	-	269,312
Deferred OPEB amounts	549,440	-	-	549,440
Total deferred inflows of resources	<u>818,752</u>	<u>-</u>	<u>-</u>	<u>818,752</u>
NET POSITION				
Net investment in capital assets	88,871,966	2,633,903	33,705	91,539,574
Restricted for debt service	-	693,954	-	693,954
Restricted for OPEB	276,515	-	-	276,515
Restricted for county roads	9,002,280	-	-	9,002,280
Unrestricted	-	11,517,701	2,457,324	13,975,025
Total net position	<u>\$ 98,150,761</u>	<u>\$ 14,845,558</u>	<u>\$ 2,491,029</u>	<u>\$ 115,487,348</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2020

	Road Commission	Water Resources	Land Bank Authority	Total
EXPENSES				
Road Commission	\$ 18,378,439	\$ -	\$ -	\$ 18,378,439
Water Resources	-	1,319,131	-	1,319,131
Land Bank Authority	-	-	789,514	789,514
Total expenses	<u>18,378,439</u>	<u>1,319,131</u>	<u>789,514</u>	<u>20,487,084</u>
REVENUES				
Program revenues:				
Charges for services	3,379,700	24,233	265,420	3,669,353
Operating grants and contributions	16,197,730	59,677	2,500	16,259,907
Capital grants and contributions	5,267,360	3,094,300	78,893	8,440,553
General revenues:				
Unrestricted investment earnings	48,747	39,911	51,915	140,573
Gain on sale of capital assets	11,283	-	-	11,283
Other revenue	-	-	331,355	331,355
Total revenues	<u>24,904,820</u>	<u>3,218,121</u>	<u>730,083</u>	<u>28,853,024</u>
Change in net position	6,526,381	1,898,990	(59,431)	8,365,940
Net position, beginning of year	91,624,380	12,946,568	2,550,460	107,121,408
Net position, end of year	<u>\$ 98,150,761</u>	<u>\$ 14,845,558</u>	<u>\$ 2,491,029</u>	<u>\$ 115,487,348</u>

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

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Muskegon, Michigan (the "County") was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the County seat located in the City of Muskegon. The County operates under an elected Board of Commissioners (9 members) and provides services to its 174,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

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. The discretely presented component units, excluding the Muskegon County Road Commission (the "Road Commission"), utilize the County's central accounting system and are part of the same internal control structures as the primary government.

Blended Component Unit

Muskegon County Building Authority – The Muskegon County Building Authority is governed by a board which is appointed by the County Board of Commissioners. Its sole purpose is to construct or purchase and lease back buildings to the County. The Authority has no separately-reported financial activity as all costs are borne and reported by the County. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Economic Development Corporation – The Economic Development Corporation of Muskegon County (EDC) is a separate legal entity that was established in 1976 pursuant to Michigan Public Act 338 of 1974, in order to stimulate business capital investment, contribute to the area's employment, increase tax base, and provide needed public services. In certain situations, members of the EDC Board of Directors may be removed by a majority decision of the County Board of Commissioners. A separate report is not prepared for the EDC. The EDC has no financial activity during the year, and has therefore not been included in the financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Muskegon County Road Commission – The Muskegon County Road Commission is responsible for maintaining a primary and local road system within County boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances. The Road Commission operates outside the County’s central accounting system and is responsible for establishing and maintaining its own separate internal control structure. The component unit is audited individually and complete financial statements can 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.

Office of the Muskegon County Water Resources Commissioner – The Office of the Muskegon County Water Resources Commissioner consists of individual drainage districts created for alleviating drainage problems. Each drainage district accounts for the construction, maintenance, and financing costs associated with its drain program. Each individual district established pursuant to the Michigan Drain Code (Public Act 40 of 1956) is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan for drainage. The Muskegon County Water Resources Commissioner manages the drainage districts with the Muskegon County Board of Commissioners exercising legislative oversight. The County is a direct beneficiary of the services provided and its employees run the day-to-day operations. In addition, the County can pledge its full faith and credit for the long-term debt of the drainage districts. The component unit is audited individually and complete financial statements can be obtained from the Office of the Water Resources Commissioner. Accordingly, the County has elected to omit substantially all note disclosures related to the drainage districts in these financial statements.

Muskegon County Land Bank Authority – The Muskegon County Land Bank Authority (“Land Bank”) was established in 2007 pursuant to the Michigan Land Bank Fast Track Act (Public Act 258 of 2003, MCL 124.751 to 124.774) and an intergovernmental agreement entered into between the Michigan Land Bank Fast Track Authority and the Muskegon County Treasurer. This agreement established the Land Bank as a separate legal entity and public body corporate to administer and execute Land Bank objectives.

The Land Bank is governed by a seven-member board (the "Land Bank Board") including the Muskegon County Treasurer who is, by law, its Board Chair and six other members appointed by the Muskegon County Board of Commissioners (the “County Board”). The Land Bank was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Land Bank is a component unit of the County as the County Board can significantly influence the operations of the Land Bank Board and is able to impose its will as evidenced by the ability to remove board members at will and modify/approve the Land Bank's budget. There are no separately-issued financial statements of this component unit.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 identified with a specific function or segment. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) other revenues that are by definition related to the cost of providing a specific function or segment. Taxes, fines and other items not specific to particular functions or segments are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A ninety day availability period is used for revenue recognition for all governmental fund revenues, except for expenditure-driven grants, which must be collected within one year, and property taxes. As described under "Property Taxes" below, property taxes for the County are levied and payable within the current fiscal year are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving Fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of sixty days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles. 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 claim and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The *HealthWest Special Revenue Fund* accounts for funds earmarked to provide mental health services within County boundaries. Monies are provided by federal, state, and county appropriations, grants, contributions and charges for services. This fund has several separate programs for the mentally impaired and developmentally disabled individuals. Both out-patient and in-patient services for adults and children are provided.

The County reports the following major enterprise funds:

The *Regional Water System* provides for the continued operations of a regional water system for the townships of Dalton, Laketon, and Muskegon.

The *Delinquent Tax Revolving Fund* accounts for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the County's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Local Government Public Works Financing accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. The proceeds of such debt are used to construct public works water and sewer infrastructure assets for local municipalities, which the local governments agree to operate and lease over the life of the bonds. The lease agreement constitutes a capital lease and the lease payments to the County are generally equal to the debt service requirements of the County's bonds.

Solid Waste Management System accounts for revenues received from, and the expenses made for, the operations of a solid waste landfill system. Monies for the operation of the system are received from customers.

Muskegon County Airport provides direct and related services for both air carrier and general aviation aircraft. Airport activities are administratively divided into four areas: airfield, terminal buildings, hangars and other.

Wastewater Management System provides an innovative, comprehensive plan for utilizing wastewater for land treatment by spray irrigation. The land treatment system nearly eliminates industrial and municipal pollutants and utilizes the wastewater as water and fertilizer to grow crops. Revenues are derived primarily from municipal users and private corporations. Additional revenue is generated from sales of crops grown at the facility.

Additionally, the County reports the following fund types:

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

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs-that is, for the benefit of the County or its citizenry.

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 printing, building maintenance, automotive repair, building and equipment purchases, energy improvements, and insurance and risk management on a cost reimbursement basis.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes and fees collected for other governments).

The *Private Purpose Trust fund* accounts for the perpetual care of specific individuals as ordered by the Court. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

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 on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position represents assets that are subject to restrictions beyond the County'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 County'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. Investments, exclusive of certificates of deposit, are stated at fair value. Certificates of deposit are carried at cost plus accrued interest, since the original maturity dates are less than one year or the certificates are non-participating (i.e., there is no available market for trade prior to maturity).

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (c) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in subdivision (a).
- (e) Bankers' acceptances of United States banks.
- (f) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (g) Mutual funds registered under the Investment Company Act of 1940, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- (h) Obligations described in (a) through (g) if purchased through an inter-local agreement with the Urban Cooperation Act of 1967.
- (i) The investment pools organized under the Surplus Investment Pool Act, 1982 PA 367, 129.111 to 129.118.
- (j) The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Receivables and Payables

Activity 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" (the current portion of interfund loans) or "advances to/from other funds" (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".

As applicable, advances between funds are offset by nonspendable fund balance in the general fund 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".

Other Assets

The County's inventories represent operating materials and supplies consumed while providing services and are stated at cost using the first in, first out (FIFO) method. Inventories are accounted for by the consumption method. Assets held for resale, including inventories held for resale, are stated at lower of cost or market.

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.

Restricted Assets

Assets which are restricted for specified uses by bond debt requirements, grant provisions or other external requirements are classified as restricted assets. Liabilities payable from such restricted assets are separately classified.

The Solid Waste and Fly Ash funds' restricted assets relate primarily to future maintenance of landfill sites, repair and maintenance of waste-to-energy operations, contract retainages for construction projects and debt retirement.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Capital Assets

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries and employee benefits during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated acquisition cost at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, including those purchased/constructed prior to the implementation of GASB 34 have been included for the primary government and component units. The County has no infrastructure assets in its governmental activities. Property, plant, equipment and infrastructure of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure and improvements	5 - 50
Capitalized interest and engineering costs	47 - 50

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources for the charge on bond refunding reported in the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price. In addition, the County reports deferred outflows of resources related to its pension and OPEB plans. A portion of these costs also represent contributions to the pension plan subsequent to the plan measurement date.

Self-insurance Fund

The County maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of liability, workers' compensation, and unemployment, the County maintains a reserve for unpaid claims. This reserve includes both case reserves estimated by adjusters on a case-by-case basis for claims reported but not settled, as well as actuarial estimates for claims incurred but not reported (IBNR). IBNR includes provisions for a) late reported claims, b) development on existing case reserves, c) potential claim re-openings, and d) claims that have been reported but for which a case reserve has not yet been recorded.

Compensated Absences

County employees are permitted to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service and certain other established criteria. A liability for these amounts is accrued and reported in the government-wide and proprietary funds statements. Vacation and sick leave payoffs upon termination of employment are allocated as general administrative expense across all activities of the County's primary government and participating component units.

Upon termination, a *vacation leave payoff* is generally made at the final rate of pay for 100% of accumulated vacation leave hours, up to a maximum of between 102 and 384 vacation payoff hours, depending on the employee's work classification.

The employee generally receives a *sick leave payoff* equal to sick-leave-payoff-hours multiplied by the employee's final pay rate per hour. There is no limit to the number of sick hours an employee may accumulate, but at termination accumulated sick leave hours are converted into sick-leave-payoff-hours, which is a percentage of accumulated sick leave hours, subject to a maximum of 1440 accumulated sick leave hours. To arrive at the number of sick-leave-payoff-hours to be paid at the final rate of pay, the accumulated sick leave hours are (1) multiplied by 75% for employees who qualify for full retirement or die, (2) multiplied by 50% for other voluntary terminations, or (3) not eligible for payoff for involuntary terminations.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Long-term Obligations

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

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 the 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 position that applies to one or more future periods 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 Medicaid fee for service and capitation for HealthWest, and certain state grants not received within the period of availability. 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 its pension and OPEB plans.

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 pension and OPEB benefits, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Fund Equity

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the 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 by resolution has delegated the authority to assign fund balance to the County Finance & Management Services Director or his/her designee. *Unassigned fund balance* is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Other governmental funds besides the general fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the fund.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the General Fund will be equal to at least 14-19 percent of the prior year expenditures plus transfers out. If the General Fund balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy.

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Capital Contributions

Certain expenditures for airport and transit capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration and the U.S. Department of Transportation, with certain matching funds provided by the Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred. Grants for capital assets acquisition, facilities development and rehabilitation are reported in the statement of revenues, expenses and change in fund net position, after nonoperating revenues and expenses as capital contributions.

Use of Estimates

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

Budgets

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General Fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. General and special revenue funds budgets are presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the General and special revenue funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the General and special revenue funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed department totals in the General Fund. Special revenue fund expenditures cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.
7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the department level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between General Fund departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners.
9. All budget appropriations lapse at the end of each fund's fiscal year.

Grants and Third Party Cost Reimbursement Settlements

The County receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the County, and are subject to audit by the responsible agencies. Adjustments to grant reimbursements required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments to third party cost reimbursements required upon final settlements are recorded in the period of settlement.

Property Taxes

Property taxes are levied and attached as an enforceable lien on property as of July 1 and December 1. Taxes are payable by March 1 with local treasurers. After March 1, taxes are delinquent and are collected by the County with additional penalty and interest added. Delinquent tax rolls are used to finance delinquent tax notes of which the proceeds are used to pay off the various taxing authorities around July 1. Collections of delinquent taxes (including penalty and interest) are kept by the County to repay the notes, with any remainder being remitted to the general fund. Any delinquent taxes not collected after two years have elapsed trigger the property to be foreclosed and offered for sale at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occur on or about September 1st. Therefore, under the statutes, total delinquency collection is assured for properties are sold at this first public auction. Parcels not sold at the first minimum-bid auction are offered at a second no-minimum-bid auction. Following the second auction, an unsold parcel is turned over to the County by the local unit of government.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

2. EXCESS OF EXPENDITURES OVER BUDGET

Public Act 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budget appropriations of the County were adopted on the department level for the General Fund and at the fund level basis for special revenue funds.

During the year ended September 30, 2020, the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Actual	Actual Over Final Budget
General fund:			
General government:			
State Institutions	\$ 731,000	\$ 761,917	\$ 30,917
Misc Contingency	2,052,273	2,348,209	295,936
Judicial:			
District Court Collections	174,275	193,341	19,066
Public safety:			
Sheriff Jail	7,446,976	7,523,895	76,919
Special Investigative Fund	8,113	14,452	6,339

3. DEFICIT FUND EQUITY

At September 30, 2020, the following enterprise funds reported deficit net position balances as shown in the following table:

Proprietary Fund	Unrestricted Net Position (Deficit)	Total Net Position	Working Capital	Total of Net Pension & Net OPEB Liabilities (Assets) & Related Deferred Amounts
Solid Waste	\$ (547,017)	\$ 5,577,327	\$ 15,135,798	\$ 2,349,395
Airport	(1,526,360)	29,523,571	123,737	849,999
Muskegon Area Transit System	(4,390,845)	2,730,058	233,328	3,197,196
Energy Improvements	1,914,972	(218,116)	1,509,972	-

All of these funds maintained positive working capital, which represents the excess of current assets over current liabilities. Net pension and net OPEB amounts contributed to the deficit unrestricted net position balances reported.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

In addition to the deficits noted above, the HealthWest special revenue fund had an unassigned deficit of \$12,350,238 at September 30, 2020, while the total fund deficit was \$12,343,578. HealthWest's fund balance deficit resulted from payment on \$13,146,570 of receivables not being received within 90 days after September 30, resulting in delayed revenue recognition until such time as payment is received on the deferred receivables balance. Additional details can be located in the separately issued financial statements of the HealthWest fund.

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2020:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 66,862,115	\$ 10,521,051	\$ 77,383,166
Restricted assets	2,819,410	-	2,819,410
	<u>69,681,525</u>	<u>10,521,051</u>	<u>80,202,576</u>
Statement of Fiduciary Net Position			
Agency funds:			
Cash and investments	13,255,561	-	13,255,561
Private purpose trust fund:			
Cash and investments	83,493	-	83,493
Other postemployment benefit trust fund:			
Negative equity in pooled cash	(7,904)	-	(7,904)
MERS total market portfolio	56,440,394	-	56,440,394
	<u>69,771,544</u>	<u>-</u>	<u>69,771,544</u>
Total	<u>\$ 139,453,069</u>	<u>\$ 10,521,051</u>	<u>\$ 149,974,120</u>
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 66,379,329
Certificates of deposits, due within one year			3,520,000
Total bank deposits			<u>69,899,329</u>
Investments:			
MERS total market portfolio			56,440,394
Money market accounts			2,819,410
Municipal bonds			18,121,995
Government securities			1,490,535
Non-cash commodity			1,090,162
Total investments			<u>79,962,496</u>
Cash on hand			<u>112,295</u>
Total			<u>\$ 149,974,120</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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. It is County policy to reduce custodial credit risk related to deposits by using only pre-qualified financial institutions, broker/dealers, intermediaries and advisors. As of year-end, \$69,064,825 of the County's bank balance of \$70,179,654 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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. As of September 30, 2020, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

To limit the risk on the sale of the commodities grown as part of the farm sales in the Wastewater enterprise fund, the County elects to hedge up to 50 percent of the anticipated crop production. The funds are held with a third-party and the value has been adjusted based on the market value of the commodity at year end. See further information in Note 18.

Credit Risk. Statutes and various bond indentures authorize the County to invest in obligations of the U.S. Treasury, governmental agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, U.S. government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously. The County had no investment policy that would further limit its investment choices.

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

Moody AAA	\$ 1,490,535
Moody AA1	2,996,305
Moody AA2	650,805
Moody AA3	2,021,380
Moody A1	2,100,599
S&P AA	8,557,156
S&P AA-	1,795,750
Unrated	<u>60,349,966</u>
Total	<u><u>\$ 79,962,496</u></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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Due in less than 1 year	\$ 1,347,491
Due in 1-5 years	4,308,755
Due in 6-10 years	6,605,760
Due in 11-15 years	5,554,774
Due in 26-30 years	1,795,750
No maturity	<u>60,349,966</u>
Total	<u>\$ 79,962,496</u>

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 will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

Securities traded on a national or international exchange (Level 1) are valued at the last reported sales price at current exchange rates. Debt securities (Level 2), comprised of the municipal bonds and government securities, are valued by the County's investment custodian using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider: (a) benchmark yields, (b) reported trades, (c) broker/dealer quotes, (d) benchmark securities, (e) bids or offers, and (f) reference data.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The County has the following recurring fair value measurements as of September 30, 2020:

	Fair Value Measurements Using			
	Total	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
MERS total market portfolio	\$ 56,440,394	\$ 56,440,394	\$ -	\$ -
Money market accounts	2,819,410	2,819,410	-	-
Municipal bonds	18,121,995	-	18,121,995	-
Government securities	1,490,535	-	1,490,535	-
Non-cash commodity	1,090,162	1,090,162	-	-
Total investments	<u>\$ 79,962,496</u>	<u>\$ 60,349,966</u>	<u>\$ 19,612,530</u>	<u>\$ -</u>

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,760,899	\$ 4,790,083	\$ 614,889
Less: allowance for uncollectibles	(231,266)	-	-
Due from other governments	25,409,733	3,026,028	4,706,274
Less: allowance for uncollectibles	(4,019)	-	-
Accrued interest	213,914	-	-
Taxes (current)	6,754,221	-	-
Taxes (delinquent)	-	9,125,458	-
Notes	-	398,681	-
Leases	-	15,615,611	-
Special assessments	-	453,635	10,826,400
Other	-	-	38,835
	<u>\$ 33,903,482</u>	<u>\$ 33,409,496</u>	<u>\$ 16,186,398</u>

Of the amounts reported for receivables above, long-term notes receivables in the amount of \$328,915, special assessments receivable in the amount of \$10,108,617, leases receivable in the amount of \$14,626,055, and accounts receivable of \$518,170 are not expected to be collected within one year.

The County has a long-term note receivable from the Erdman Holding, LLC (a Michigan limited liability company) dated February 22, 2010 (issued in the face amount of \$1,275,000, with interest of 6% per annum), which is held by the Wastewater enterprise fund.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

6. PAYABLES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 13,374,149	\$ 3,816,911	\$ 2,408,585
Due to other governments	1,105,129	453,224	-
Accrued liabilities	4,083,998	508,207	859,463
Accrued interest payable	1,681,444	892,840	171,470
	<u>\$ 20,244,720</u>	<u>\$ 5,671,182</u>	<u>\$ 3,439,518</u>

7. OTHER ASSETS

Other assets are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Prepays	\$ 1,409,779	\$ 23,198	\$ 1,049,280
Inventories	20,998	44,942	2,631,213
Deposits held with others	697,776	-	-
Assets held for resale	-	-	837,685
	<u>\$ 2,128,553</u>	<u>\$ 68,140</u>	<u>\$ 4,518,178</u>

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020, was as follows:

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
Solid Waste	\$ 31,855	\$ -
Airport	-	500,584
Internal Service Funds	500,584	31,855
	<u>\$ 532,439</u>	<u>\$ 532,439</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General Fund	\$ 100,000	\$ -
Delinquent Tax Revolving	75,000	-
Water Resources Commissioner	-	100,000
Land Bank Authority	-	75,000
	<u>\$ 175,000</u>	<u>\$ 175,000</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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2020, interfund transfers consisted of the following:

Transfers Out	Transfers In					Totals
	General Fund	HealthWest	Nonmajor Governmental Funds	Airport	Internal Service Funds	
General Fund	\$ -	\$ 736,935	\$ 12,082,811	\$ 183,295	\$ 42,828	\$ 13,045,869
Healthwest	-	-	1,369,831	-	-	1,369,831
Nonmajor Governmental Funds	109,261	-	854,437	-	-	963,698
Delinquent Tax Revolving	1,127,000	-	231,961	-	-	1,358,961
Local Government Public						
Works Financing	-	-	353	-	-	353
Internal Service Funds	-	-	122,246	-	-	122,246
Totals	<u>\$ 1,236,261</u>	<u>\$ 736,935</u>	<u>\$ 14,661,639</u>	<u>\$ 183,295</u>	<u>\$ 42,828</u>	<u>\$ 16,860,958</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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,640,297	\$ -	\$ (25,000)	\$ -	\$ 4,615,297
Construction-in-progress	2,650,952	123,723	-	(2,355,617)	419,058
	<u>7,291,249</u>	<u>123,723</u>	<u>(25,000)</u>	<u>(2,355,617)</u>	<u>5,034,355</u>
Capital assets being depreciated:					
Land improvements	8,140,067	-	(74,021)	-	8,066,046
Building and improvements	98,068,999	122,434	(5,520,603)	74,111	92,744,941
Machinery and equipment	28,410,996	338,997	(1,898,070)	2,281,506	29,133,429
	<u>134,620,062</u>	<u>461,431</u>	<u>(7,492,694)</u>	<u>2,355,617</u>	<u>129,944,416</u>
Less accumulated depreciation for:					
Land improvements	(4,583,080)	(306,823)	47,278	-	(4,842,625)
Building and improvements	(39,484,776)	(3,145,438)	5,045,826	-	(37,584,388)
Machinery and equipment	(19,876,384)	(2,354,190)	1,723,238	-	(20,507,336)
	<u>(63,944,240)</u>	<u>(5,806,451)</u>	<u>6,816,342</u>	<u>-</u>	<u>(62,934,349)</u>
Total capital assets being depreciated, net	<u>70,675,822</u>	<u>(5,345,020)</u>	<u>(676,352)</u>	<u>2,355,617</u>	<u>67,010,067</u>
Governmental activities- capital assets, net	<u>\$ 77,967,071</u>	<u>\$ (5,221,297)</u>	<u>\$ (701,352)</u>	<u>\$ -</u>	<u>\$ 72,044,422</u>

Of the amount reported in capital assets, \$1,293,054 of machinery and equipment was purchased through capital lease purchase agreements. Related accumulated depreciation at year-end amounted to \$637,716.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

Depreciation of governmental activities by function

General government	\$ 820,965
Judicial	22,591
Public safety	1,550,976
Health	628,775
Welfare	1,700
Recreation	364,788
Internal service funds	2,416,656
Total depreciation expense - governmental activities	<u>\$ 5,806,451</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 20,216,255	\$ 423,213	\$ -	\$ -	\$ 20,639,468
Construction-in-progress	11,434,163	4,695,351	-	(6,890,533)	9,238,981
	<u>31,650,418</u>	<u>5,118,564</u>	<u>-</u>	<u>(6,890,533)</u>	<u>29,878,449</u>
Capital assets being depreciated:					
Land improvements	32,832,116	-	-	-	32,832,116
Buildings and improvements	29,758,786	-	-	-	29,758,786
Machinery and equipment	43,585,147	1,092,407	(1,088,448)	16,814	43,605,920
Lagoons	9,495,715	-	-	-	9,495,715
W/W collection and distribution	166,672,445	3,307,086	(5,185)	6,873,719	176,848,065
Capitalized interest and engineering	8,936,046	-	-	-	8,936,046
	<u>291,280,255</u>	<u>4,399,493</u>	<u>(1,093,633)</u>	<u>6,890,533</u>	<u>301,476,648</u>
Less accumulated depreciation for:					
Land improvements	(19,456,132)	(796,293)	-	-	(20,252,425)
Building and improvements	(18,032,665)	(784,463)	-	-	(18,817,128)
Machinery and equipment	(22,421,968)	(2,203,615)	838,643	-	(23,786,940)
Lagoons	(4,384,908)	(95,085)	-	-	(4,479,993)
W/W collection and distribution	(89,820,375)	(4,904,149)	4,668	-	(94,719,856)
Capitalized interest and engineering	(7,440,581)	(105,869)	-	-	(7,546,450)
	<u>(161,556,629)</u>	<u>(8,889,474)</u>	<u>843,311</u>	<u>-</u>	<u>(169,602,792)</u>
Total capital assets being depreciated, net	<u>129,723,626</u>	<u>(4,489,981)</u>	<u>(250,322)</u>	<u>6,890,533</u>	<u>131,873,856</u>
Business-type activities capital assets, net	<u>\$ 161,374,044</u>	<u>\$ 628,583</u>	<u>\$ (250,322)</u>	<u>\$ -</u>	<u>\$ 161,752,305</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government's business-type activities as follows:

Depreciation of business-type activities by function

Regional Water	\$ 407,819
Solid Waste	442,170
Airport	1,193,064
Wastewater	6,056,462
Nonmajor enterprise funds	789,959
Total depreciation expense - business-type activities	<u>\$ 8,889,474</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Land Bank Authority					
Discretely Presented Component Unit					
Capital assets being depreciated:					
Machinery and equipment	\$ -	\$ 33,705	\$ -	\$ -	\$ 33,705
Less accumulated depreciation for:					
Machinery and equipment	-	-	-	-	-
Land Bank Authority					
capital assets, net	<u>\$ -</u>	<u>\$ 33,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,705</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2020:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Public placement:					
General obligation bonds	\$ 94,814,333	\$ -	\$ (3,113,573)	\$ 91,700,760	\$ 3,411,699
Direct placement:					
General obligation bonds	6,735,000	10,315,000	(5,690,000)	11,360,000	1,215,000
Capital leases	767,910	-	(285,928)	481,982	226,668
Installment purchase agreements	1,941,417	-	(506,893)	1,434,524	519,327
Total direct placement	9,444,327	10,315,000	(6,482,821)	13,276,506	1,960,995
Total installment debt	104,258,660	10,315,000	(9,596,394)	104,977,266	5,372,694
Premium on bonds payable	207,769	-	(45,470)	162,299	38,357
Discount on bonds payable	(145,966)	-	7,407	(138,559)	(5,761)
Judgment obligation	4,900,000	250,000	(5,150,000)	-	-
Compensated absences	6,938,679	1,218,003	(653,527)	7,503,155	856,109
Total governmental activities	\$ 116,159,142	\$ 11,783,003	\$ (15,437,984)	\$ 112,504,161	\$ 6,261,399
Business-type activities					
Public placement:					
General obligation bonds	\$ 20,850,667	\$ -	\$ (1,351,427)	\$ 19,499,240	\$ 868,301
Revenue bonds	16,310,000	-	(1,465,000)	14,845,000	1,475,000
Total public placement	37,160,667	-	(2,816,427)	34,344,240	2,343,301
Direct placement:					
Revenue bonds	34,153,365	-	(3,390,000)	30,763,365	3,455,000
Notes payable	16,000,000	11,500,000	(12,000,000)	15,500,000	11,500,000
Total direct placement	50,153,365	11,500,000	(15,390,000)	46,263,365	14,955,000
Total installment debt	87,314,032	11,500,000	(18,206,427)	80,607,605	17,298,301
Premium on bonds payable	2,362,196	-	(302,980)	2,059,216	289,420
Discount on bonds payable	(6,984)	-	353	(6,631)	(276)
Closure and sludge cost	19,537,192	2,276,540	(29,904)	21,783,828	1,179,666
Compensated absences	1,165,712	180,509	(73,832)	1,272,389	145,179
Total business-type activities	\$ 110,372,148	\$ 13,957,049	\$ (18,612,790)	\$ 105,716,407	\$ 18,912,290

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental Activities

Public placement - general obligation bonds

\$4,765,000 2018 Building Authority (Limited Tax) Refunding Bonds, Mental Health Building, due in annual installments of \$230,000 to \$400,000 plus interest ranging from 3.00% to 4.00%, payable semi-annually, through May 1, 2033.	\$ 4,285,000
\$43,455,000 2018 Building Authority (Limited Tax) Bonds, Jail and Juvenile Transition Center, due in annual installments of \$930,000 to \$2,610,000 plus interest ranging from 2.184% to 4.059% payable semi-annually, through November 1, 2043.	41,430,000
\$41,179,333 2018 Pension Bonds (governmental-activities portion), due in annual installments of \$1,068,848 to \$3,311,525 plus interest ranging from 3.19% to 4.55%, payable semi-annually, through November 1, 2038.	39,895,760
\$5,915,000 2014 Capital Improvement Bonds, due in annual installments of \$315,000 to \$510,000 plus interest ranging from 3.45% to 4.00%, payable semi-annually, through November 1, 2029.	4,290,000
\$2,325,000 2015 Capital Improvement Bonds, due in annual installments of \$130,000 to \$175,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2034.	<u>1,800,000</u>
Total governmental activities public placement installment debt	<u>\$ 91,700,760</u>

Direct placement

General obligation bonds

\$4,685,000 2010 Building Authority (Limited Tax) Refunding Bonds, Hall of Justice Bonds, due in annual installments of \$110,000 to \$530,000 plus interest at 2.81%, payable semi-annually, through May 1, 2022.	\$ 1,045,000
\$5,095,000 2019 Refunding Bonds (Taxable), due in annual installments of \$405,000 to \$525,000 plus interest at 2.50%, payable semi-annually, through November 1, 2030.	5,095,000
\$5,220,000 2020 Judgment Bonds, due in annual installments of \$295,000 to \$420,000 plus interest at 2.85%, payable semi-annually, through June 1, 2035.	5,220,000
Capital leases	
Various capital leases, due in various monthly installments plus interest maturing at various dates through April 29, 2024.	481,982

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Installment purchase agreements

\$243,326 2019 Pictometry installment purchase agreement, due in payments of \$20,277 to \$81,109, no interest, payable annually, through May 1, 2021.	\$ 81,109
\$2,246,006 2019 Key Government Finance, Inc. installment purchase agreement, due in annual installments of \$425,785 to \$466,807, plus interest at 2.92%, payable annually, through August 27, 2023.	<u>1,353,415</u>
Total governmental activities direct placement installment debt	<u>\$ 13,276,506</u>

Business-type Activities

Public placement

General obligation bonds

\$16,185,000 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township Section) Refunding Bonds, Series 2015 (General Obligation Limited Tax), due in an annual installments of \$445,000 to \$1,220,000 plus interest ranging from 4.201% to 5.00%, payable semi-annually, through November 1, 2036.	\$ 14,255,000
\$995,000 Muskegon County Water Supply System (Whitehall Township Section) Bonds, Series 2006 (General Obligation Limited Tax), due in installments of \$55,000 to \$85,000 plus interest ranging from 4.00% to 4.30%, payable semi-annually, through November 1, 2021.	170,000
\$3,800,000 2015 Capital Improvement Bonds, due in annual installments of \$155,000 to \$265,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2034.	3,165,000
\$1,970,667 2018 Pension Bonds (business-type activities portion), due in annual installments of \$51,152 to \$158,475 plus interest ranging from 3.19% to 4.55%, payable semi-annually, through November 1, 2038.	1,909,240

Revenue bonds

\$6,550,000 2015 Muskegon County Water Supply System Revenue Refunding Bonds, due in annual installments of \$225,000 to \$450,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2036.	5,610,000
\$4,940,000 2019 Muskegon County Water Supply System Revenue Refunding Bonds, due in annual installments of \$415,000 to \$585,000 plus interest ranging from 3.50% to 4.00%, payable semi-annually, through November 1, 2028.	4,525,000
\$12,380,000 2011 Wastewater Revenue Refunding Bond, payable in annual installments of \$775,000 to \$900,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through July 1, 2026.	<u>4,710,000</u>
Total business-type activities public placement installment debt	<u>\$ 34,344,240</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Direct placement

Revenue bonds

**\$17,386,586 2005 Wastewater Revenue Bond, payable to MFA in annual installments of \$745,000 to \$991,560 plus interest at 1.625%, payable semi-annually, through April 1, 2027.	\$ 6,726,560
**\$14,000,000 2006 Wastewater Revenue Bond, payable to MFA in annual installments of \$595,000 to \$815,000 plus interest at 1.625%, payable semi-annually, through April 1, 2028.	6,150,000
**\$1,800,000 2007 Wastewater Revenue Bond, payable to MFA in annual installments of \$75,000 to \$105,000 plus interest at 1.625%, payable semi-annually, through October 1, 2026.	700,000
**\$898,316 2008 Wastewater Revenue Bond, payable to MFA in annual installments of \$35,000 to \$58,316 plus interest at 2.50%, payable semi-annually, through April 1, 2028.	418,316
**\$15,154,830 2008B Wastewater Revenue Bond, payable to MFA in annual installments of \$620,000 to \$939,830 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	7,684,830
**\$16,132,676 2008C Wastewater Revenue Bond, payable to MFA in annual installments of \$670,000 to \$1,095,000 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	8,162,676
**\$1,664,983 2010 Wastewater Revenue Bond, payable to MFA in annual installments of \$70,000 to \$105,983 plus interest at 2.50%, payable semi-annually, through April 1, 2030.	920,983

Notes payable

\$12,000,000 2018 General Obligation Tax Note, due in installments of \$4,000,000 plus interest at 2.74%, payable semi-annually, through December 1, 2020.	4,000,000
\$11,500,000 2019 General Obligation Tax Note, due in installments of \$3,500,000 to \$4,000,000 plus interest at 1.34%, payable semi-annually, through December 1, 2021.	<u>11,500,000</u>

Total business-type activities direct placement installment debt **\$ 46,263,365**

In addition to the long-term debt items noted above, the County has been apportioned a percentage of various drain bonds and notes. At September 30, 2020, the total amount outstanding on the various bond and drain notes that will be assessed to the County in subsequent years is approximately \$2.1 million. The amounts will be assessed annually through 2048.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Pledged Revenues

**The County has pledged future wastewater total revenues, net of specified operating expenses, to repay approximately \$67.0 million in certain wastewater system revenue bonds issued between September 2005 and January 2010. Proceeds from these bonds provided financing for improvements to the wastewater system. These particular bonds are payable solely from wastewater net revenues and are payable through 2030. Annual principal and interest payments on these bonds are expected to require less than 50 percent of net revenues. The total principal and interest remaining to be paid on these bonds is \$33,933,892. For the current year, principal and interest paid was \$4,109,304 and net revenues were \$14,555,758.

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

Year Ended September 30,	Governmental Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2021	\$ 3,411,699	\$ 3,527,571	\$ 1,960,995	\$ 345,739
2022	3,003,848	3,424,884	1,825,491	302,429
2023	3,235,629	3,321,544	1,271,509	250,447
2024	3,410,834	3,212,441	783,511	214,731
2025	3,395,172	3,094,705	765,000	194,337
2026-2030	18,755,947	13,581,991	4,160,000	654,384
2031-2035	24,655,286	9,248,290	2,510,000	179,552
2036-2040	22,002,345	4,134,835	-	-
2041-2044	9,830,000	818,294	-	-
	<u>\$ 91,700,760</u>	<u>\$ 44,364,555</u>	<u>\$ 13,276,506</u>	<u>\$ 2,141,619</u>

Year Ended September 30,	Business-type Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2021	\$ 2,343,301	\$ 1,468,692	\$ 14,955,000	\$ 836,250
2022	2,376,152	1,368,350	7,525,000	605,122
2023	2,359,371	1,267,315	3,600,000	505,601
2024	2,419,166	1,165,506	3,680,000	431,351
2025	2,484,828	1,057,126	3,755,000	355,321
2026-2030	9,794,053	3,852,781	12,748,365	650,416
2031-2035	8,754,714	2,006,875	-	-
2036-2039	3,812,655	216,333	-	-
	<u>\$ 34,344,240</u>	<u>\$ 12,402,978</u>	<u>\$ 46,263,365</u>	<u>\$ 3,384,061</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Bonds payable to Michigan Finance Authority (MFA), successor to the Michigan Municipal Bond Authority (MMBA), are under special State authority where bond funds are received based on reimbursable and allowed expenses for specific State Department of Environmental Quality approved projects. Funds are received until a predetermined limit is reached or the project is complete. Once the projects are complete, MFA issues a final bond payment schedule. Until that time, bond principal payments are estimated based on the original debt schedule and the amount drawn to date. Principal payments commence after 18 months from date of original approval.

The local government public works financing bonds were issued by the County under State of Michigan Public Act 185 of 1957 pursuant to contracts entered into with the City of Norton Shores, Egelston, Muskegon, Dalton, Fruitport, and Whitehall Townships for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the County each year amounts sufficient to provide for debt service. The full faith and credit of the County and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the County and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the County to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the Delinquent Tax Revolving Fund and the full faith and credit of the County.

Proceeds of the outstanding Muskegon County Building Authority Limited Tax General Obligation Bonds were used to construct a community mental health center, to provide energy improvements across most of the County's buildings, and to remodel the County's Hall of Justice. Building lease payments are pledged for the payment of annual debt service along with the limited tax full faith and credit pledge of the County.

In October 2013 the County of Muskegon (the "County") issued \$38.87 million of General Obligation Limited Tax Bonds (the "2013 County Bonds") to pay the costs of a project to acquire, construct, renovate, furnish and equip a jail and a juvenile transition facility. On March 29, 2018, the Muskegon County Building Authority (the "Authority") issued \$43.455 million of General Obligation Limited Tax Building Authority and Juvenile Transition Center Bonds (federally taxable) (the "2018 Authority Bonds") for the purpose of paying the costs of acquiring the County Jail and Juvenile Transition Center (the "Jail/JTC") from the County and paying costs of issuance of the 2018 Authority Bonds. The County used the proceeds received for its sale of the Jail/JTC to defease the 2013 County Bonds. Under a lease contract between the Authority and County, the Authority has pledged for the use of the Jail/JTC, cash rentals to be paid by the County in amounts based upon the Authority's debt service requirements on the 2018 Authority Bonds. The 2013 Bonds had been a private placement with a single purchaser of the issue (the "2013 Investor"). In exchange for a redemption premium of \$982,163 at closing, the 2013 Investor agreed to an early redemption modification of the 2013 County Bonds, such that the first call date was accelerated by 32 months to February 1, 2021, at which time the defeasance escrow deposit and earnings are scheduled to retire the 2013 County Bonds.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The compensated absences liability is liquidated by allocating each payoff of earned but unused vacation and sick pay benefits as general administrative expense across all activities of the County primary government and participating component units when paid upon termination of employment. The General Fund paid 32% of the governmental activities expense for fiscal 2020 and 43% was from the HealthWest major special revenue fund.

Refunded and Defeased Debt

The County issued \$5.095 million of 2019 Refunding Bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of \$4.890 million of the 2010 Capital Improvement Bonds. As a result, the 2010 bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$316,331 and an economic gain of \$253,047.

As a result of prior year refundings, as of September 30, 2020, the County had \$36.815 million in bonds payable considered defeased.

Judgment Obligation

In 2020, an Ingham County Circuit Court Judge issued a judgment regarding a lawsuit between the County and a provider of information technology products and services. The Court found the County in breach of the underlying managed services agreement and awarded the vendor various contract and other damages. The County issued a judgment bond for \$5.22 million in the current year and satisfied the judgment including all costs and attorney fees.

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim and \$100,000 for each auto claim. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

The County manages its risks internally and has set aside assets for claim settlement in its Insurance internal service fund. These funds allocate the cost of providing claims servicing and claims payments by charging a "premium" to each fund based upon various allocation bases. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophic losses.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Insurance internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an accumulation of case estimates for losses reported prior to the close of the accounting period and estimates for claims that have been incurred but not reported (including future claim adjustment expenses) based on past loss experience and consideration of current claim trends, as well as prevailing social, economic and local conditions. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 4.0%.

Changes in the balances of claims liabilities are as follows:

Year	Beginning of the year liability	Current year claims and change in estimates	Claim Payments	End of the year liability
2019	\$ 2,507,557	\$ 958,960	\$ (1,101,552)	\$ 2,364,965
2020	2,364,965	1,154,762	(1,128,896)	2,390,831

12. 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 Corporate Counsel, 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 MUSKEGON, MICHIGAN

Notes to Financial Statements

13. PENSION 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 2.0% to 2.5%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, or age 55 with 25 years of service, depending on division/bargaining unit.

Employees Covered by Benefit Terms. At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,141
Inactive employees entitled to but not yet receiving benefits	587
Active employees	389
Total membership	<u>2,117</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 MUSKEGON, 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, 2020:

Division/Bargaining Unit	Employer Contribution	Employee Contribution
01 - Public Works	\$ 5,998	4.51%
04 - MCF Union	5,825	8.57%
10 - Gnrl Local214	89,437	3.84%
11 - Gnrl NonUnion	227,288	5.41%
12 - District Court	13,921	1.50%
13 - Health Dpt Nrses	7,519	4.05%
14 - Mntl Hlth Wrks	11,568	3.86%
15 - Judges	4,739	4.13%
17 - Comm/E.O./Adm Dir	39,670	5.20%
19 - Mental Hlth Workers af 9/1/10	-	5.86%
20 - Corrections	26,535	2.69%
22 - Shrf Dpty Lcl214	25,444	5.00%
23 - Shrf Cmnd Unit	17,208	7.33%
24 - Correction Ofr hired af 9/1/10	5,055	5.69%
25 - Sheriff Deputy after 10/01/10	1,916	6.50%
41 - AFSCME#570	20,805	5.58%
42 - MCF Union hired after 3/1/10	-	4.00%
90 - Public Works after 02/01/11	2,290	6.50%
91 - Gnrl Local 214 after 11/1/10	5,149	6.00%
	<u>\$ 510,367</u>	

Net Pension Liability. The County's net pension liability was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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

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%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private investments	20.0%	7.25%	1.45%
	100.0%		
Inflation			2.50%
Administrative expenses netted above			0.25%
Investment rate of return			7.60%

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2019 was 7.6% (down from 8.0% at December 31, 2018). 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 MUSKEGON, 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, 2018	\$ 262,861,814	\$ 212,538,603	\$ 50,323,211
Changes for the year:			
Service cost	2,389,449	-	2,389,449
Interest	20,324,542	-	20,324,542
Differences between expected and actual experience	1,529,070	-	1,529,070
Changes in assumptions	9,358,648	-	9,358,648
Employer contributions	-	3,695,616	(3,695,616)
Employee contributions	-	1,214,543	(1,214,543)
Net investment income	-	28,208,200	(28,208,200)
Benefit payments, including refunds of employee contributions	(19,999,524)	(19,999,524)	-
Administrative expense	-	(485,566)	485,566
Net changes	<u>13,602,185</u>	<u>12,633,269</u>	<u>968,916</u>
Balances at December 31, 2019	<u><u>276,463,999</u></u>	<u><u>225,171,872</u></u>	<u><u>51,292,127</u></u>

Following is a reconciliation of the County's net pension liability (asset) as of September 30, 2020:

	Net Pension Liability	Net Pension Asset	Net pension Liability (Asset)
Governmental activities	\$ 47,582,639	\$ -	\$ 47,582,639
Business-type activities	3,931,057	(221,569)	3,709,488
	<u><u>\$ 51,513,696</u></u>	<u><u>\$ (221,569)</u></u>	<u><u>\$ 51,292,127</u></u>

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

COUNTY OF MUSKEGON, 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 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
\$ 78,845,858	\$ 51,292,127	\$ 27,680,245

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, 2020, the County recognized pension expense of \$13,161,340. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 764,535	\$ -	\$ 764,535
Changes in assumptions	4,718,920	-	4,718,920
Net difference between projected and actual earnings on pension plan investments	-	182,073	(182,073)
	5,483,455	182,073	5,301,382
Contributions subsequent to the measurement date	2,608,575	-	2,608,575
Total	\$ 8,092,030	\$ 182,073	\$ 7,909,957

COUNTY OF MUSKEGON, 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, 2021. 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
2021	\$ 4,877,549
2022	520,080
2023	2,269,376
2024	<u>(2,365,623)</u>
Total	<u>\$ 5,301,382</u>

Payable to the Pension Plan. At September 30, 2020, the County had no amounts payable for contributions to the pension plan.

For the governmental activities, the net pension liability is generally liquidated among the various governmental funds in proportion to each fund's wages of benefits-eligible employees. The General Fund made 33% of pension contributions by governmental activities for fiscal 2020 and 42% was from the HealthWest major special revenue fund.

Defined Contribution Pension Plan

The County's defined contribution pension plan provides benefits to various employees hired after January 1, 2007. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer and employee contributions are recognized in the period that the contributions are due. Plan investments are excluded from the financial statements as the fiduciary responsibility for this plan rests with MERS.

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes from 2.0-3.0% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3.0-4.5% of base pay to the plan. Participating employees are immediately 100% vested in the participant's accumulated balance. Employees become vested in the employer contributions over a six year period. The plan provisions and contribution amounts were established by the County Board and may be amended by the County Board. The plan is administered by MERS. The employer and employee contributions were \$914,228 and \$1,317,478 respectively for the current year.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

Plan administration. The County of Muskegon administers a single-employer defined benefit postemployment healthcare benefit plan that provides health and dental benefits to its retired employees and beneficiaries. The plan is accounted for as an other postemployment benefits trust fund in the County's financial statements, and utilizes the Retiree Health Funding Vehicle and Investment Services Program provided through the Michigan Municipal Employees' Retirement System (MERS). Management of the OPEB Plan is vested with the County Board of Commissioners. Separate financial statements are not prepared for the plan.

The MERS Retiree Health Funding Vehicle (RHFV program) was created in 2004 with the establishment by MERS of an Internal Revenue Code Section 115 Integral Governmental Trust pursuant to an IRS Private Letter Ruling. The RHFV is 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 Private Letter Ruling obtained by MERS. Plan provisions and requirements are specified in the MERS Health Care Savings Program (HCSP) and Retiree Health Funding Vehicle Plan Document and the Restated MERS Trust Agreement.

Plan membership. The Plan is closed to new employees. Membership of the Plan consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	631
Active plan members	373
Total	<u>1,004</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Benefits Provided. The County 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 postemployment health insurance including medical, prescription drug and dental benefits to its disabled employees, retirees and their dependents. Employees are eligible for health coverage at retirement based on bargaining unit eligibility requirements.

Contributions. The contribution requirements of the Plan members and the County are established and may be amended by the Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. Retirees contribute a percentage of the single full plan premium depending on their date of hire. Any participants hired prior to the division specified hire date receive free coverage. Retirees contribute the full incremental cost for spousal coverage regardless of hire date. Surviving spouses always pay the full plan premium as well. Retiree contributions range from 0% to 60% based on service years.

Investments

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the 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 on the following pages.

Concentrations. At September 30, 2020, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle. Within this account, the OPEB Plan's account balance at September 30, 2020 was comprised of 100% total market portfolio funds.

Rate of Return. For the year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 7.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at September 30, 2020, were as follows:

Total OPEB liability	\$ 60,728,974
Plan fiduciary net position	<u>(56,544,997)</u>
County's net OPEB liability	<u>\$ 4,183,977</u>
Plan fiduciary net position as a percentage of the total OPEB liability	93.1%

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Following is a reconciliation of the County's net OPEB liability (asset) as of September 30, 2020:

	Net OPEB Liability	Net OPEB Asset	Net OPEB Liability (Asset)
Governmental activities	\$ 4,533,971	\$ -	\$ 4,533,971
Business-type activities	153,646	(503,640)	(349,994)
	<u>\$ 4,687,617</u>	<u>\$ (503,640)</u>	<u>\$ 4,183,977</u>

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions (which were determined by management utilizing the best information available), applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	2.0%
Investment rate of return	7.35%, net of OPEB Plan investment expense, including inflation
Healthcare cost trend rates	Trend starting at 8.0% and gradually decreasing to an ultimate trend rate of 5.0%.
Retirement age for active employees	Assumed rates are based on rates used for the Municipal Employees' Retirement System of Michigan pension valuation. Retirement rates project the probability of eligible employees who will retire during the next year.
Marital status	Marital status of members at the valuation date was assumed to continue throughout retirement. Ten percent (10%) of future participating retirees are assumed to have a covered spouse during retirement.
Mortality	Life expectancies were based on mortality tables from Society of Actuaries RPH Headcount-weighted General and Public Safety Mortality table with MP-2020 Full Generational Improvement for healthy life; and Society of Actuaries RPH Headcount-weighted General and Public Safety Disabled Mortality Table with MP-2020 Full Generational Improvement for disabled life.
Turnover	Assumed turnover rates are based on rates used for the Municipal Employees' Retirement System of Michigan pension valuation. Turnover rates are not applied when retirement eligibility is achieved. Annual base rates are multiplied by a scaling factor of .88 to obtain the assumed rates for the County.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private assets	<u>20.0%</u>	7.25%	1.45%
	<u>100.0%</u>		4.85%
Inflation			<u>2.50%</u>
Investment rate of return			<u>7.35%</u>

Discount Rate. The discount rate used to measure the total OPEB liability was 7.35% (previously 7.75%). The projection of cash flows used to determine the discount rate assumes that the employer will contribute the average over the recent years of actual contributions in the future. Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at September 30, 2019	\$ 52,271,298	\$ 53,996,621	\$ (1,725,323)
Changes for the year:			
Service cost	512,080	-	512,080
Interest	3,980,166	-	3,980,166
Changes of assumptions	6,306,132	-	6,306,132
Employer contributions	-	1,128,011	(1,128,011)
Net investment income	-	3,859,600	(3,859,600)
Benefit payments	(2,340,702)	(2,340,702)	-
Administrative expense	-	(98,533)	98,533
Net changes	<u>8,457,676</u>	<u>2,548,376</u>	<u>5,909,300</u>
Balances at September 30, 2020	<u>\$ 60,728,974</u>	<u>\$ 56,544,997</u>	<u>\$ 4,183,977</u>

Change in assumptions. The changes of assumptions noted above present the impact of the excise tax load under the "Cadillac" tax law was changed from 3.5% to 0.0%, the discount rate was changed from 7.75% to 7.35%, the mortality assumption was changed from Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount- Weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement and the per capita costs, contribution premiums and trend rates were updated as part of the on-going valuation analysis, which included an increase in the Medicare Advantage premium rates.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the net OPEB liability (asset) of the County, calculated using the discount rate of 7.35%, as well as what the County's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.35%) or 1-percentage-point higher (8.35%) than the current discount rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Net OPEB liability (asset)	\$ 10,539,463	\$ 4,183,977	\$ (1,169,009)

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability (asset) of the County, as well as what the County's net OPEB liability (asset) would be if it were calculated using healthcare trend cost rates that are 1-percentage-point lower (7.0% decreasing to 4.0%) or 1-percentage-point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Current Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Net OPEB liability (asset) \$	(2,274,890)	4,183,977	11,915,601

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$(13,168,905). 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	\$ -	\$ 8,284,905	\$ (8,284,905)
Changes in assumptions	7,905,896	36,873,374	(28,967,478)
Net difference between projected and actual earnings on OPEB plan investments	2,409,210	-	2,409,210
Total	<u>\$ 10,315,106</u>	<u>\$ 45,158,279</u>	<u>\$ (34,843,173)</u>

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

Year Ended September 30,	Amount
2021	\$ (13,625,756)
2022	(13,625,756)
2023	(13,625,756)
2024	6,034,095
Total	<u>\$ (34,843,173)</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Payable to the OPEB Plan. At September 30, 2020, the County had no outstanding contribution amounts payable to the plan for the year ended September 30, 2020.

For the governmental activities, the net OPEB liability is generally liquidated among the various governmental funds by contributions in proportion to each fund's wages of benefits-eligible employees. The General Fund made 49% of OPEB contributions by governmental activities for fiscal 2020 and 19% was from the HealthWest major special revenue fund.

Defined Contribution Postemployment Healthcare Plan

The County's defined contribution postemployment healthcare plan provides postemployment healthcare benefits for various employees hired after January 1, 2007. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are recognized in the period that the contributions are due. Plan investments are excluded from the financial statements as the fiduciary responsibility for this plan rest with MERS. Employees do not contribute to the plan.

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes 3.0% of each participant's base salary to the plan. Participating employees are immediately 100% vested in the member's accumulated balance. Employees become vested in the employers contribution over a six year period. The plan provisions and contribution amounts were established by the County Board and may be amended by the County Board. The plan is administered by MERS. The County contributions were \$882,744 for the year ended September 30, 2020.

15. CLOSURE AND POST-CLOSURE CARE COST

Landfill Closure and Post-closure Care

State and federal laws and regulations require the County to place a final cover on its Solid Waste and Fly Ash Program landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. The \$17.0 million reported as landfill closure and post-closure care liability at September 30, 2020 represents the cumulative amount reported to date based on the use of 94.5 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 5 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$17.0 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

In accordance with Michigan Department of Environmental Quality requirements, funding for closure and post-closure cost have been assured with two \$1,000,000 letters of credit with a local financial institution and \$2,819,410 held in trust as of September 30, 2020. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste fund. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology, applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.

16. FUND BALANCES - GOVERNMENTAL FUNDS

	General Fund	HealthWest	Nonmajor Governmental Funds	Total
FUND BALANCES, GOVERNMENTAL FUNDS				
Nonspendable:				
Prepays	\$ 3,750	\$ 6,660	\$ 1,068	\$ 11,478
Inventories	-	-	20,998	20,998
Long-term advances	100,000	-	-	100,000
Permanent fund corpus	-	-	36,789	36,789
Total nonspendable	<u>103,750</u>	<u>6,660</u>	<u>58,855</u>	<u>169,265</u>
Restricted for:				
Training	109,823	-	-	109,823
Lake Pollution	-	-	2,589,918	2,589,918
Seniors	-	-	1,207,448	1,207,448
Public Health Local Stabilization	-	-	201,811	201,811
Convention Business and Tourism	-	-	1,144,199	1,144,199
Grant programs	-	-	154,017	154,017
Forfeited property	-	-	17,196	17,196
Deed Automation Fund	-	-	391,413	391,413
Stormwater Committee	-	-	15,885	15,885
Indigent Defense	-	-	448,665	448,665
Veterans' Care & Trust	-	-	284,416	284,416
Mental Health Buildings	-	-	51,373	51,373
Victim Restitution	-	-	18,688	18,688
Debt repayment	-	-	124,329	124,329
Total restricted	<u>109,823</u>	<u>-</u>	<u>6,649,358</u>	<u>6,759,181</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	General Fund	HealthWest	Nonmajor Governmental Funds	Total
FUND BALANCES, GOVERNMENTAL FUNDS				
Committed for:				
Parks	\$ -	\$ -	\$ 540,550	\$ 540,550
District Court	-	-	15,239	15,239
Grant programs	-	-	34,784	34,784
Juvenile prosecution	-	-	132	132
Concealed permits	-	-	185,909	185,909
Pension bonds	-	-	2,118,142	2,118,142
Capital projects	-	-	748,856	748,856
Total committed	-	-	3,643,612	3,643,612
Assigned for:				
Juror Show Cause	66,379	-	-	66,379
Subsequent budget shortfall	1,829,087	-	-	1,829,087
Marine Safety	-	-	10,503	10,503
Emergency Services	-	-	2,950	2,950
Crime Victims' Rights	-	-	889	889
Capital projects	-	-	48,975	48,975
Total assigned	1,895,466	-	63,317	1,958,783
Unassigned (deficit)	9,461,745	(12,350,238)	-	(2,888,493)
Total fund balances, governmental funds	\$ 11,570,784	\$ (12,343,578)	\$ 10,415,142	\$ 9,642,348

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of September 30, 2020, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 5,034,355	\$ 29,878,449	\$ 34,063,224
Capital assets being depreciated, net	67,010,067	131,873,856	69,391,259
	<u>72,044,422</u>	<u>161,752,305</u>	<u>103,454,483</u>
Related debt:			
Total installment debt	104,977,266	80,607,605	13,300,929
Net bond premium	162,299	2,059,216	-
Net bond discount	(138,559)	(6,631)	-
Deferred charge on advance refunding	(3,102,424)	(349,459)	-
General obligation tax notes	-	(15,500,000)	-
Bonds payable related to capital lease receivables	-	(14,425,000)	-
Bonds payable related to pension liability	(39,895,760)	(1,909,240)	-
Net bond discount related to pension liability	138,559	6,631	-
Bond premium on capital lease receivables	-	(1,203,893)	-
Deferred charge on advance refunding on capital lease receivables	-	251,955	-
Bonds payable related to judgement bonds	(5,220,000)	-	-
Unspent bond proceeds	-	-	(1,386,020)
	<u>56,921,381</u>	<u>49,531,184</u>	<u>11,914,909</u>
Net investment in capital assets	<u><u>\$ 15,123,041</u></u>	<u><u>\$ 112,221,121</u></u>	<u><u>\$ 91,539,574</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

18. COMMITMENTS

The County has active construction projects as of September 30, 2020. At year end the County's significant outstanding commitments are as follows:

Project	Spent-to-Date	Remaining commitment
Governmental Activities		
Reimbursement for Windward Pointe Grant	\$ 1,973,405	\$ 2,400,627
Business-type Activities		
Wastewater:		
Engineering Services Swanson Road Paving	1,981,296	205,997
SCADA Systems Upgrand & Expansion	573,906	110,084
Pump Station C Biofilter Rehabilitation	174,815	220,185
Engineering Services J-Station Upgrade	42,028	177,972
South Irrigation Station Replacement	31,515	198,485
Southeast Regional Force Main	300,667	735,333
J Force Main Replacement	43,663	151,037
W Force Main Replacement	18,933	281,010
Parking Lot Repaving of WW Administration Building	-	163,495
Regional Water:		
Muskegon Channel Crossing	928,638	1,699,307
Solid Waste:		
Gap Cell Construction and Final Cover	2,305,485	2,021,894
General Engineering Services	303,883	184,117
	<u>\$ 8,678,234</u>	<u>\$ 8,549,543</u>

The County is a lessee of office facilities and equipment, as part of operating leases. During fiscal year 2020, the County made payments of \$288,114 under these operating lease agreements. Future minimum lease payments for these leases are as follows:

Year Ended September 30,	Expected Lease Payment
2021	\$ 381,505
2022	237,126
2023	186,311
2024	133,965
2025	102,900
	<u>\$ 1,041,807</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The Muskegon County Wastewater Management System (MCWMS) enterprise fund uses a land treatment process encompassing 11,000 acres of aeration and setline basins, storage lagoons, including 5,100 acres of irrigated cropland as the final treatment. Wastewater treatment operations include farming activity to grow agricultural commodities, including corn, soybeans and alfalfa, which are harvested and sold in the marketplace. During fiscal year 2020, MCWMS entered into fixed price *commodities delivery contracts* in anticipation of corn and soybean harvests. Each contract specifies a quantity to be delivered at an agreed-upon sales price, on a specific date when the corn or soybean crop is expected to be available for sale. Less than half of each year's anticipated harvest of a crop is sold pursuant to such contracts. Since the County expects full delivery of contracted quantities to be made, the corn and soybean contracts are considered to be normal purchases and normal sales contracts and are not considered derivative instruments per Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Reporting for Derivative Instruments*.

19. TAX ABATEMENTS

As of September 30, 2020, the County is subject to tax abatements granted by cities and townships in Muskegon County to local businesses under Public Act 198 of 1974 (the "Plant Rehabilitation and Industrial Development Districts Act" or "PA 198"). PA 198 allows abatements – known as Industrial Facilities Exemptions – to provide incentives for eligible businesses to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved the firm pays an Industrial Facilities Tax (IFT) instead of property taxes, which reflects the abatement savings. The IFT on a new plant and non-industrial personal property is computed at half the local property millage rate, resulting in a reduction of property taxes of approximately 50 percent. County property tax revenues were reduced by approximately \$152,000 under agreements entered into by local cities and townships pursuant to this program.

20. ACCOMMODATIONS TAX

Recreation expenditures (including transfers out) for the Accommodations Tax special revenue fund consist of the following for the year ended September 30, 2020:

Expenditure Type	PA 263	PA 59	Total
Marketing collaboration	\$ 318,700	\$ 39,696	\$ 358,396
Product development (convention center bonds)	130,343	130,343	260,686
Governance/public policy	25,183	775	25,958
Other	560,703	-	560,703
	<u>\$ 1,034,929</u>	<u>\$ 170,814</u>	<u>\$ 1,205,743</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Recreation expenditures (including transfers out) for the Accommodations Tax special revenue fund consist of the following for the year ended September 30, 2019:

Expenditure Type	PA 263	PA 59	Total
Marketing collaboration	\$ 424,307	\$ 53,143	\$ 477,450
Governance/public policy	35,347	830	36,177
Other	668,667	-	668,667
	<u>\$ 1,128,321</u>	<u>\$ 53,973</u>	<u>\$ 1,182,294</u>

21. SUBSEQUENT EVENTS

On February 11, 2021, the Office of the County Water Resources Commissioner issued \$5,450,000 in drainage district bonds on behalf of the Black Creek Consolidated Drain drainage district, due in annual installments of \$180,000 to \$185,000 plus interest ranging from 1.50% to 2.00% payable semi-annually through May 1, 2051. The proceeds of these drainage district bonds are designated to pay for the acquisition, construction and financing of a project to undertake improvements to the Black Creek Consolidated Drain.

22. CORONAVIRUS (COVID-19)

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



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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended September 30					
	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service cost	\$ 2,389,449	\$ 2,641,636	\$ 2,906,291	\$ 3,083,783	\$ 3,308,152	\$ 3,712,445
Interest	20,324,542	21,295,469	21,006,199	20,748,385	19,713,939	19,172,131
Changes in benefit terms	-	(14,961,647)	-	-	-	-
Differences between expected and actual experience	1,529,070	(1,215,805)	(1,111,674)	(2,373,469)	2,011,308	-
Changes in assumptions	9,358,648	-	-	-	12,726,778	-
Benefit payments, including refunds of employee contributions	(19,999,524)	(19,542,529)	(18,560,904)	(17,733,692)	(16,766,675)	(15,460,228)
Other changes	-	877	(876)	-	175	(1,610)
Net change in total pension liability	13,602,185	(11,781,999)	4,239,036	3,725,007	20,993,677	7,422,738
Total pension liability, beginning of year	262,861,814	274,643,813	270,404,777	266,679,770	245,686,093	238,263,355
Total pension liability, end of year	<u>\$ 276,463,999</u>	<u>\$ 262,861,814</u>	<u>\$ 274,643,813</u>	<u>\$ 270,404,777</u>	<u>\$ 266,679,770</u>	<u>\$ 245,686,093</u>
PLAN FIDUCIARY NET POSITION						
Employer contributions	\$ 3,695,616	\$ 57,731,046	\$ 7,177,037	\$ 6,260,290	\$ 5,974,000	\$ 5,775,708
Employee contributions	1,214,543	1,380,205	1,417,126	1,436,839	1,703,744	1,814,766
Net investment income (loss)	28,208,200	(7,167,381)	21,849,796	17,929,109	(2,519,393)	10,678,844
Benefit payments, including refunds of employee contributions	(19,999,524)	(19,542,529)	(18,560,904)	(17,733,692)	(16,766,675)	(15,460,228)
Administrative expense	(485,566)	(347,089)	(346,767)	(354,403)	(372,829)	(390,750)
Net change in plan fiduciary net position	12,633,269	32,054,252	11,536,288	7,538,143	(11,981,153)	2,418,340
Plan fiduciary net position, beginning of year	212,538,603	180,484,351	168,948,063	161,409,920	173,391,073	170,972,733
Plan fiduciary net position, end of year	<u>\$ 225,171,872</u>	<u>\$ 212,538,603</u>	<u>\$ 180,484,351</u>	<u>\$ 168,948,063</u>	<u>\$ 161,409,920</u>	<u>\$ 173,391,073</u>
COUNTY'S NET PENSION LIABILITY	<u>\$ 51,292,127</u>	<u>\$ 50,323,211</u>	<u>\$ 94,159,462</u>	<u>\$ 101,456,714</u>	<u>\$ 105,269,850</u>	<u>\$ 72,295,020</u>
Plan fiduciary net position as a percentage of total pension liability	81.4%	80.9%	65.7%	62.5%	60.5%	70.6%
Covered payroll	\$ 23,217,125	\$ 23,625,834	\$ 26,131,809	\$ 27,677,080	\$ 30,232,116	\$ 34,366,135
County's net pension liability as a percentage of covered payroll	220.9%	213.0%	360.3%	366.6%	348.2%	210.4%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
 Schedule of the Net Pension Liability

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2020	\$ 276,463,999	\$ 225,171,872	\$ 51,292,127	81.4%	\$ 23,217,125	220.9%
2019	262,861,814	212,538,603	50,323,211	80.9%	23,625,834	213.0%
2018	274,643,813	180,484,351	94,159,462	65.7%	26,131,809	360.3%
2017	270,404,777	168,948,063	101,456,714	62.5%	27,677,080	366.6%
2016	266,679,770	161,409,920	105,269,850	60.5%	30,232,116	348.2%
2015	245,686,093	173,391,073	72,295,020	70.6%	34,366,135	210.4%

See notes to required supplementary information.

COUNTY OF MUSKEGON, 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
2020	\$ 3,477,859	\$ 3,477,859	\$ -	\$ 22,581,341	15.4%
2019	4,929,826	54,515,076	49,585,250	24,537,583	222.2%
2018	8,056,421	8,056,421	-	24,801,852	32.5%
2017	6,883,845	6,883,845	-	28,082,014	24.5%
2016	6,071,499	6,071,499	-	29,707,640	20.4%
2015	5,877,765	5,877,765	-	34,318,598	17.1%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

	Year Ended September 30			
	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	\$ 512,080	\$ 2,081,923	\$ 1,659,119	\$ 790,107
Interest	3,980,166	7,070,293	6,944,748	6,630,852
Differences between expected and actual experience	-	(15,188,991)	-	-
Changes of assumptions	6,306,132	(67,601,184)	10,857,024	(7,493,570)
Changes in benefit terms	-	(3,881,430)	-	-
Benefit payments, including refunds of employee contributions	(2,340,702)	(2,646,706)	(3,879,487)	(4,215,210)
Net change in total OPEB liability	8,457,676	(80,166,095)	15,581,404	(4,287,821)
Total OPEB liability - beginning	52,271,298	132,437,393	116,855,989	121,143,810
Total OPEB liability - ending	<u>\$ 60,728,974</u>	<u>\$ 52,271,298</u>	<u>\$ 132,437,393</u>	<u>\$ 116,855,989</u>
PLAN FIDUCIARY NET POSITION				
Employer contributions	\$ 1,128,011	\$ 1,589,289	\$ 1,870,502	\$ 1,967,737
Net investment income	3,859,600	1,310,202	2,792,252	5,716,799
Benefit payments, including refunds of employee contributions	(2,340,702)	(2,646,706)	(3,879,487)	(3,646,698)
Administrative expense	(98,533)	(103,550)	(129,731)	(163,989)
Net change in plan fiduciary net position	2,548,376	149,235	653,536	3,873,849
Plan fiduciary net position - beginning	53,996,621	53,847,386	53,193,850	49,320,001
Plan fiduciary net position - ending	<u>\$ 56,544,997</u>	<u>\$ 53,996,621</u>	<u>\$ 53,847,386</u>	<u>\$ 53,193,850</u>
COUNTY'S NET OPEB LIABILITY (ASSET)	<u>\$ 4,183,977</u>	<u>\$ (1,725,323)</u>	<u>\$ 78,590,007</u>	<u>\$ 63,662,139</u>
Plan fiduciary net position as a percentage of total OPEB liability	93.1%	103.3%	40.7%	45.5%
Covered payroll	\$ 23,217,125	\$ 22,581,341	\$ 24,801,852	\$ 28,082,014
Net OPEB liability (asset) as a percentage of covered payroll	18.0%	-7.6%	316.9%	226.7%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information
 Other Postemployment Benefit Plan
 Schedule of the Net OPEB Liability (Asset)

Fiscal Year Ended September 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability (Asset) as Percentage of Covered Payroll
2020	\$ 60,728,974	\$ 56,544,997	\$ 4,183,977	93.1%	\$ 23,217,125	18.0%
2019	52,271,298	53,996,621	(1,725,323)	103.3%	22,581,341	-7.6%
2018	132,437,393	53,847,386	78,590,007	40.7%	24,801,852	316.9%
2017	116,855,989	53,193,850	63,662,139	45.5%	28,082,014	226.7%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefit 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
2020	\$ 551,766	\$ 1,128,011	\$ 576,245	\$ 23,217,125	4.9%
2019	6,025,604	1,589,289	(4,436,315)	22,581,341	7.0%
2018	5,394,138	1,870,502	(3,523,636)	24,801,852	7.5%
2017	4,951,356	1,967,737	(2,983,619)	28,082,014	7.0%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Investment Returns

Fiscal Year Ended September 30,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2020	7.20%
2019	2.50%
2018	5.23%
2017	11.83%

See notes to required supplementary information.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

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

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

The changes of assumptions in 2020 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%.

The changes of benefit terms in 2019 primarily related to a negotiated reduction in future pension benefits.

The changes of assumptions in 2016 primarily related to an adjustment to the mortality table to reflect longer lifetimes, the assumed annual rate of return, net of all expenses, was lowered from 8.0% to 7.75%, and the asset smoothing was changed from 10 to 5 years.

Schedule of the Net Pension Liability

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

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

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

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2020, based on the 12/31/2017 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	10-20 years, depending on division/bargaining unit
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

COUNTY OF MUSKEGON, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions. During fiscal year 2020, the changes of assumptions noted above present the impact of the excise tax load under the "Cadillac" tax law was changed from 3.5% to 0.0%, the discount rate was changed from 7.75% to 7.35%, the mortality assumption was changed from Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount- Weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement and the per capita costs, contribution premiums and trend rates were updated as part of the on-going valuation analysis, which included an increase in the Medicare Advantage premium rates.

During fiscal year 2019, the changes of assumptions noted above present the impact of increasing the blended discount rate from 5.35% to 7.75% and changing the mortality improvement scale from MP 2017 to MP 2018 and revising trend assumptions.

During fiscal year 2018, the changes of assumptions noted above present the impact lowering the covered spouse rate from 20% to 10%, the excise tax load under the "Cadillac" tax law was changed from 2.0% to 3.5%, the discount rate was changed from 5.35% to 7.75%, and the per capita costs, contribution premiums and trend rates were updated as part of the on-going valuation analysis, which included a reduction in the Medicare Advantage premium rates.

During fiscal year 2017, the changes of assumptions noted above present the impact of a change in the blended discount rate from 5.5% to 6.0%.

Changes in benefit terms. Effective January 1, 2019, future retiring employees may no longer elect the 2P plan. This decreased present value costs and the impact is fully recognized in 2019 as changes in benefit terms.

Schedule of the Net OPEB Liability (Asset)

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Contributions

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date January 1, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	2.00%
Investment rate of return	7.75%, net of OPEB Plan investment expense, including
Retirement age	Assumed rates are based on rates used for the Municipal Employees' Retirement System of Michigan pension valuation. Retirement rates project the probability of eligible employees who will retire during the next year.
Mortality	Life expectancies were based on mortality tables from Society of Actuaries RPH Headcount-weighted General and Public Safety Mortality table with MP-2020 Full Generational Improvement for healthy life; and Society of Actuaries RPH Headcount-weighted General and Public Safety Disabled Mortality Table with MP-2020 Full Generational Improvement for disabled life.
Health care trend rates	Trend starting at 8.0% and gradually decreasing to an ultimate trend rate of 5.0%.

Schedule of Investment Returns

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government:				
Brookhaven Plant O&M	\$ 136,865	\$ 146,871	\$ 136,713	\$ (10,158)
Administration	679,473	641,586	612,914	(28,672)
Elections	239,901	278,344	230,292	(48,052)
Accounting	937,611	966,144	933,073	(33,071)
Corporate Counsel	200,425	300,000	297,173	(2,827)
County Clerk	410,974	396,732	393,425	(3,307)
Juror Showcause	7,090	7,090	4,780	(2,310)
Equalization	1,683,007	1,659,003	1,619,321	(39,682)
Human Resources	327,484	331,152	309,587	(21,565)
Johnny O. Harris Building	14,582	11,493	9,495	(1,998)
Training Center	46,997	52,232	46,764	(5,468)
Kenneth L. Brinks Building	17,032	8,858	7,828	(1,030)
Treasurer	342,763	383,014	381,244	(1,770)
Shady Grove Cemetery	3,602	5,253	2,551	(2,702)
Cordova Site O&M	1,600	1,608	403	(1,205)
Courthouse and Grounds	914,048	860,709	806,345	(54,364)
Oak Ave. Building	151,744	156,699	139,501	(17,198)
County Jail Building	74,751	71,318	65,714	(5,604)
Vector Control Building	8,469	14,534	12,008	(2,526)
Plat Board	700	700	-	(700)
Vehicle Pool	18,000	18,000	4,273	(13,727)
State Institutions	198,000	731,000	761,917	30,917
Misc Contingency	2,254,070	2,052,273	2,348,209	295,936
Current Year Unused Leave Payoffs	(14,625)	-	-	-
Donated Leave Payments	(1,404)	-	-	-
Total general government	<u>8,653,159</u>	<u>9,094,613</u>	<u>9,123,530</u>	<u>28,917</u>
Legislative:				
Board of Commissioners	<u>393,085</u>	<u>366,279</u>	<u>360,581</u>	<u>(5,698)</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Judicial:				
Circuit Court	\$ 1,438,911	\$ 1,429,697	\$ 1,304,294	\$ (125,403)
Circuit Court Collections	111,935	84,225	70,253	(13,972)
District Court	3,605,506	3,234,000	3,228,617	(5,383)
Probation Cobo Hall Tax	174,385	167,575	157,755	(9,820)
District Court Collections	217,247	174,275	193,341	19,066
Law Library	6,000	5,950	4,868	(1,082)
Jury Commission	61,048	61,216	50,485	(10,731)
Probate Court	884,251	881,985	859,115	(22,870)
State Probation	69,415	69,415	51,256	(18,159)
Circuit Court Records	583,914	562,303	420,106	(142,197)
Prosecutor	2,172,662	2,085,778	2,027,628	(58,150)
DHHS Legal Representation Grant	289,005	266,473	255,718	(10,755)
Total judicial	9,614,279	9,022,892	8,623,436	(399,456)
Public safety:				
Designated & Pass-thru Revenues	430,418	416,591	416,591	-
Facility Security Services	137,431	113,159	79,847	(33,312)
County Jail Building 2015	489,278	618,690	611,806	(6,884)
Sheriff Operations	3,770,213	3,843,805	3,783,223	(60,582)
Sheriff Administration	453,155	453,463	445,606	(7,857)
Emergency Response Team	8,375	6,840	4,512	(2,328)
Officer Training Act 320	10,000	10,000	6,164	(3,836)
Correction Officer Training	60,000	60,000	45,558	(14,442)
Sheriff Jail	7,962,963	7,446,976	7,523,895	76,919
Courtroom Security	1,098,466	1,148,342	1,088,383	(59,959)
Vector Control	338,556	338,783	330,098	(8,685)
Total public safety	14,758,855	14,456,649	14,335,683	(120,966)
Public works:				
Water Resources Commissioner	566,080	563,897	516,485	(47,412)
Welfare:				
Residential Energy Efficiency Program	1,360,111	1,944,823	1,667,881	(276,942)
Cultural:				
Fairgrounds Training Center	104,441	7,709	6,076	(1,633)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Community and economic development:				
Register of Deeds	\$ 554,033	\$ 506,567	\$ 486,180	\$ (20,387)
Other:				
Legal obligation	-	5,150,300	5,150,000	(300)
Debt service:				
Bond issuance costs	-	66,692	66,692	-
Total expenditures	<u>\$ 36,004,043</u>	<u>\$ 41,180,421</u>	<u>\$ 40,336,544</u>	<u>\$ (843,877)</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Transfers Out by Function

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Transfers out:				
Special Revenue Funds:				
Judicial:				
Sobriety Court	\$ -	\$ -	\$ (12,935)	\$ 12,935
Friend of Court	(1,205,893)	(1,504,061)	(1,023,706)	(480,355)
Other judicial	-	(3,053)	(2,112)	(941)
Public safety funds	(2,139,439)	(1,954,799)	(1,921,330)	(33,469)
Health, welfare and cultural funds:				
Child care fund	(4,297,141)	(4,025,916)	(3,560,849)	(465,067)
Public health fund	(1,790,689)	(1,790,689)	(1,635,570)	(155,119)
HealthWest fund	(736,934)	(736,935)	(736,935)	-
Other health, welfare and cultural funds	(14,083)	(26,602)	(23,609)	(2,993)
Internal service funds - Equipment revolving	(42,828)	(42,828)	(42,828)	-
Debt service funds	(3,875,083)	(3,900,391)	(3,902,700)	2,309
Enterprise funds:				
Airport Fund	(183,307)	(183,295)	(183,295)	-
Total transfers out	\$ (14,285,397)	\$ (14,168,569)	\$ (13,045,869)	\$ (1,122,700)

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds

Senior Millage (1060)--to account for dedicated tax millage funds dedicated to providing assistance to seniors within the community.

Sobriety Court (1170)--to account for monies received by the County from State grants and fees collected to provide substance abuse services to those in the community.

Adult Drug Treatment Court (1172)--to account for monies received by the County from a Federal pass through grant to be used in planning for the implementation of an adult drug treatment court program.

Emergency Services (1190)--to account for monies granted to the County by the State and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the County by the Michigan Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the County and to provide sheriff's patrol and protection for the County's Lake Michigan shoreline and inland lakes and waterways.

Highway Safety Programs (1210)--to account for monies granted to the County by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

Township Patrols (1240)--to account for monies received by the County from participating townships to provide enhanced road patrol protection to those geographic areas.

Parks (2080)--to account for monies received by park fees and vehicle permits and County appropriations for operation and administration of all park lands and properties in Muskegon County.

Coronavirus Public Safety (2110)--to account for monies granted by the U.S. Department of Justice for the purpose of covering Coronavirus related expenditures in the County jail.

Family Court (2150)--to account for federal and state grants and other local revenues used to support the work of the Friend of the Court activities, which include investigating and making recommendations in divorce, support and paternity cases regarding child custody, parent time and child support, as these issues arise over the life of a case.

Access & Visitation (2151)--to account for monies granted to the County by the State of Michigan to provide for direct services that support and facilitate noncustodial parents access to and visitation with their children including monitored and therapeutic parenting time and neutral drop off services.

Swift and Sure Sanctions Probation Program (SSSPP) Grant (2153)--to account for state grant funding to support activities pursuing the SSSPP program goals to increase compliance with probation, improve public safety, reduce incarcerations days in the jail and prison system and provide probationers with comprehensive substance and/or mental health services needed for successful completion of probation.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

District Court Eviction Prevention Docket (2171)--to account for money received by the County from a local grant from the Community Foundation which is used to provide court services to help prevent individuals from being displaced from their homes, an entry of an order of eviction or money judgment that may adversely impact a tenant's ability to find future housing and to provide landlords with funds for unpaid rent.

Health Department (2210)--to account for monies received by Muskegon County from federal and state grants. The Health Department is a large complex system servicing county residents by providing numerous programs. Some examples are: environmental health, air pollution, communicable disease, alcohol prevention, dental care, maternity care, family planning, personal health and nurses support.

Public Health Local Community Stabilization (2211)--to account for funds distributed by the State of Michigan Local Community Stabilization Authority for the purpose of covering required and allowable health services not otherwise reimbursed by the Michigan Department of Health and Human Services.

Community Health Improvement (2217)--to account for donor funds designated to support activities promoting the health of uninsured individuals participating in a community health coverage and health risk management program.

Lake Pollution Control (2240)--to account for the Michigan Enhancement Grant funds awarded by the Michigan Economic Development Corporation. This grant is to help fund environmental and remediation efforts related to Muskegon Lake.

Sustainability Grant (2261)--to account for Michigan Community Pollution Prevention Grant funds awarded by the Michigan Department of Environmental Quality (MDEQ). This grant program helps local governments to implement community sustainability planning and the development of local models and approaches that address local sustainability issues, emissions, and energy challenges.

NOAA Habitat Conservation Grant (2271)--to account for funds granted by the National Oceanic and Atmospheric Administration (NOAA) and local matching funds to support the acquisition of property to be able to restore the wetlands and improve the water quality of Bear Lake over the long-term.

Accommodations Tax (2300)--to account for the collection and related expenses connected with a five percent excise tax which is imposed on all persons engaged in the business of providing rooms for transient guests within the County of Muskegon. It has been adopted pursuant to Act No. 263, Public Acts of the State of Michigan, 1974 and an ordinance adopted by the Muskegon County Board of Commissioners on February 20, 1981, as amended.

Census Support (2460)--to account for funds received from the Michigan Municipal League for the purpose of motivating residents to respond to the 2020 Census questionnaire.

CDBG Housing Grant (2470)--to account for Federal pass-thru funds received to provide repairs and remodeling of homes for low income residents.

Neighborhood Stabilization Grant (2471)--to account for funds received from the Department of Housing and Urban Development that are used to rehabilitate foreclosed homes in the Oakview School neighborhood in the City of Muskegon and sell the rehabilitated homes to low to moderate income individuals.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Pass-Through Grants (2530)--to account for grant award payments that are designated for other governments but which are required to pass through the County. The U.S. Department of Agriculture pays "Schools and Road grants to States" to the State of Michigan based on the number of acres of national forest lands among the States. The money then passes from the State to the various counties based on the proportion of national forest in each county. Finally, Muskegon County follows the grant requirements by distributing 75% to county schools and 25% to county townships in proportion to their shares of national forest land within Muskegon County.

Deed Automation (2560)--to account for fees collected to enhance and maintain technology in the register of deeds office.

Juvenile Prosecution Resentencing (2596)--to account for funds received for the purpose of offsetting prosecution costs in handling resentencing juvenile life without parole cases.

Indigent Defense (2600)--to account for earmarked state grant revenue and mandated local share contributions to provide indigent defendants in criminal cases with effective assistance of counsel. This fund is required by the Michigan Indigent Defense Commission (MIDC) Act, Public Act 93 of 2013, as amended.

Concealed Pistol Licensing (2630)--to account for the deposit of license-issuance fees charged by the County Clerk relating to criminal record checks performed by the County Sheriff. Under state statute, these CPL funds may be used by the Clerk's office for certain staffing costs, technology upgrades, supplies, and document storage and retrieval systems implementation and upgrades.

Community Corrections (2640)--to account for monies granted to the County by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Prosecutor Drug (2672)--to account for the 10% administrative costs assessed to local municipalities on the proceeds for forfeitures in connection with drug related crimes handled by the Prosecutor's Department.

Special Investigative (2673)--to account for Medical Marijuana Operation and Oversight Grant funds passed through from State of Michigan to support activities of the City of Muskegon and West Michigan Enforcement (WEMET) to support, investigate and educate medical marijuana dispensaries in operation throughout the County.

Justice Assistance Grant (2675)--to account for Federal pass through funds for the purpose of providing Sheriff employees with video recording equipment.

Crime Victims' Rights (2800)--to account for Federal and State funds received by the County to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Muskegon Area Stormwater Committee (2823)--to account for local municipalities funds for payment to the State for groundwater pollution testing and the permitting of groundwater discharge into local watersheds.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Remonumentation Program (2890)--to account for grants received from the State of Michigan for surveying and reestablishing section corners.

Social Welfare Fund (2910)--to account for the operations of the Muskegon County Department of Human Services state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County. Starting in January 2013 the only remaining costs are Muskegon County DHS Board expenses because at that time the County of Midland Accounting Service Center became fiscal agent to account for the assistance services.

Child Care Facility (2920)--to account for State grant monies and County appropriations to aid children who need to be placed outside their homes, supporting a centralized care facility for children and the support of foster children in foster care homes.

JTC Arts Programming (2925)--to account for local funds for the purpose of providing evidence based art programming for youth in the Juvenile Transition Center.

Veterans' Care (2930)--to account for dedicated tax millage funds dedicated to providing assistance to indigent U.S. military veterans and their families at the direction of the County Department of Veterans Affairs.

Mental Health Buildings (2970)--to record the revenues received from Hackley Hospital and HealthWest for use in maintaining the HealthWest Building.

Quality of Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

Debt Service Funds

2015 Capital Improvement Bonds (3010)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the governmental funds projects, including Union Depot renovations and Heritage Landing improvements.

Quality of Life Debt (3111)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Frauenthal Center and Walker Arena renovations.

Hall of Justice Debt (3130)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Hall of Justice.

CMH Building (3140)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the CMH building.

Building Authority Debt Service (3690)--to account for the payment of principal and interest on long-term debt associated with the purchase of the Jail/Juvenile Transition Center from the County. Its assets are used for the redemption of bonds issued specifically for the capital asset purchase financed by issuance of Building Authority Bonds. The money for this fund is supplied by General Fund lease payments to the Building Authority.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Pension Bonds Debt Service (3960)--to account for the payment of principal and interest on long-term debt associated with the payment of pension obligations.

Capital Projects Funds

Capital Projects (4010)--to account for revenue and expenditures associated with capital outlays relating to governmental funds projects authorized by the 2015 Capital Improvement Bonds. (Activities of proprietary fund projects funded by these bonds are recorded in the appropriate proprietary fund.)

Heritage Landing Development (4180)--to account for revenue and expenditures associated with the addition and improvement of Heritage Landing.

Jail/JTC Building (4660)--to account for revenue and expenditures for construction of a Jail and Juvenile Transition Center.

Public Improvement (4930)--to account for an appropriation from the County's General Fund for future general projects developed according to the County's capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness.

Lake Level (8410)--to account for monies used in the construction and maintenance of the Brown's Pond Dam repair and retrofit project.

Permanent Fund

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries.

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2020

	Special Revenue Funds								
	Senior Millage (1060)	Sobriety Court (1170)	Adult Drug Treatment Court (1172)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)	Coronavirus Public Safety (2110)
ASSETS									
Cash and investments	\$ 1,981,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,711	\$ 635,924	\$ -
Receivables, net:									
Accounts	14,111	-	-	18,578	-	-	-	-	-
Due from other governments	-	82,263	60,562	43,532	67,329	106,907	6,664	-	8,357
Prepaid and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,995,507</u>	<u>\$ 82,263</u>	<u>\$ 60,562</u>	<u>\$ 62,110</u>	<u>\$ 67,329</u>	<u>\$ 106,907</u>	<u>\$ 61,375</u>	<u>\$ 635,924</u>	<u>\$ 8,357</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ 53,970	\$ 47,509	\$ 46,373	\$ 46,178	\$ 98,582	\$ -	\$ -	\$ 8,357
Payables:									
Accounts payable	788,059	19,391	8,571	1,998	3,854	-	164	75,279	-
Due to other governments	-	-	1,299	-	499	-	17,738	-	-
Accrued liabilities	-	8,902	3,183	4,789	6,295	8,325	10,484	20,095	-
Unearned revenue	-	-	-	6,000	-	-	32,989	-	-
Total liabilities	<u>788,059</u>	<u>82,263</u>	<u>60,562</u>	<u>59,160</u>	<u>56,826</u>	<u>106,907</u>	<u>61,375</u>	<u>95,374</u>	<u>8,357</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,207,448	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	540,550	-
Assigned	-	-	-	2,950	10,503	-	-	-	-
Total fund balances	<u>1,207,448</u>	<u>-</u>	<u>-</u>	<u>2,950</u>	<u>10,503</u>	<u>-</u>	<u>-</u>	<u>540,550</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,995,507</u>	<u>\$ 82,263</u>	<u>\$ 60,562</u>	<u>\$ 62,110</u>	<u>\$ 67,329</u>	<u>\$ 106,907</u>	<u>\$ 61,375</u>	<u>\$ 635,924</u>	<u>\$ 8,357</u>

Special Revenue Funds										
Family Court (2150)	Access & Visitation (2151)	SSSPP Grant (2153)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Lake Pollution Control (2240)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)
\$ -	\$ -	\$ -	\$ 18,288	\$ 524,227	\$ 201,811	\$ -	\$ 2,992,756	\$ -	\$ 6	\$ 1,042,939
1,335	-	-	-	25,015	-	23,252	-	-	-	131,348
620,741	140	50,270	-	630,652	-	-	-	-	-	-
-	-	-	-	1,068	-	-	-	-	-	-
-	-	-	-	20,998	-	-	-	-	-	-
<u>\$ 622,076</u>	<u>\$ 140</u>	<u>\$ 50,270</u>	<u>\$ 18,288</u>	<u>\$ 1,201,960</u>	<u>\$ 201,811</u>	<u>\$ 23,252</u>	<u>\$ 2,992,756</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,174,287</u>
\$ 440,836	\$ -	\$ 40,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,316	140	4,870	502	687,344	-	23,252	402,838	-	-	18,759
30,444	-	2,542	-	274,838	-	-	-	-	-	-
131,480	-	2,605	2,547	208,836	-	-	-	-	-	11,329
-	-	-	-	8,876	-	-	-	-	-	-
<u>622,076</u>	<u>140</u>	<u>50,270</u>	<u>3,049</u>	<u>1,179,894</u>	<u>-</u>	<u>23,252</u>	<u>402,838</u>	<u>-</u>	<u>-</u>	<u>30,088</u>
-	-	-	-	22,066	-	-	-	-	-	-
-	-	-	-	-	201,811	-	2,589,918	-	6	1,144,199
-	-	-	15,239	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,239</u>	<u>22,066</u>	<u>201,811</u>	<u>-</u>	<u>2,589,918</u>	<u>-</u>	<u>6</u>	<u>1,144,199</u>
<u>\$ 622,076</u>	<u>\$ 140</u>	<u>\$ 50,270</u>	<u>\$ 18,288</u>	<u>\$ 1,201,960</u>	<u>\$ 201,811</u>	<u>\$ 23,252</u>	<u>\$ 2,992,756</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,174,287</u>

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2020

	Special Revenue Funds								
	Census Support (2460)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Pass-Through Grants (2530)	Deed Automation (2560)	Juvenile Prosecution Resentencing (2596)	Indigent Defense (2600)	Concealed Pistol Licensing (2630)	Community Corrections (2640)
ASSETS									
Cash and investments	\$ 5,163	\$ 154,011	\$ 34,784	\$ -	\$ 401,653	\$ 49,132	\$ 493,308	\$ 187,044	\$ 1,109
Receivables, net:									
Accounts	-	-	-	-	-	-	8,453	-	-
Due from other governments	-	-	-	-	-	-	99,197	-	15,429
Prepaid and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,163</u>	<u>\$ 154,011</u>	<u>\$ 34,784</u>	<u>\$ -</u>	<u>\$ 401,653</u>	<u>\$ 49,132</u>	<u>\$ 600,958</u>	<u>\$ 187,044</u>	<u>\$ 16,538</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	5,163	-	-	-	7,509	-	60,111	333	3,514
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	2,731	-	92,182	802	13,024
Unearned revenue	-	-	-	-	-	49,000	-	-	-
Total liabilities	<u>5,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,240</u>	<u>49,000</u>	<u>152,293</u>	<u>1,135</u>	<u>16,538</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	154,011	-	-	391,413	-	448,665	-	-
Committed	-	-	34,784	-	-	132	-	185,909	-
Assigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>154,011</u>	<u>34,784</u>	<u>-</u>	<u>391,413</u>	<u>132</u>	<u>448,665</u>	<u>185,909</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,163</u>	<u>\$ 154,011</u>	<u>\$ 34,784</u>	<u>\$ -</u>	<u>\$ 401,653</u>	<u>\$ 49,132</u>	<u>\$ 600,958</u>	<u>\$ 187,044</u>	<u>\$ 16,538</u>

Special Revenue Funds										
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative Fund (2673)	Justice Assistance Grant (2675)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	JTC Arts Programming (2925)	Veterans' Care (2930)
\$ 15,796	\$ 1,400	\$ -	\$ -	\$ -	\$ 21,083	\$ 20,044	\$ 17,891	\$ -	\$ -	\$ 269,681
-	-	-	-	-	-	-	-	9,420	-	-
-	-	18,828	2,500	89,905	-	-	-	1,116,375	-	25,629
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 15,796</u>	<u>\$ 1,400</u>	<u>\$ 18,828</u>	<u>\$ 2,500</u>	<u>\$ 89,905</u>	<u>\$ 21,083</u>	<u>\$ 20,044</u>	<u>\$ 17,891</u>	<u>\$ 1,125,795</u>	<u>\$ -</u>	<u>\$ 295,310</u>
\$ -	\$ -	\$ 17,415	\$ 2,500	\$ 70,883	\$ -	\$ -	\$ -	\$ 906,964	\$ -	\$ -
-	-	-	-	1,408	5,198	-	17,891	95,375	-	3,387
-	-	-	-	-	-	-	-	973	-	-
-	-	1,413	-	16,725	-	-	-	122,483	-	7,507
-	-	-	-	-	-	20,044	-	-	-	-
-	-	<u>18,828</u>	<u>2,500</u>	<u>89,016</u>	<u>5,198</u>	<u>20,044</u>	<u>17,891</u>	<u>1,125,795</u>	<u>-</u>	<u>10,894</u>
-	-	-	-	-	-	-	-	-	-	-
15,796	1,400	-	-	-	15,885	-	-	-	-	284,416
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	889	-	-	-	-	-	-
<u>15,796</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>889</u>	<u>15,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,416</u>
<u>\$ 15,796</u>	<u>\$ 1,400</u>	<u>\$ 18,828</u>	<u>\$ 2,500</u>	<u>\$ 89,905</u>	<u>\$ 21,083</u>	<u>\$ 20,044</u>	<u>\$ 17,891</u>	<u>\$ 1,125,795</u>	<u>\$ -</u>	<u>\$ 295,310</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2020

	Special Revenue Funds		Debt Service Funds					Capital Projects Funds	
	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	2015 Capital Improvement Bonds (3010)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Building Authority Debt Service (3690)	Pension Bonds Debt Service (3960)	Capital Projects (4010)
ASSETS									
Cash and investments	\$ 70,404	\$ 18,688	\$ -	\$ -	\$ -	\$ 124,329	\$ -	\$ 2,118,142	\$ 48,975
Receivables, net:									
Accounts	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 70,404</u>	<u>\$ 18,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,329</u>	<u>\$ -</u>	<u>\$ 2,118,142</u>	<u>\$ 48,975</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	18,646	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	385	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>19,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	51,373	18,688	-	-	-	124,329	-	-	-
Committed	-	-	-	-	-	-	-	2,118,142	-
Assigned	-	-	-	-	-	-	-	-	48,975
Total fund balances	<u>51,373</u>	<u>18,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,329</u>	<u>-</u>	<u>2,118,142</u>	<u>48,975</u>
Total liabilities and fund balances	<u>\$ 70,404</u>	<u>\$ 18,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,329</u>	<u>\$ -</u>	<u>\$ 2,118,142</u>	<u>\$ 48,975</u>

Capital Projects Funds					Permanent Fund	
Heritage Landing Development (4180)	Jail / JTC Building (4660)	Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Cemetery Trust (1500)	Total
\$ -	\$ 60,108	\$ 461,909	\$ 241,017	\$ 1,175	\$ 36,789	\$ 12,305,693
-	-	-	-	-	-	231,512
-	-	-	-	-	-	3,045,280
-	-	-	-	-	-	1,068
-	-	-	-	-	-	20,998
<u>\$ -</u>	<u>\$ 60,108</u>	<u>\$ 461,909</u>	<u>\$ 241,017</u>	<u>\$ 1,175</u>	<u>\$ 36,789</u>	<u>\$ 15,604,551</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,779,820
-	3,499	5,830	4,849	1,175	-	2,288,225
-	-	-	-	-	-	328,333
-	-	-	-	-	-	676,122
-	-	-	-	-	-	116,909
<u>-</u>	<u>3,499</u>	<u>5,830</u>	<u>4,849</u>	<u>1,175</u>	<u>-</u>	<u>5,189,409</u>
-	-	-	-	-	36,789	58,855
-	-	-	-	-	-	6,649,358
-	56,609	456,079	236,168	-	-	3,643,612
-	-	-	-	-	-	63,317
<u>-</u>	<u>56,609</u>	<u>456,079</u>	<u>236,168</u>	<u>-</u>	<u>36,789</u>	<u>10,415,142</u>
<u>\$ -</u>	<u>\$ 60,108</u>	<u>\$ 461,909</u>	<u>\$ 241,017</u>	<u>\$ 1,175</u>	<u>\$ 36,789</u>	<u>\$ 15,604,551</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue Funds								
	Senior Millage (1060)	Sobriety Court (1170)	Adult Drug Treatment Court (1172)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)	Coronavirus Public Safety (2110)
REVENUES									
Taxes									
Property taxes	\$ 2,277,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	2,156	155,501	109,629	1,000	25,387	35,475	-	31,051
State	171,637	297,480	971	-	77,735	166,950	-	-	-
Local	-	-	-	-	-	-	167,870	-	-
Charges for services	-	64,484	-	30,250	9,748	-	-	870,878	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	17,222	-	-	-	-	-	-	4,458	-
Rentals	-	-	-	-	-	-	-	-	-
Other	14,111	-	-	12,170	-	-	-	3,964	-
Total revenues	2,480,622	364,120	156,472	152,049	88,483	192,337	203,345	879,300	31,051
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	371,233	155,283	-	-	-	-	-	-
Public safety	-	-	-	236,887	193,362	276,550	358,150	-	31,051
Health	-	-	-	-	-	-	-	-	-
Welfare	2,964,802	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	775,667	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	49,618	-	-	-	48,681	-
Total expenditures	2,964,802	371,233	155,283	286,505	193,362	276,550	358,150	824,348	31,051
Revenues over (under) expenditures	(484,180)	(7,113)	1,189	(134,456)	(104,879)	(84,213)	(154,805)	54,952	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	12,934	2,112	138,877	109,387	94,216	167,870	-	-
Transfers out	-	(5,821)	(3,301)	(5,544)	(4,508)	(10,003)	(13,065)	(34,809)	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	3,036	-
Total other financing sources (uses)	-	7,113	(1,189)	133,333	104,879	84,213	154,805	(31,773)	-
Net change in fund balances	(484,180)	-	-	(1,123)	-	-	-	23,179	-
Fund balances, beginning of year	1,691,628	-	-	4,073	10,503	-	-	517,371	-
Fund balances, end of year	\$ 1,207,448	\$ -	\$ -	\$ 2,950	\$ 10,503	\$ -	\$ -	\$ 540,550	\$ -

Special Revenue Funds										
Family Court (2150)	Access & Visitation (2151)	SSSPP Grant (2153)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Lake Pollution Control (2240)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	220,627
-	-	-	-	-	-	-	-	-	-	909,648
3,432,025	1,398	-	-	2,370,240	-	-	-	-	-	-
177,364	-	182,888	-	1,836,918	201,811	-	-	9,306	-	-
-	-	-	-	40	-	-	-	-	-	-
465,815	-	-	-	537,699	-	333,236	-	-	-	910
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(1,795)	-	241	31,957	-	-	7,824
-	-	-	-	-	-	-	-	-	-	3,625
58,834	-	-	21,350	42,904	-	-	-	-	-	1,325
<u>4,134,038</u>	<u>1,398</u>	<u>182,888</u>	<u>21,350</u>	<u>4,786,006</u>	<u>201,811</u>	<u>333,477</u>	<u>31,957</u>	<u>9,306</u>	<u>-</u>	<u>1,143,959</u>
-	-	-	-	-	-	333,899	-	-	-	-
4,992,356	1,398	-	16,244	-	-	-	-	-	-	-
-	-	183,881	-	-	-	-	-	-	-	-
-	-	-	-	6,272,272	-	-	-	-	-	-
-	-	-	-	-	-	-	1,973,405	9,306	-	-
-	-	-	-	-	-	-	-	-	-	1,032,881
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
828	-	-	-	-	-	-	-	-	-	-
<u>4,993,184</u>	<u>1,398</u>	<u>183,881</u>	<u>16,244</u>	<u>6,272,272</u>	<u>-</u>	<u>333,899</u>	<u>1,973,405</u>	<u>9,306</u>	<u>-</u>	<u>1,032,881</u>
(859,146)	-	(993)	5,106	(1,486,266)	201,811	(422)	(1,941,448)	-	-	111,078
1,023,706	-	1,930	-	1,635,571	-	422	-	-	-	-
(164,560)	-	(3,052)	(401)	(165,071)	-	-	-	-	-	(172,862)
-	-	-	-	-	-	-	-	-	-	-
<u>859,146</u>	<u>-</u>	<u>(1,122)</u>	<u>(401)</u>	<u>1,470,500</u>	<u>-</u>	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,862)</u>
-	-	(2,115)	4,705	(15,766)	201,811	-	(1,941,448)	-	-	(61,784)
-	-	2,115	10,534	37,832	-	-	4,531,366	-	6	1,205,983
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,239</u>	<u>\$ 22,066</u>	<u>\$ 201,811</u>	<u>\$ -</u>	<u>\$ 2,589,918</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,144,199</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue Funds								
	Census Support (2460)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Pass-Through Grants (2530)	Deed Automation (2560)	Juvenile Prosecution Resentencing (2596)	Indigent Defense (2600)	Concealed Pistol Licensing (2630)	Community Corrections (2640)
REVENUES									
Taxes									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	4,589	-	-	-	-	-
State	-	-	-	-	-	-	1,671,561	-	117,794
Local	44,838	-	-	-	-	-	538	-	-
Charges for services	-	-	-	-	169,135	-	102,353	-	10,700
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	1,141	129	-	3,427	132	8,970	1,326	-
Rentals	-	-	-	-	-	-	-	-	-
Other	-	26,945	34,655	-	-	-	-	90,989	-
Total revenues	44,838	28,086	34,784	4,589	172,562	132	1,783,422	92,315	128,494
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	57,699	-
Judicial	-	-	-	-	-	-	2,569,991	-	-
Public safety	-	-	-	-	-	-	-	-	293,452
Health	-	-	-	-	-	-	-	-	-
Welfare	44,147	159	-	4,589	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	276,880	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	22,821	-	-	-	-
Total expenditures	44,147	159	-	4,589	299,701	-	2,569,991	57,699	293,452
Revenues over (under) expenditures	691	27,927	34,784	-	(127,139)	132	(786,569)	34,616	(164,958)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	1,212,491	-	176,952
Transfers out	(691)	-	-	-	(3,127)	-	(89,582)	(769)	(11,994)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(691)	-	-	-	(3,127)	-	1,122,909	(769)	164,958
Net change in fund balances	-	27,927	34,784	-	(130,266)	132	336,340	33,847	-
Fund balances, beginning of year	-	126,084	-	-	521,679	-	112,325	152,062	-
Fund balances, end of year	\$ -	\$ 154,011	\$ 34,784	\$ -	\$ 391,413	\$ 132	\$ 448,665	\$ 185,909	\$ -

Special Revenue Funds										
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative Fund (2673)	Justice Assistance Grant (2675)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	JTC Arts Programming (2925)	Veterans' Care (2930)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,088
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	14,013	211,709	139,765	-	-	-	130,372	-	-
-	-	-	-	315,366	-	54,076	-	3,212,352	-	101,436
-	-	-	-	-	-	-	-	125	7,000	24,222
-	-	-	-	-	-	-	-	-	-	-
1,920	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	2,173
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	343,561	-	-
1,920	-	14,013	211,709	455,131	-	54,076	-	3,686,410	7,000	470,919
-	-	-	-	-	28,809	-	-	-	-	-
-	-	13,817	211,709	456,389	-	-	-	-	-	-
280	42	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,284	7,109,461	-	-
-	-	-	-	-	-	-	-	-	7,000	369,489
-	-	-	-	-	-	54,062	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	216
280	42	13,817	211,709	456,389	28,809	54,062	5,284	7,109,461	7,000	369,705
1,640	(42)	196	-	(1,258)	(28,809)	14	(5,284)	(3,423,051)	-	101,214
-	-	439	-	19,168	-	4	5,284	3,560,849	-	-
-	-	(635)	-	(17,910)	-	(18)	-	(137,798)	-	(6,571)
-	-	-	-	-	-	-	-	-	-	-
-	-	(196)	-	1,258	-	(14)	5,284	3,423,051	-	(6,571)
1,640	(42)	-	-	-	(28,809)	-	-	-	-	94,643
14,156	1,442	-	-	889	44,694	-	-	-	-	189,773
\$ 15,796	\$ 1,400	\$ -	\$ -	\$ 889	\$ 15,885	\$ -	\$ -	\$ -	\$ -	\$ 284,416

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue Funds		Debt Service Funds					Capital Projects Funds	
	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	2015 Capital Improvement Bonds (3010)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Building Authority Debt Service (3690)	Pension Bonds Debt Service (3960)	Capital Projects (4010)
REVENUES									
Taxes									
Property taxes	\$ -	\$ -	\$ -	\$ 1,618	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Charges for services	-	1,316	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	227	-	-	-	-	993	-	11,911	-
Rentals	365,677	-	-	-	-	385,662	-	-	-
Other	-	-	-	-	-	-	-	18,682	-
Total revenues	365,904	1,316	-	1,618	-	386,655	-	30,593	-
EXPENDITURES									
Current:									
General government	-	-	24	-	712	-	896	96	-
Judicial	-	70	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	319,215	-	-	-	-	264	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	50,000	-	500,000	250,000	1,095,000	1,283,573	-
Interest and fiscal charges	-	-	25,845	-	43,415	162,437	1,569,941	2,280,755	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	319,215	70	75,869	-	544,127	412,701	2,665,837	3,564,424	-
Revenues over (under) expenditures	46,689	1,246	(75,869)	1,618	(544,127)	(26,046)	(2,665,837)	(3,533,831)	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	75,869	-	544,127	27,433	2,665,837	3,168,262	-
Transfers out	(595)	-	-	(1,618)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(595)	-	75,869	(1,618)	544,127	27,433	2,665,837	3,168,262	-
Net change in fund balances	46,094	1,246	-	-	-	1,387	-	(365,569)	-
Fund balances, beginning of year	5,279	17,442	-	-	-	122,942	-	2,483,711	48,975
Fund balances, end of year	\$ 51,373	\$ 18,688	\$ -	\$ -	\$ -	\$ 124,329	\$ -	\$ 2,118,142	\$ 48,975

Capital Projects Funds					Permanent Fund	
Heritage Landing Development (4180)	Jail / JTC Building (4660)	Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,622,358
-	-	-	-	-	-	220,627
-	-	-	-	-	-	909,648
-	-	-	-	-	-	6,664,310
-	-	-	-	-	-	8,595,645
-	-	-	-	-	-	244,633
-	-	-	-	-	-	2,596,524
-	-	-	-	-	-	1,920
-	-	456	1,341	-	348	92,481
-	-	-	-	-	-	754,964
-	3,920	-	-	-	-	673,410
-	3,920	456	1,341	-	348	23,376,520
-	-	-	-	-	346	422,481
-	-	-	-	-	-	8,788,490
-	-	-	-	-	-	1,573,655
-	-	-	-	-	-	13,706,496
-	-	-	-	-	-	5,372,897
-	-	-	-	-	-	54,062
-	-	-	-	-	-	1,808,548
-	-	-	-	-	-	276,880
-	-	-	-	-	-	3,178,573
-	-	-	-	-	-	4,082,393
-	24,957	151,887	63,523	17,767	-	380,298
-	24,957	151,887	63,523	17,767	346	39,644,773
-	(21,037)	(151,431)	(62,182)	(17,767)	2	(16,268,253)
-	-	-	-	17,899	-	14,661,639
(9,261)	-	(100,000)	-	(132)	-	(963,698)
-	-	516,905	-	-	-	519,941
(9,261)	-	416,905	-	17,767	-	14,217,882
(9,261)	(21,037)	265,474	(62,182)	-	2	(2,050,371)
9,261	77,646	190,605	298,350	-	36,787	12,465,513
\$ -	\$ 56,609	\$ 456,079	\$ 236,168	\$ -	\$ 36,789	\$ 10,415,142

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2020

	Senior Millage (1060)			Sobriety Court (1170)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ 2,273,000	\$ 2,277,652	\$ 4,652	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	1,834	2,156	322
State	171,637	171,637	-	423,488	297,480	(126,008)
Local	-	-	-	-	-	-
Charges for services	-	-	-	93,163	64,484	(28,679)
Fines and forfeitures	-	-	-	-	-	-
Investment income	11,500	17,222	5,722	-	-	-
Rentals	-	-	-	-	-	-
Other	-	14,111	14,111	-	-	-
Total revenues	<u>2,456,137</u>	<u>2,480,622</u>	<u>24,485</u>	<u>518,485</u>	<u>364,120</u>	<u>(154,365)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	512,645	371,233	(141,412)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	3,673,367	2,964,802	(708,565)	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>3,673,367</u>	<u>2,964,802</u>	<u>(708,565)</u>	<u>512,645</u>	<u>371,233</u>	<u>(141,412)</u>
Revenues over (under) expenditures	<u>(1,217,230)</u>	<u>(484,180)</u>	<u>733,050</u>	<u>5,840</u>	<u>(7,113)</u>	<u>(12,953)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	12,934	12,934
Transfers out	-	-	-	(5,840)	(5,821)	(19)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,840)</u>	<u>7,113</u>	<u>12,915</u>
Net change in fund balances	<u>(1,217,230)</u>	<u>(484,180)</u>	<u>733,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>1,691,628</u>	<u>1,691,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 474,398</u>	<u>\$ 1,207,448</u>	<u>\$ 733,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Adult Drug Treatment Court (1172)			Emergency Services (1190)			Marine Safety (1200)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
222,473	155,501	(66,972)	122,164	109,629	(12,535)	1,000	1,000	-
2,000	971	(1,029)	-	-	-	82,300	77,735	(4,565)
-	-	-	-	-	-	-	-	-
-	-	-	30,250	30,250	-	21,372	9,748	(11,624)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	3,388	12,170	8,782	-	-	-
<u>224,473</u>	<u>156,472</u>	<u>(68,001)</u>	<u>155,802</u>	<u>152,049</u>	<u>(3,753)</u>	<u>104,672</u>	<u>88,483</u>	<u>(16,189)</u>
-	-	-	-	-	-	-	-	-
223,670	155,283	(68,387)	-	-	-	-	-	-
-	-	-	257,626	236,887	(20,739)	238,980	193,362	(45,618)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	53,079	49,618	(3,461)	621	-	(621)
<u>223,670</u>	<u>155,283</u>	<u>(68,387)</u>	<u>310,705</u>	<u>286,505</u>	<u>(24,200)</u>	<u>239,601</u>	<u>193,362</u>	<u>(46,239)</u>
<u>803</u>	<u>1,189</u>	<u>386</u>	<u>(154,903)</u>	<u>(134,456)</u>	<u>20,447</u>	<u>(134,929)</u>	<u>(104,879)</u>	<u>30,050</u>
3,053	2,112	(941)	159,071	138,877	(20,194)	139,194	109,387	(29,807)
(3,856)	(3,301)	(555)	(5,242)	(5,544)	302	(4,265)	(4,508)	243
-	-	-	-	-	-	-	-	-
<u>(803)</u>	<u>(1,189)</u>	<u>(1,496)</u>	<u>153,829</u>	<u>133,333</u>	<u>(19,892)</u>	<u>134,929</u>	<u>104,879</u>	<u>(29,564)</u>
-	-	-	(1,074)	(1,123)	(49)	-	-	-
-	-	-	4,073	4,073	-	10,503	10,503	-
\$ -	\$ -	\$ -	\$ 2,999	\$ 2,950	\$ (49)	\$ 10,503	\$ 10,503	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Highway Safety Programs (1210)			Township Patrols (1240)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	62,084	25,387	(36,697)	30,630	35,475	4,845
State	166,950	166,950	-	-	-	-
Local	-	-	-	172,535	167,870	(4,665)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>229,034</u>	<u>192,337</u>	<u>(36,697)</u>	<u>203,165</u>	<u>203,345</u>	<u>180</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	320,554	276,550	(44,004)	363,398	358,150	(5,248)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>320,554</u>	<u>276,550</u>	<u>(44,004)</u>	<u>363,398</u>	<u>358,150</u>	<u>(5,248)</u>
Revenues over (under) expenditures	<u>(91,520)</u>	<u>(84,213)</u>	<u>7,307</u>	<u>(160,233)</u>	<u>(154,805)</u>	<u>5,428</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	101,018	94,216	(6,802)	172,535	167,870	(4,665)
Transfers out	(9,498)	(10,003)	505	(12,302)	(13,065)	763
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>91,520</u>	<u>84,213</u>	<u>(6,297)</u>	<u>160,233</u>	<u>154,805</u>	<u>(3,902)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Park Fund (2080)			Coronavirus Public Safety Fund (2110)			Family Court (2150)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	46,890	31,051	(15,839)	3,346,152	3,432,025	85,873
-	-	-	-	-	-	204,288	177,364	(26,924)
-	-	-	-	-	-	-	-	-
805,000	870,878	65,878	-	-	-	354,150	465,815	111,665
-	-	-	-	-	-	-	-	-
4,000	4,458	458	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,964	3,964	-	-	-	45,040	58,834	13,794
<u>809,000</u>	<u>879,300</u>	<u>70,300</u>	<u>46,890</u>	<u>31,051</u>	<u>(15,839)</u>	<u>3,949,630</u>	<u>4,134,038</u>	<u>184,408</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,277,781	4,992,356	(285,425)
-	-	-	46,890	31,051	(15,839)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
807,982	775,667	(32,315)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
40,000	48,681	8,681	-	-	-	-	828	828
<u>847,982</u>	<u>824,348</u>	<u>(23,634)</u>	<u>46,890</u>	<u>31,051</u>	<u>(15,839)</u>	<u>5,277,781</u>	<u>4,993,184</u>	<u>(284,597)</u>
<u>(38,982)</u>	<u>54,952</u>	<u>93,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,328,151)</u>	<u>(859,146)</u>	<u>469,005</u>
-	-	-	-	-	-	1,504,061	1,023,706	(480,355)
(34,402)	(34,809)	407	-	-	-	(175,910)	(164,560)	(11,350)
-	3,036	3,036	-	-	-	-	-	-
<u>(34,402)</u>	<u>(31,773)</u>	<u>3,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328,151</u>	<u>859,146</u>	<u>(491,705)</u>
<u>(73,384)</u>	<u>23,179</u>	<u>96,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
517,371	517,371	-	-	-	-	-	-	-
<u>\$ 443,987</u>	<u>\$ 540,550</u>	<u>\$ 96,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Access & Visitation (2151)			SSSPP Grant (2153)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	5,850	1,398	(4,452)	-	-	-
State	-	-	-	308,689	182,888	(125,801)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>5,850</u>	<u>1,398</u>	<u>(4,452)</u>	<u>308,689</u>	<u>182,888</u>	<u>(125,801)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	5,850	1,398	(4,452)	-	-	-
Public safety	-	-	-	310,082	183,881	(126,201)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>5,850</u>	<u>1,398</u>	<u>(4,452)</u>	<u>310,082</u>	<u>183,881</u>	<u>(126,201)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,393)</u>	<u>(993)</u>	<u>400</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	2,154	1,930	(224)
Transfers out	-	-	-	(2,875)	(3,052)	177
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(721)</u>	<u>(1,122)</u>	<u>(47)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,114)</u>	<u>(2,115)</u>	<u>(1)</u>
Fund balances, beginning of year	-	-	-	2,115	2,115	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

District Court Eviction Prevention Docket (2171)			Health Department (2210)			Public Health Local Community Stabilization (2211)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,721,201	2,370,240	(350,961)	-	-	-
-	-	-	1,914,847	1,836,918	(77,929)	-	201,811	201,811
-	-	-	35	40	5	-	-	-
-	-	-	531,705	537,699	5,994	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(1,795)	(1,795)	-	-	-
-	-	-	-	-	-	-	-	-
21,350	21,350	-	36,314	42,904	6,590	-	-	-
21,350	21,350	-	5,204,102	4,786,006	(418,096)	-	201,811	201,811
-	-	-	-	-	-	-	-	-
20,705	16,244	(4,461)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	6,819,573	6,272,272	(547,301)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,705	16,244	(4,461)	6,819,573	6,272,272	(547,301)	-	-	-
645	5,106	4,461	(1,615,471)	(1,486,266)	129,205	-	201,811	201,811
-	-	-	1,790,689	1,635,571	(155,118)	-	-	-
(645)	(401)	(244)	(175,218)	(165,071)	(10,147)	-	-	-
-	-	-	-	-	-	-	-	-
(645)	(401)	(244)	1,615,471	1,470,500	(165,265)	-	-	-
-	4,705	4,705	-	(15,766)	(15,766)	-	201,811	201,811
10,534	10,534	-	37,832	37,832	-	-	-	-
\$ 10,534	\$ 15,239	\$ 4,705	\$ 37,832	\$ 22,066	\$ (15,766)	\$ -	\$ 201,811	\$ 201,811

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Community Health Improvement (2217)			Lake Pollution Control (2240)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	750,000	333,236	(416,764)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	750	241	(509)	14,282	31,957	17,675
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>750,750</u>	<u>333,477</u>	<u>(417,273)</u>	<u>14,282</u>	<u>31,957</u>	<u>17,675</u>
EXPENDITURES						
Current:						
General government	750,663	333,899	(416,764)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	2,545,282	1,973,405	(571,877)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>750,663</u>	<u>333,899</u>	<u>(416,764)</u>	<u>2,545,282</u>	<u>1,973,405</u>	<u>(571,877)</u>
Revenues over (under) expenditures	<u>87</u>	<u>(422)</u>	<u>(509)</u>	<u>(2,531,000)</u>	<u>(1,941,448)</u>	<u>589,552</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	422	422	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>422</u>	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>87</u>	<u>-</u>	<u>(87)</u>	<u>(2,531,000)</u>	<u>(1,941,448)</u>	<u>589,552</u>
Fund balances, beginning of year	-	-	-	4,531,366	4,531,366	-
Fund balances, end of year	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ (87)</u>	<u>\$ 2,000,366</u>	<u>\$ 2,589,918</u>	<u>\$ 589,552</u>

Sustainability Grant (2261)			NOAA Habitat Conservation Grant (2271)			Accommodations Tax (2300)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	155,000	220,627	65,627
-	-	-	-	-	-	734,000	909,648	175,648
-	-	-	-	-	-	-	-	-
61,014	9,306	(51,708)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,614	910	(8,704)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,500	7,824	324
-	-	-	-	-	-	250	3,625	3,375
-	-	-	-	-	-	-	1,325	1,325
61,014	9,306	(51,708)	-	-	-	906,364	1,143,959	237,595
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
61,014	9,306	(51,708)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,159,800	1,032,881	(126,919)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
61,014	9,306	(51,708)	-	-	-	1,159,800	1,032,881	(126,919)
-	-	-	-	-	-	(253,436)	111,078	364,514
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(172,149)	(172,862)	713
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(172,149)	(172,862)	713
-	-	-	-	-	-	(425,585)	(61,784)	363,801
-	-	-	6	6	-	1,205,983	1,205,983	-
\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ -	\$ 780,398	\$ 1,144,199	\$ 363,801

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Census Support (2460)			CDBG Housing Grant (2470)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	50,000	44,838	(5,162)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	1,000	1,141	141
Rentals	-	-	-	-	-	-
Other	-	-	-	30,000	26,945	(3,055)
Total revenues	<u>50,000</u>	<u>44,838</u>	<u>(5,162)</u>	<u>31,000</u>	<u>28,086</u>	<u>(2,914)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	50,000	44,147	(5,853)	15,973	159	(15,814)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>50,000</u>	<u>44,147</u>	<u>(5,853)</u>	<u>15,973</u>	<u>159</u>	<u>(15,814)</u>
Revenues over (under) expenditures	<u>-</u>	<u>691</u>	<u>691</u>	<u>15,027</u>	<u>27,927</u>	<u>12,900</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(691)	691	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(691)</u>	<u>691</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	15,027	27,927	12,900
Fund balances, beginning of year	-	-	-	126,084	126,084	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,111</u>	<u>\$ 154,011</u>	<u>\$ 12,900</u>



Neighborhood Stabilization Grant (2471)			Pass-Through Grants (2530)			Deed Automation (2560)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5,000	4,589	(411)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	170,000	169,135	(865)
-	-	-	-	-	-	-	-	-
-	129	129	-	-	-	4,000	3,427	(573)
-	-	-	-	-	-	-	-	-
39,472	34,655	(4,817)	-	-	-	-	-	-
<u>39,472</u>	<u>34,784</u>	<u>(4,688)</u>	<u>5,000</u>	<u>4,589</u>	<u>(411)</u>	<u>174,000</u>	<u>172,562</u>	<u>(1,438)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
39,472	-	(39,472)	5,000	4,589	(411)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	328,519	276,880	(51,639)
-	-	-	-	-	-	46,796	22,821	(23,975)
<u>39,472</u>	<u>-</u>	<u>(39,472)</u>	<u>5,000</u>	<u>4,589</u>	<u>(411)</u>	<u>375,315</u>	<u>299,701</u>	<u>(75,614)</u>
-	34,784	34,784	-	-	-	(201,315)	(127,139)	74,176
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,023)	(3,127)	104
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,023)	(3,127)	104
-	34,784	34,784	-	-	-	(204,338)	(130,266)	74,072
-	-	-	-	-	-	521,679	521,679	-
<u>\$ -</u>	<u>\$ 34,784</u>	<u>\$ 34,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,341</u>	<u>\$ 391,413</u>	<u>\$ 74,072</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Juvenile Prosecution Resentencing (2596)			Indigent Defense (2600)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	1,719,079	1,671,561	(47,518)
Local	-	-	-	-	538	538
Charges for services	-	-	-	101,100	102,353	1,253
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	132	132	6,250	8,970	2,720
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	132	132	1,826,429	1,783,422	(43,007)
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	2,676,920	2,569,991	(106,929)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	2,676,920	2,569,991	(106,929)
Revenues over (under) expenditures	-	132	132	(850,491)	(786,569)	63,922
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	1,217,215	1,212,491	(4,724)
Transfers out	-	-	-	(85,842)	(89,582)	3,740
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,131,373	1,122,909	(984)
Net change in fund balances	-	132	132	280,882	336,340	55,458
Fund balances, beginning of year	-	-	-	112,325	112,325	-
Fund balances, end of year	\$ -	\$ 132	\$ 132	\$ 393,207	\$ 448,665	\$ 55,458

Concealed Pistol Licensing (2630)			Community Corrections (2640)			TNT Drug (2671)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	196,200	117,794	(78,406)	-	-	-
-	-	-	10,700	10,700	-	-	-	-
-	-	-	-	-	-	2,250	1,920	(330)
200	1,326	1,126	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
77,500	90,989	13,489	-	-	-	-	-	-
77,700	92,315	14,615	206,900	128,494	(78,406)	2,250	1,920	(330)
57,773	57,699	(74)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	337,609	293,452	(44,157)	281	280	(1)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
57,773	57,699	(74)	337,609	293,452	(44,157)	281	280	(1)
19,927	34,616	14,689	(130,709)	(164,958)	(34,249)	1,969	1,640	(329)
-	-	-	143,166	176,952	33,786	-	-	-
(698)	(769)	71	(12,457)	(11,994)	(463)	-	-	-
-	-	-	-	-	-	-	-	-
(698)	(769)	71	130,709	164,958	33,323	-	-	-
19,229	33,847	14,618	-	-	-	1,969	1,640	(329)
152,062	152,062	-	-	-	-	14,156	14,156	-
\$ 171,291	\$ 185,909	\$ 14,618	\$ -	\$ -	\$ -	\$ 16,125	\$ 15,796	\$ (329)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Prosecutor Drug (2672)			Special Investigative Fund (2673)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	8,113	14,013	5,900
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	-	-	8,113	14,013	5,900
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	7,736	13,817	6,081
Public safety	42	42	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	42	42	-	7,736	13,817	6,081
Revenues over (under) expenditures	(42)	(42)	-	377	196	(181)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	439	439
Transfers out	-	-	-	(377)	(635)	258
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(377)	(196)	697
Net change in fund balances	(42)	(42)	-	-	-	-
Fund balances, beginning of year	1,442	1,442	-	-	-	-
Fund balances, end of year	\$ 1,400	\$ 1,400	\$ -	\$ -	\$ -	\$ -



Justice Assistance Grant (2675)			Crime Victims' Rights (2800)			Muskegon Area Stormwater Committee (2823)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
213,829	211,709	(2,120)	152,017	139,765	(12,252)	-	-	-
-	-	-	355,754	315,366	(40,388)	-	-	-
-	-	-	-	-	-	50,000	-	(50,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
213,829	211,709	(2,120)	507,771	455,131	(52,640)	50,000	-	(50,000)
-	-	-	-	-	-	50,000	28,809	(21,191)
213,829	211,709	(2,120)	510,601	456,389	(54,212)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
213,829	211,709	(2,120)	510,601	456,389	(54,212)	50,000	28,809	(21,191)
-	-	-	(2,830)	(1,258)	1,572	-	(28,809)	(28,809)
-	-	-	20,446	19,168	(1,278)	-	-	-
-	-	-	(17,616)	(17,910)	294	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,830	1,258	(984)	-	-	-
-	-	-	-	-	-	-	(28,809)	(28,809)
-	-	-	889	889	-	44,694	44,694	-
\$ -	\$ -	\$ -	\$ 889	\$ 889	\$ -	\$ 44,694	\$ 15,885	\$ (28,809)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Remonumentation Program (2890)			Social Welfare (2910)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	91,712	54,076	(37,636)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>91,712</u>	<u>54,076</u>	<u>(37,636)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	8,086	5,284	(2,802)
Welfare	-	-	-	-	-	-
Cultural	91,708	54,062	(37,646)	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>91,708</u>	<u>54,062</u>	<u>(37,646)</u>	<u>8,086</u>	<u>5,284</u>	<u>(2,802)</u>
Revenues over (under) expenditures	<u>4</u>	<u>14</u>	<u>10</u>	<u>(8,086)</u>	<u>(5,284)</u>	<u>2,802</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	14	4	(10)	8,086	5,284	(2,802)
Transfers out	(18)	(18)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4)</u>	<u>(14)</u>	<u>(10)</u>	<u>8,086</u>	<u>5,284</u>	<u>(2,802)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Child Care Facility (2920)			JTC Arts Programming (2925)			Veterans' Care (2930)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,369	\$ 343,088	\$ 19,719
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
119,632	130,372	10,740	-	-	-	-	-	-
3,429,969	3,212,352	(217,617)	-	-	-	145,755	101,436	(44,319)
125	125	-	7,000	7,000	-	20,000	24,222	4,222
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,700	2,173	473
-	-	-	-	-	-	-	-	-
349,835	343,561	(6,274)	-	-	-	-	-	-
<u>3,899,561</u>	<u>3,686,410</u>	<u>(213,151)</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>490,824</u>	<u>470,919</u>	<u>(19,905)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,792,081	7,109,461	(682,620)	-	-	-	-	-	-
-	-	-	7,000	7,000	-	427,543	369,489	(58,054)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	216	216
<u>7,792,081</u>	<u>7,109,461</u>	<u>(682,620)</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>427,543</u>	<u>369,705</u>	<u>(57,838)</u>
<u>(3,892,520)</u>	<u>(3,423,051)</u>	<u>469,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,281</u>	<u>101,214</u>	<u>37,933</u>
4,025,916	3,560,849	(465,067)	-	-	-	-	-	-
(133,396)	(137,798)	4,402	-	-	-	(6,226)	(6,571)	345
-	-	-	-	-	-	-	-	-
<u>3,892,520</u>	<u>3,423,051</u>	<u>(460,665)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,226)</u>	<u>(6,571)</u>	<u>345</u>
-	-	-	-	-	-	57,055	94,643	37,588
-	-	-	-	-	-	189,773	189,773	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,828</u>	<u>\$ 284,416</u>	<u>\$ 37,588</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

	Mental Health Buildings (2970)			Quality of Victim Restitution (2980)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	1,100	1,316	216
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	227	227	200	-	(200)
Rentals	365,677	365,677	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>365,677</u>	<u>365,904</u>	<u>227</u>	<u>1,300</u>	<u>1,316</u>	<u>16</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	8,500	70	(8,430)
Public safety	-	-	-	-	-	-
Health	353,279	319,215	(34,064)	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>353,279</u>	<u>319,215</u>	<u>(34,064)</u>	<u>8,500</u>	<u>70</u>	<u>(8,430)</u>
Revenues over (under) expenditures	<u>12,398</u>	<u>46,689</u>	<u>34,291</u>	<u>(7,200)</u>	<u>1,246</u>	<u>8,446</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(518)	(595)	77	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(518)</u>	<u>(595)</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>11,880</u>	<u>46,094</u>	<u>34,214</u>	<u>(7,200)</u>	<u>1,246</u>	<u>8,446</u>
Fund balances, beginning of year	5,279	5,279	-	17,442	17,442	-
Fund balances, end of year	<u>\$ 17,159</u>	<u>\$ 51,373</u>	<u>\$ 34,214</u>	<u>\$ 10,242</u>	<u>\$ 18,688</u>	<u>\$ 8,446</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Enterprise Funds

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash. Monies for the operation of this fund are provided by charges to Consumers Power and Sappi for services.

Muskegon Area Transit System (5880)--accounts for and provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 32% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 18% of the operating costs).

Muskegon Trolley Company (5890)--provides local transportation for tourists and special events within the County. All funds are local in nature.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2020

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
ASSETS				
Current assets:				
Cash and investments	\$ 659,060	\$ -	\$ 69,778	\$ 728,838
Receivables, net:				
Accounts	-	7,745	600	8,345
Due from other governments	-	637,180	-	637,180
Total current assets	<u>659,060</u>	<u>644,925</u>	<u>70,378</u>	<u>1,374,363</u>
Noncurrent assets:				
Restricted assets	128,372	-	-	128,372
Capital assets not being depreciated	-	354,753	-	354,753
Capital assets being depreciated, net	-	6,766,150	178,837	6,944,987
Net OPEB asset	-	340,783	-	340,783
Total noncurrent assets	<u>128,372</u>	<u>7,461,686</u>	<u>178,837</u>	<u>7,768,895</u>
Total assets	<u>787,432</u>	<u>8,106,611</u>	<u>249,215</u>	<u>9,143,258</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	-	238,316	-	238,316
Deferred OPEB amounts	-	464,996	-	464,996
Total deferred outflows of resources	<u>-</u>	<u>703,312</u>	<u>-</u>	<u>703,312</u>
LIABILITIES				
Current liabilities:				
Negative equity in pooled cash	-	119,862	-	119,862
Accounts payable	1,590	80,680	110	82,380
Accrued liabilities	-	108,404	250	108,654
Accrued interest	-	20,605	-	20,605
Current portion of accrued closure cost and sludge removal	21,145	-	-	21,145
Current portion of compensated absences	-	36,357	-	36,357
Current portion of long-term debt	-	45,689	-	45,689
Total current liabilities	<u>22,735</u>	<u>411,597</u>	<u>360</u>	<u>434,692</u>
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	248,843	-	-	248,843
Compensated absences	-	282,286	-	282,286
Long-term debt	-	1,144,691	-	1,144,691
Net pension liability	-	1,629,977	-	1,629,977
Total noncurrent liabilities	<u>248,843</u>	<u>3,056,954</u>	<u>-</u>	<u>3,305,797</u>
Total liabilities	<u>271,578</u>	<u>3,468,551</u>	<u>360</u>	<u>3,740,489</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension amounts	-	26,400	-	26,400
Deferred OPEB amounts	-	2,584,914	-	2,584,914
Total deferred inflows of resources	<u>-</u>	<u>2,611,314</u>	<u>-</u>	<u>2,611,314</u>
NET POSITION				
Net investment in capital assets	-	7,120,903	178,837	7,299,740
Unrestricted (deficit)	515,854	(4,390,845)	70,018	(3,804,973)
Total net position	<u>\$ 515,854</u>	<u>\$ 2,730,058</u>	<u>\$ 248,855</u>	<u>\$ 3,494,767</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2020

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Operating revenues:				
Charges for services	\$ -	\$ 284,271	\$ 12,430	\$ 296,701
Other revenues	-	3,620	-	3,620
Total operating revenues	<u>-</u>	<u>287,891</u>	<u>12,430</u>	<u>300,321</u>
Operating expenses:				
Salaries and fringes	-	2,263,798	3,857	2,267,655
Supplies and other operating expenses	(4,311)	1,520,927	5,324	1,521,940
Depreciation	-	758,469	31,490	789,959
Total operating expenses	<u>(4,311)</u>	<u>4,543,194</u>	<u>40,671</u>	<u>4,579,554</u>
Operating income (loss)	<u>4,311</u>	<u>(4,255,303)</u>	<u>(28,241)</u>	<u>(4,279,233)</u>
Nonoperating revenues (expenses):				
Grants and contributions:				
Federal	-	2,433,823	-	2,433,823
State	-	1,292,780	-	1,292,780
Local	-	198,064	-	198,064
Investment income (loss)	5,521	(41)	456	5,936
Interest expense	-	(49,552)	-	(49,552)
Loss on sale of capital assets	-	-	(4,425)	(4,425)
Total nonoperating revenues (expenses)	<u>5,521</u>	<u>3,875,074</u>	<u>(3,969)</u>	<u>3,876,626</u>
Change in net position	<u>9,832</u>	<u>(380,229)</u>	<u>(32,210)</u>	<u>(402,607)</u>
Net position, beginning of year	<u>506,022</u>	<u>3,110,287</u>	<u>281,065</u>	<u>3,897,374</u>
Net position, end of year	<u>\$ 515,854</u>	<u>\$ 2,730,058</u>	<u>\$ 248,855</u>	<u>\$ 3,494,767</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2020

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ -	\$ 287,061	\$ 12,430	\$ 299,491
Payments to vendors	(23,934)	(1,999,216)	(5,214)	(2,028,364)
Payments for personnel services	-	(2,434,132)	(3,866)	(2,437,998)
Net cash provided by (used in) operating activities	<u>(23,934)</u>	<u>(4,146,287)</u>	<u>3,350</u>	<u>(4,166,871)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on pension bonds	-	(38,432)	-	(38,432)
Interest paid on pension bonds	-	(68,274)	-	(68,274)
Federal and/or state grants	-	4,253,034	-	4,253,034
Net cash provided by noncapital financing activities	<u>-</u>	<u>4,146,328</u>	<u>-</u>	<u>4,146,328</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	-	-	11,500	11,500
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	5,521	(41)	456	5,936
Net change in cash and investments	(18,413)	-	15,306	(3,107)
Cash and investments, beginning of year	677,473	-	54,472	731,945
Cash and investments, end of year	<u>\$ 659,060</u>	<u>\$ -</u>	<u>\$ 69,778</u>	<u>\$ 728,838</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 4,311	\$ (4,255,303)	\$ (28,241)	\$ (4,279,233)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	758,469	31,490	789,959
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	-	(830)	600	(230)
Restricted assets	423	-	-	423
Negative equity in pooled cash	-	(407,101)	-	(407,101)
Accounts payable	1,236	(71,188)	110	(69,842)
Accrued liabilities	-	1,805	(9)	1,796
Unearned revenue	-	-	(600)	(600)
Accrued closure cost and sludge removal	(29,904)	-	-	(29,904)
Accrued compensated absences	-	31,280	-	31,280
Net pension liability	-	110,166	-	110,166
Deferred outflows - pension amounts	-	252,743	-	252,743
Deferred inflows - pension amounts	-	4,443	-	4,443
Net OPEB asset	-	504,930	-	504,930
Deferred outflows - OPEB amounts	-	1,347	-	1,347
Deferred inflows - OPEB amounts	-	(1,077,048)	-	(1,077,048)
Net cash provided by (used in) operating activities	<u>\$ (23,934)</u>	<u>\$ (4,146,287)</u>	<u>\$ 3,350</u>	<u>\$ (4,166,871)</u>

COUNTY OF MUSKEGON, MICHIGAN

Internal Service Funds

Office Services (6330)--to account for the general County printing services which provides all common offices with necessary support.

South Campus Facilities (6340)--to account for the operations and maintenance of County buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Sheriff Garage (6345)--to account for the operations of an automotive repair facility run by the sheriff's department. The fund is self-sustaining with the revenues generated to be used for maintaining sheriff and other County vehicles.

Energy Improvements (6350)--to account for the replacement and upgrading of most County buildings to provide for energy efficiency. The fund is designed to be self-sustaining with depreciation expense and revenues from rents charged back to benefiting departments over the useful life of the energy efficiency improvements.

Equipment Revolving (6660)--is used to record the operations of a capital equipment pool that finances big-ticket purchases for various County departments. This fund records the value of capital assets purchased and the related depreciation expense of these items. Cash flow is obtained by advances from the General Fund and external borrowing. The equipment revolving fund is designed to be self-sustaining from rent charges billed to other funds offsetting the depreciation expense and debt service payments.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The County is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
September 30, 2020

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
ASSETS			
Current assets:			
Cash and investments	\$ 37,168	\$ 39,739	\$ 5,875
Receivable, net:			
Accounts	-	-	-
Due from other governments	5,779	-	-
Accrued interest	-	-	-
Prepays	35,000	-	-
Total current assets	<u>77,947</u>	<u>39,739</u>	<u>5,875</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	44,928
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>59,928</u>
Total assets	<u>77,947</u>	<u>39,739</u>	<u>65,803</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on bond refunding	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Payables:			
Accounts payable	15,274	34,301	151
Due to other governments	-	-	-
Accrued liabilities	4,713	5,438	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	510	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>20,497</u>	<u>39,739</u>	<u>151</u>
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	-	-
Compensated absences	3,964	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>3,964</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>24,461</u>	<u>39,739</u>	<u>151</u>
NET POSITION			
Net investment in capital assets	-	-	59,928
Unrestricted	53,486	-	5,724
Total net position	<u>\$ 53,486</u>	<u>\$ -</u>	<u>\$ 65,652</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ 1,974,630	\$ 4,321,487	\$ 3,977,358	\$ 10,356,257
-	28,512	402,453	430,965
-	17,995	-	23,774
-	-	213,914	213,914
-	84,745	1,278,556	1,398,301
<u>1,974,630</u>	<u>4,452,739</u>	<u>5,872,281</u>	<u>12,423,211</u>
-	-	500,584	500,584
-	-	697,776	697,776
-	826,058	-	841,058
<u>2,870,834</u>	<u>7,655,600</u>	<u>-</u>	<u>10,571,362</u>
<u>2,870,834</u>	<u>8,481,658</u>	<u>1,198,360</u>	<u>12,610,780</u>
<u>4,845,464</u>	<u>12,934,397</u>	<u>7,070,641</u>	<u>25,033,991</u>
<u>91,078</u>	<u>-</u>	<u>-</u>	<u>91,078</u>
-	246,588	166,515	462,829
-	-	64,372	64,372
-	43,217	2,427,009	2,480,377
59,658	77,990	-	137,648
-	-	16,328	16,328
-	14,605	-	15,115
<u>405,000</u>	<u>1,214,006</u>	<u>-</u>	<u>1,619,006</u>
<u>464,658</u>	<u>1,596,406</u>	<u>2,674,224</u>	<u>4,795,675</u>
-	31,855	-	31,855
-	113,399	-	117,363
<u>4,690,000</u>	<u>6,067,353</u>	<u>-</u>	<u>10,757,353</u>
<u>4,690,000</u>	<u>6,212,607</u>	<u>-</u>	<u>10,906,571</u>
<u>5,154,658</u>	<u>7,809,013</u>	<u>2,674,224</u>	<u>15,702,246</u>
(2,133,088)	1,200,299	-	(872,861)
1,914,972	3,925,085	4,396,417	10,295,684
<u>\$ (218,116)</u>	<u>\$ 5,125,384</u>	<u>\$ 4,396,417</u>	<u>\$ 9,422,823</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2020

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues:			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	648,314	-
Other revenues	447,357	-	-
Total operating revenues	<u>447,357</u>	<u>648,314</u>	<u>-</u>
Operating expenses:			
Salaries and fringes	113,561	118,218	-
Supplies and other operating expenses	334,729	525,863	2,861
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	-	5,977
Total operating expenses	<u>448,290</u>	<u>644,081</u>	<u>8,838</u>
Operating income (loss)	<u>(933)</u>	<u>4,233</u>	<u>(8,838)</u>
Nonoperating revenues (expense):			
Investment income	354	-	-
Interest expense	-	-	-
Bond issuance expense	-	-	-
Loss on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>354</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>(579)</u>	<u>4,233</u>	<u>(8,838)</u>
Capital contributions - federal	-	-	-
Transfers in	-	-	-
Transfers out	<u>(5,063)</u>	<u>(4,233)</u>	<u>-</u>
Change in net position	<u>(5,642)</u>	<u>-</u>	<u>(8,838)</u>
Net position, beginning of year	59,128	-	74,490
Net position, end of year	<u>\$ 53,486</u>	<u>\$ -</u>	<u>\$ 65,652</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ -	\$ 18,151,034	\$ 18,151,034
-	559,997	-	1,208,311
-	3,623,347	2,192,619	6,263,323
-	4,183,344	20,343,653	25,622,668
-	900,398	1,114,961	2,247,138
2,842	1,377,998	136,673	2,380,966
-	-	191,309	191,309
-	-	18,805,702	18,805,702
379,085	2,031,594	-	2,416,656
381,927	4,309,990	20,248,645	26,041,771
(381,927)	(126,646)	95,008	(419,103)
281,731	43,504	600,996	926,585
(186,646)	(262,247)	-	(448,893)
(60,795)	-	-	(60,795)
-	(15,413)	-	(15,413)
34,290	(234,156)	600,996	401,484
(347,637)	(360,802)	696,004	(17,619)
386,732	-	-	386,732
-	42,828	-	42,828
-	(72,975)	(39,975)	(122,246)
39,095	(390,949)	656,029	289,695
(257,211)	5,516,333	3,740,388	9,133,128
\$ (218,116)	\$ 5,125,384	\$ 4,396,417	\$ 9,422,823

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2020

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 455,991	\$ 648,314	\$ -
Payments to vendors	(347,405)	(525,690)	(2,797)
Payments for personnel services	(111,075)	(117,802)	-
Net cash provided by (used in) operating activities	<u>(2,489)</u>	<u>4,822</u>	<u>(2,797)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental receipts	-	-	-
Intergovernmental payments	(5,063)	(4,233)	-
Net cash provided by (used in) operating activities	<u>(5,063)</u>	<u>(4,233)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds received on refunded bonds	-	-	-
Payment to refunding bond escrow agent	-	-	-
Principal paid on long-term debt	-	-	-
Interest paid on long-term debt	-	-	-
Capital contributions received	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities:	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	354	-	-
Net change in cash and investments	(7,198)	589	(2,797)
Cash and investments, beginning of year	44,366	39,150	8,672
Cash and investments, end of year	<u>\$ 37,168</u>	<u>\$ 39,739</u>	<u>\$ 5,875</u>
Reconciliation of operating income (loss) to net cash			
provided by (used in) operating activities:			
Operating income (loss)	\$ (933)	\$ 4,233	\$ (8,838)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	5,977
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	7,553	-	-
Due from other governments	8,634	-	-
Accrued interest receivable	-	-	-
Notes receivable	-	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Accounts payable	(12,676)	173	64
Due to other governments	-	-	-
Accrued liabilities	852	416	-
Unearned revenue	(7,553)	-	-
Compensated absences	1,634	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,489)</u>	<u>\$ 4,822</u>	<u>\$ (2,797)</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ 4,202,933	\$ 20,694,976	\$ 26,002,214
(2,842)	(2,048,051)	(20,143,058)	(23,069,843)
-	(931,086)	(1,042,146)	(2,202,109)
<u>(2,842)</u>	<u>1,223,796</u>	<u>(490,228)</u>	<u>730,262</u>
-	-	10,025	10,025
-	(40,095)	-	(49,391)
<u>-</u>	<u>(40,095)</u>	<u>10,025</u>	<u>(39,366)</u>
5,095,000	-	-	5,095,000
(4,986,958)	-	-	(4,986,958)
(300,000)	(1,227,821)	-	(1,527,821)
(332,629)	(290,655)	-	(623,284)
386,732	-	-	386,732
302,690	35,649	-	338,339
-	(405,830)	-	(405,830)
<u>164,835</u>	<u>(1,888,657)</u>	<u>-</u>	<u>(1,723,822)</u>
<u>281,731</u>	<u>43,504</u>	<u>600,996</u>	<u>926,585</u>
443,724	(661,452)	120,793	(106,341)
1,530,906	4,982,939	3,856,565	10,462,598
<u>\$ 1,974,630</u>	<u>\$ 4,321,487</u>	<u>\$ 3,977,358</u>	<u>\$ 10,356,257</u>
\$ (381,927)	\$ (126,646)	\$ 95,008	\$ (419,103)
379,085	2,031,594	-	2,416,656
-	35,542	43,924	87,019
-	(14,805)	16,187	10,016
-	-	108,195	108,195
-	-	200,000	200,000
-	(15,599)	(1,047,427)	(1,063,026)
-	-	1,796	1,796
-	(654,454)	36,257	(630,636)
-	-	43,687	43,687
-	6,902	29,128	37,298
-	(1,148)	(16,983)	(25,684)
-	(37,590)	-	(35,956)
<u>\$ (2,842)</u>	<u>\$ 1,223,796</u>	<u>\$ (490,228)</u>	<u>\$ 730,262</u>

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COUNTY OF MUSKEGON, MICHIGAN

Agency Funds

Trust and Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area holds Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines Fund (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

Section 125 Flexible Spending Account Fund (7380)--is used to account for before-tax contributions by employees via payroll deduction to their individual Health Care Reimbursement Account and/or Dependent Care Reimbursement Account (together known as "Flexible Spending Accounts"). Employees may use a plan debit card to pay for qualifying expenses, or pay with cash and submit to the plan administrator for reimbursement.

HealthWest Client Funds (7930)--to account for monies held in trust for clients of the County's HealthWest department, which provides community mental health services.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

September 30, 2020

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Section 125 Flexible Spending Account (7380)	HealthWest Client Funds (7930)	Total
ASSETS					
Cash and investments	\$ 12,423,339	\$ 89,059	\$ 25,902	\$ 717,261	\$ 13,255,561
Accounts receivable	-	-	-	177	177
Total assets	<u>\$ 12,423,339</u>	<u>\$ 89,059</u>	<u>\$ 25,902</u>	<u>\$ 717,438</u>	<u>\$ 13,255,738</u>
LIABILITIES					
Accounts payable	\$ 1,867	\$ -	\$ -	\$ 1,480	\$ 3,347
Due to other governments	2,545,398	89,059	-	-	2,634,457
Undistributed current and delinquent taxes	9,286,399	-	-	-	9,286,399
Trust deposits	446,862	-	25,902	715,958	1,188,722
Unallocated receipts	142,813	-	-	-	142,813
Total liabilities	<u>\$ 12,423,339</u>	<u>\$ 89,059</u>	<u>\$ 25,902</u>	<u>\$ 717,438</u>	<u>\$ 13,255,738</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Trust and Agency Fund (7010)				
ASSETS				
Cash and investments	\$ 12,671,053	\$ 184,312,696	\$ (184,560,410)	\$ 12,423,339
Accounts receivable	-	38,979	(38,979)	-
Total assets	<u>\$ 12,671,053</u>	<u>\$ 184,351,675</u>	<u>\$ (184,599,389)</u>	<u>\$ 12,423,339</u>
LIABILITIES				
Accounts payable	\$ 14,354	\$ 70,442,748	\$ (70,455,235)	\$ 1,867
Due to other governments	1,907,078	26,725,884	(26,087,564)	2,545,398
Undistributed current and delinquent taxes	10,190,047	73,193,954	(74,097,602)	9,286,399
Trust deposits	348,283	1,301,215	(1,202,636)	446,862
Unallocated receipts	211,291	12,687,874	(12,756,352)	142,813
Total liabilities	<u>\$ 12,671,053</u>	<u>\$ 184,351,675</u>	<u>\$ (184,599,389)</u>	<u>\$ 12,423,339</u>
Library Penal Fines (7210)				
ASSETS				
Cash and investments	\$ 95,491	\$ 305,254	\$ (311,686)	\$ 89,059
LIABILITIES				
Due to other governments	\$ 95,491	\$ 305,254	\$ (311,686)	\$ 89,059
Section 125 Flexible Spending Account (7380)				
ASSETS				
Cash and investments	\$ 20,526	\$ 76,136	\$ (70,760)	\$ 25,902
LIABILITIES				
Trust deposits	\$ 20,526	\$ 76,136	\$ (70,760)	\$ 25,902
HealthWest Client Funds (7930)				
ASSETS				
Cash and investments	\$ 330,947	\$ 7,212,462	\$ (6,826,148)	\$ 717,261
Accounts receivable	177	-	-	177
Total assets	<u>\$ 331,124</u>	<u>\$ 7,212,462</u>	<u>\$ (6,826,148)</u>	<u>\$ 717,438</u>
LIABILITIES				
Accounts payable	\$ -	\$ 6,871	\$ (5,391)	\$ 1,480
Trust deposits	331,124	7,205,591	(6,820,757)	715,958
Total liabilities	<u>\$ 331,124</u>	<u>\$ 7,212,462</u>	<u>\$ (6,826,148)</u>	<u>\$ 717,438</u>
Total All Agency Funds				
ASSETS				
Cash and investments	\$ 13,118,017	\$ 191,906,548	\$ (191,769,004)	\$ 13,255,561
Accounts receivable	177	38,979	(38,979)	177
Total assets	<u>\$ 13,118,194</u>	<u>\$ 191,945,527</u>	<u>\$ (191,807,983)</u>	<u>\$ 13,255,738</u>
LIABILITIES				
Accounts payable	\$ 14,354	\$ 70,449,619	\$ (70,460,626)	\$ 3,347
Due to other governments	2,002,569	27,031,138	(26,399,250)	2,634,457
Undistributed current and delinquent taxes	10,190,047	73,193,954	(74,097,602)	9,286,399
Trust deposits	699,933	8,582,942	(8,094,153)	1,188,722
Unallocated receipts	211,291	12,687,874	(12,756,352)	142,813
Total liabilities	<u>\$ 13,118,194</u>	<u>\$ 191,945,527</u>	<u>\$ (191,807,983)</u>	<u>\$ 13,255,738</u>

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STATISTICAL SECTION

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Statistical Section

This part of the County of Muskegon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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Statistical Section

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COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-1

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 42,982	\$ 48,399	\$ 53,894	\$ 51,938	\$ 38,123	\$ 28,841	\$ 24,984	\$ 21,820	\$ 18,160	\$ 15,123
Restricted	3,594	4,031	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,475
Unrestricted (deficit)	22,159	14,922	9,333	481	(50,027)	(61,197)	(69,365)	(128,221)	(109,214)	(101,553)
Total Governmental Activities Net Position	<u>\$ 68,735</u>	<u>\$ 67,352</u>	<u>\$ 66,767</u>	<u>\$ 55,494</u>	<u>\$ (9,269)</u>	<u>\$ (29,454)</u>	<u>\$ (41,108)</u>	<u>\$ (102,698)</u>	<u>\$ (82,138)</u>	<u>\$ (78,955)</u>
Business-type Activities										
Net investment in capital assets	\$ 101,923	\$ 100,796	\$ 98,852	\$ 96,621	\$ 94,764	\$ 94,269	\$ 98,216	\$ 99,225	\$ 106,669	\$ 112,221
Restricted	-	-	-	-	-	-	-	-	-	414
Unrestricted	25,546	26,164	22,839	26,893	16,881	19,715	13,134	9,555	15,015	16,193
Total Business-type Activities Net Position	<u>\$ 127,469</u>	<u>\$ 126,960</u>	<u>\$ 121,691</u>	<u>\$ 123,514</u>	<u>\$ 111,645</u>	<u>\$ 113,984</u>	<u>\$ 111,350</u>	<u>\$ 108,780</u>	<u>\$ 121,684</u>	<u>\$ 128,828</u>
Primary Government										
Net investment in capital assets	\$ 144,905	\$ 149,195	\$ 152,746	\$ 148,559	\$ 132,887	\$ 123,110	\$ 123,200	\$ 121,045	\$ 124,829	\$ 127,344
Restricted	3,594	4,031	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,889
Unrestricted (deficit)	47,705	41,086	32,172	27,374	(33,146)	(41,482)	(56,231)	(118,666)	(94,199)	(85,360)
Total Primary Government Net Position	<u>\$ 196,204</u>	<u>\$ 194,312</u>	<u>\$ 188,458</u>	<u>\$ 179,008</u>	<u>\$ 102,376</u>	<u>\$ 84,530</u>	<u>\$ 70,242</u>	<u>\$ 6,082</u>	<u>\$ 39,546</u>	<u>\$ 49,873</u>

Note: GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018. This resulted in presentation of the County's net other postemployment benefit liability on the statement of net position. Prior years were not restated.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities:										
General county government	\$ 13,358	\$ 12,400	\$ 13,866	\$ 17,209	\$ 26,562	\$ 27,791	\$ 11,937	\$ 12,059	\$ 11,831	\$ 10,793
Judicial	11,240	10,920	10,952	11,588	11,466	13,440	18,675	20,139	13,179	16,869
Public safety	13,496	14,943	18,119	17,264	16,191	18,313	20,207	20,204	13,756	16,669
Public works	276	246	272	276	336	251	283	368	198	543
Health and welfare	117,343	113,421	114,539	91,296	84,637	80,246	87,823	92,596	84,829	87,881
Recreation and culture	3,249	3,980	1,697	1,631	1,581	1,613	1,715	2,721	2,372	2,748
Community and economic development	703	716	677	689	990	1,353	1,184	1,281	474	755
Interest	721	684	1,133	2,904	3,096	2,984	2,905	3,001	4,354	4,252
Total governmental activities expense	<u>160,386</u>	<u>157,310</u>	<u>161,255</u>	<u>142,856</u>	<u>144,859</u>	<u>145,992</u>	<u>144,729</u>	<u>152,369</u>	<u>130,993</u>	<u>140,510</u>
Business-type activities:										
Brookhaven	17,253	15,441	15,155	13,113	13,776	13,413	13,660	5,120	174	-
Local government public works financing	1,465	1,370	1,321	1,285	1,252	935	759	1,421	638	588
Solid Waste	3,428	2,308	2,737	2,653	6,042	2,675	3,377	3,806	3,666	5,539
Airport Operations	2,822	2,569	3,039	2,874	2,803	2,690	2,578	2,456	2,655	2,722
Regional Water System	3,036	2,961	3,166	3,135	3,515	3,592	3,147	3,200	2,975	2,881
Muskegon Area Transit System	4,156	4,260	4,809	4,976	5,566	5,993	6,294	6,396	4,381	4,543
Wastewater Management System	17,373	16,442	16,638	17,326	16,514	17,152	18,261	17,174	15,917	16,154
Other proprietary funds	904	2,355	901	835	1,099	1,235	1,189	1,094	1,170	1,089
Total business-type activities expenses	<u>50,437</u>	<u>47,706</u>	<u>47,766</u>	<u>46,197</u>	<u>50,567</u>	<u>47,685</u>	<u>49,265</u>	<u>40,667</u>	<u>31,576</u>	<u>33,516</u>
Total primary government expenses	<u>\$ 210,823</u>	<u>\$ 205,016</u>	<u>\$ 209,021</u>	<u>\$ 189,053</u>	<u>\$ 195,426</u>	<u>\$ 193,677</u>	<u>\$ 193,994</u>	<u>\$ 193,036</u>	<u>\$ 162,569</u>	<u>\$ 174,026</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,280	\$ 3,544	\$ 4,172	\$ 4,146	\$ 4,783	\$ 4,770	\$ 4,699	\$ 4,284	\$ 4,459	\$ 4,535
Judicial	3,841	2,785	3,079	3,081	2,915	2,845	3,132	3,233	3,497	2,917
Public safety	877	858	1,606	1,749	965	1,700	2,286	1,927	2,303	1,739
Health and welfare	77,925	74,810	77,094	57,142	55,576	55,296	59,919	61,316	62,969	61,671
Community and economic development	886	1,007	1,212	1,061	1,113	1,357	1,707	1,744	1,674	1,751
Other activities	1,103	2,456	1,170	1,188	1,263	1,341	1,356	1,298	1,312	1,257
Operating grants and contributions	35,764	31,528	29,703	26,797	26,538	21,739	23,492	25,463	34,401	30,059
Capital grants and contributions	-	383	693	673	940	555	403	387	401	387
Total governmental activities program revenues	<u>124,676</u>	<u>117,371</u>	<u>118,729</u>	<u>95,837</u>	<u>94,093</u>	<u>89,603</u>	<u>96,994</u>	<u>99,652</u>	<u>111,016</u>	<u>104,316</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Wastewater	\$ 13,816	\$ 16,466	\$ 18,247	\$ 18,091	\$ 18,077	\$ 19,088	\$ 19,320	\$ 19,559	\$ 22,190	\$ 22,720
Brookhaven	15,513	13,492	14,046	12,446	12,380	11,810	10,515	3,797	-	-
Other	13,136	11,870	12,206	12,432	12,511	12,742	11,961	12,023	13,954	13,433
Operating grants and contributions	3,622	1,305	2,037	2,102	4,672	4,734	5,386	5,056	4,841	4,567
Capital grants and contributions	1,065	5,377	3,379	4,622	4,303	1,138	645	521	4,876	826
Total business-type activities program revenues	<u>47,152</u>	<u>48,510</u>	<u>49,915</u>	<u>49,693</u>	<u>51,943</u>	<u>49,512</u>	<u>47,827</u>	<u>40,956</u>	<u>45,861</u>	<u>41,546</u>
Total primary government program revenues	<u>\$ 164,523</u>	<u>\$ 165,881</u>	<u>\$ 168,644</u>	<u>\$ 145,530</u>	<u>\$ 146,036</u>	<u>\$ 139,115</u>	<u>\$ 144,821</u>	<u>\$ 140,608</u>	<u>\$ 156,877</u>	<u>\$ 145,862</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (39,939)	\$ (39,939)	\$ (42,526)	\$ (47,019)	\$ (50,766)	\$ (56,389)	\$ (47,735)	\$ (52,717)	\$ (19,977)	\$ (36,194)
Business-type activities	(554)	804	2,149	3,496	1,376	1,827	(1,438)	289	14,285	8,030
Total primary government net expense	<u>\$ (40,493)</u>	<u>\$ (39,135)</u>	<u>\$ (40,377)</u>	<u>\$ (43,523)</u>	<u>\$ (49,390)</u>	<u>\$ (54,562)</u>	<u>\$ (49,173)</u>	<u>\$ (52,428)</u>	<u>\$ (5,692)</u>	<u>\$ (28,164)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 27,914	\$ 26,599	\$ 26,812	\$ 27,717	\$ 28,290	\$ 27,233	\$ 28,534	\$ 30,547	\$ 31,089	\$ 31,558
State shared revenue	3,601	2,728	2,748	2,882	3,595	3,601	3,637	3,673	3,690	2,884
Investment earnings (loss)	222	256	(742)	1,627	1,204	743	250	80	1,622	1,075
Other revenue and transfers	6,830	8,973	13,162	7,024	4,265	4,627	3,660	5,132	4,135	3,860
Special item	-	-	-	(3,504)	-	-	-	(10,701)	-	-
Total governmental activities	<u>38,567</u>	<u>38,556</u>	<u>41,980</u>	<u>35,746</u>	<u>37,354</u>	<u>36,204</u>	<u>36,081</u>	<u>28,731</u>	<u>40,536</u>	<u>39,377</u>
Business-type activities:										
Investment earnings	359	349	-	-	-	-	-	-	-	-
Other revenue and transfers	(668)	(2,835)	(7,219)	(1,673)	(1,599)	(1,765)	(1,196)	(2,238)	(1,380)	(886)
Special item	-	-	-	-	-	2,277	-	10,701	-	-
Total business-type activities	<u>(309)</u>	<u>(2,486)</u>	<u>(7,219)</u>	<u>(1,673)</u>	<u>(1,599)</u>	<u>512</u>	<u>(1,196)</u>	<u>8,463</u>	<u>(1,380)</u>	<u>(886)</u>
Total primary government	<u>\$ 38,258</u>	<u>\$ 36,070</u>	<u>\$ 34,761</u>	<u>\$ 34,073</u>	<u>\$ 35,755</u>	<u>\$ 36,716</u>	<u>\$ 34,885</u>	<u>\$ 37,194</u>	<u>\$ 39,156</u>	<u>\$ 38,491</u>
CHANGE IN NET POSITION										
Governmental activities	\$ (1,372)	\$ (1,383)	\$ (546)	\$ (11,273)	\$ (13,412)	\$ (20,185)	\$ (11,654)	\$ (23,986)	\$ 20,559	\$ 3,183
Business-type activities	(863)	(1,682)	(5,070)	1,823	(223)	2,339	(2,634)	8,752	12,905	7,144
Total primary government	<u>\$ (2,235)</u>	<u>\$ (3,065)</u>	<u>\$ (5,616)</u>	<u>\$ (9,450)</u>	<u>\$ (13,635)</u>	<u>\$ (17,846)</u>	<u>\$ (14,288)</u>	<u>\$ (15,234)</u>	<u>\$ 33,464</u>	<u>\$ 10,327</u>

concluded

Note: GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018. This resulted in presentation of the County's net other postemployment benefit liability on the statement of net position. Prior years were not restated.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-3

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 2,914	\$ 2,738	\$ 2,528	\$ 3,838	\$ 1,577	\$ 1,320	\$ 1,076	\$ 58	\$ 108	\$ 104
Restricted	158	114	45	59	70	101	110	97	102	110
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	40	-	-	-	628	-	73	68	1,895
Unassigned	8,253	7,839	7,217	5,808	7,926	8,310	9,451	8,838	9,668	9,462
Total general fund	<u>\$ 11,325</u>	<u>\$ 10,731</u>	<u>\$ 9,790</u>	<u>\$ 9,705</u>	<u>\$ 9,573</u>	<u>\$ 10,359</u>	<u>\$ 10,637</u>	<u>\$ 9,066</u>	<u>\$ 9,946</u>	<u>\$ 11,571</u>
All Other Governmental Funds:										
Nonspendable	\$ 1,193	\$ 1,134	\$ 1,072	\$ 1,084	\$ 1,005	\$ 989	\$ 929	\$ 104	\$ 101	\$ 66
Restricted	3,846	4,005	3,514	24,706	5,681	2,861	3,293	3,497	8,587	6,649
Committed	351	335	279	214	1,690	986	1,108	1,945	3,730	3,643
Assigned	2,962	1,512	5,210	379	51	291	270	100	74	63
Unassigned (deficit)	-	-	-	-	-	(2)	-	-	(11,995)	(12,350)
Total all other governmental funds	<u>\$ 8,352</u>	<u>\$ 6,986</u>	<u>\$ 10,075</u>	<u>\$ 26,383</u>	<u>\$ 8,427</u>	<u>\$ 5,125</u>	<u>\$ 5,600</u>	<u>\$ 5,646</u>	<u>\$ 497</u>	<u>\$ (1,929)</u>
Total Fund Balance for Governmental Funds	<u>\$ 19,677</u>	<u>\$ 17,717</u>	<u>\$ 19,865</u>	<u>\$ 36,088</u>	<u>\$ 18,000</u>	<u>\$ 15,484</u>	<u>\$ 16,237</u>	<u>\$ 14,712</u>	<u>\$ 10,443</u>	<u>\$ 9,642</u>

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 25,242	\$ 27,033	\$ 27,327	\$ 28,295	\$ 28,309	\$ 27,253	\$ 28,554	\$ 30,574	\$ 31,399	\$ 31,578
Operating grants and contributions	38,465	33,313	31,894	29,187	30,660	25,615	27,182	28,839	38,066	32,873
Charges for services	88,627	84,981	87,758	67,555	65,530	66,228	72,067	72,842	66,802	72,172
Other	9,441	7,248	7,040	6,653	3,898	3,956	3,581	3,623	3,799	3,418
Total revenues	161,775	152,575	154,019	131,690	128,397	123,052	131,384	135,878	140,066	140,041
Expenditures										
General government	13,974	11,851	13,025	14,027	16,875	16,399	10,246	9,519	8,739	9,546
Judicial	11,375	10,663	10,469	10,803	10,886	11,329	16,725	17,384	17,815	17,412
Public safety	13,357	12,416	14,572	14,853	14,629	14,958	15,750	16,442	16,036	15,909
Public works	276	245	270	274	326	251	283	368	253	517
Health and welfare	117,052	112,007	113,332	89,064	83,271	76,133	83,591	88,704	92,033	88,603
Community and economic development	703	707	669	680	822	1,041	880	884	776	763
Other	2,941	4,063	1,251	1,296	1,285	1,243	1,167	2,561	43,017	7,379
Capital outlay	1,488	2,079	3,306	21,817	16,893	3,188	338	503	409	380
Debt service:										
Principal	1,470	1,375	1,690	1,745	1,800	1,840	695	720	1,685	3,179
Interest	739	669	625	1,490	2,386	2,330	2,265	1,178	2,004	4,082
Bond issuance costs	-	-	-	-	-	-	-	330	292	67
Total expenditures	163,375	156,075	159,209	156,049	149,173	128,712	131,940	138,593	183,059	147,837
Excess of revenues under expenditures	(1,600)	(3,500)	(5,190)	(24,359)	(20,776)	(5,660)	(556)	(2,715)	(42,993)	(7,796)
Other Financing Sources (Uses)										
Issuance of long-term debt	-	-	-	38,870	981	-	-	-	41,179	5,220
Issuance of refunding debt	4,780	-	-	-	-	-	-	48,220	-	-
Premium on issuance of refunding	-	-	-	-	-	-	-	150	-	-
Payments to escrow agents	(4,638)	-	-	-	-	-	-	(48,031)	-	-
Discount on issuance of bonds	-	-	-	-	-	-	-	-	(146)	-
Transfers in	13,774	13,092	17,640	15,374	10,713	12,026	15,370	56,401	18,352	16,634
Transfers out	(14,415)	(11,567)	(10,302)	(13,701)	(9,174)	(8,888)	(14,217)	(54,182)	(16,803)	(15,379)
Proceeds from sale of capital assets	7	15	-	39	168	6	156	306	27	520
Total other financing sources (uses)	(492)	1,540	7,338	40,582	2,688	3,144	1,309	2,864	42,609	6,995
Special item	-	-	-	-	-	-	-	(1,673)	-	-
Net change in fund balances	\$ (2,092)	\$ (1,960)	\$ 2,148	\$ 16,223	\$ (18,088)	\$ (2,516)	\$ 753	\$ (1,524)	\$ (384)	\$ (801)
Debt service as a percentage of noncapital expenditures	1.36%	1.33%	1.48%	3.13%	3.15%	3.33%	2.25%	1.38%	2.02%	4.92%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-1

Tax Revenues by Source, Governmental Activities

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands of dollars)

Fiscal Year	Property Taxes	Accommodations Tax	Liquor Tax	Total
2011	\$ 26,106	\$ 854	\$ 953	\$ 27,913
2012	24,593	910	1,095	26,598
2013	24,624	915	1,273	26,812
2014	25,218	1,096	1,403	27,717
2015	25,674	1,153	1,463	28,290
2016	25,241	1,208	784	27,233
2017	26,541	1,226	767	28,534
2018	28,528	1,231	788	30,547
2019	28,791	1,473	826	31,090
2020	29,594	1,130	833	31,557
Change 2011-2020	13.4%	32.3%	-12.6%	13.1%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-2

Assessed and Taxable Value of Taxable Property

Last Ten Fiscal Years
(accrual basis of accounting)
(in millions of dollars)

Fiscal Year	Assessed Value			Taxable Value			Total Direct Tax Rate per \$1,000	Percentage of Taxable to Assessed Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable		
2011	\$ 4,508	\$ 435	\$ 4,943	\$ 4,007	\$ 435	\$ 4,442	6.6957	89.86 %
2012	4,289	457	4,746	3,883	457	4,340	6.6957	91.45
2013	4,145	465	4,610	3,799	465	4,264	6.6957	92.49
2014	4,240	467	4,707	3,825	467	4,292	6.6557	91.18
2015	4,382	484	4,866	3,867	484	4,351	6.6357	89.42
2016	4,561	367	4,928	3,913	367	4,280	6.8957	86.85
2017	4,801	339	5,140	3,999	339	4,338	6.8957	84.40
2018	4,945	333	5,278	4,138	333	4,471	6.8957	84.71
2019	5,275	326	5,601	4,299	326	4,625	6.8957	82.57
2020	5,619	337	5,956	4,486	337	4,823	6.8947	80.98

Source: Muskegon County Equalization Department
Assessed value approximates 50% of market value.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-3

Principal Property Tax Payers

Current Year and Nine Years Ago

(in thousands of dollars)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 108,073	1	2.26 %	\$ 146,140	1	3.29 %
DTE Energy	61,623	2	1.29	27,585	3	0.62
Arconic FKA Howmet/Alcoa Corp	19,197	3	0.40	54,268	2	1.22
Michigan Electric Transmission Co	18,327	4	0.38	—		—
THF Fruitport Development LP	15,679	5	0.33	16,411	7	0.37
Meijer Inc	13,596	6	0.28	19,753	5	0.44
MIMG	12,408	7	0.26	—		—
Comcast of Muskegon	11,452	8	0.24	—		—
Cedar Fair LLC/Michigan's Adventure	10,470	9	0.22	—		—
Walmart	10,393	10	0.22	—		—
Sun Chemical of Michigan LLC	—		—	22,802	4	0.51
Bayer Cropscience	—		—	19,535	6	0.44
Diversified Machine Montague Inc	—		—	15,628	8	0.35
L3 Communications Corp	—		—	15,622	9	0.35
Lakes Mall realty LLC	—		—	13,999	10	0.32
Total	\$ 281,218		5.88 %	\$ 351,743		7.91 %

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-4

Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(rate per \$1,000 of assessed value)

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
COUNTY DIRECT RATES										
Operating ^a	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6978
Veterans Affairs	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0751
Museum Operating	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3220
911 Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.2999
Quality of Life Bond	0.3000	0.3000	0.3000	0.2600	0.2400	—	—	—	—	—
Senior Services	—	—	—	—	—	0.5000	0.5000	0.5000	0.5000	0.4999
Total Direct Rate	6.6957	6.6957	6.6957	6.6557	6.6357	6.8957	6.8957	6.8957	6.8957	6.8947
OVERLAPPING RATES ^b										
Muskegon Community College	2.2037	2.2037	2.2037	2.5437	2.5437	2.5437	2.5437	2.5437	2.5437	2.5434
State Education Tax	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School Rates:										
Homestead	3.0-12.5	3.0-12.5	3.0-12.5	3.0-12.5	3.0-13	3.50-13	3.50-13	2.65-13	1.3-13	1.3-13
Non-Homestead	21.0-30.5	21.0-30.5	21.0-30.5	21.0-30.5	21.0-31	21.31-31	21.15-31	20.65-31	19.3-31	19.3-31
City Rates:										
Montague	14.7500	14.7500	16.7500	16.7500	16.7500	16.7500	16.7500	16.7500	16.5000	16.5000
Muskegon	12.0749	12.0789	12.0865	13.0875	13.0869	13.0905	13.0908	13.0899	13.0865	13.0733
Muskegon Heights	18.8500	18.8500	18.8500	18.8500	18.8500	18.8500	18.8500	22.8396	22.8396	22.8396
North Muskegon	12.1849	12.1849	12.1849	12.1849	12.1849	12.1379	12.8850	12.0883	12.0511	13.0263
Norton Shores	9.9500	9.9500	10.5500	10.5500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Roosevelt Park	11.6000	11.6000	11.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000
Whitehall	12.7764	12.7764	12.7764	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700
Village Rates:										
Casnovia	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	12.0000
Fruitport	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	7.0000	7.0000
Lakewood Club	8.1908	8.1908	8.1908	8.1908	8.1539	8.0984	8.0773	8.0142	7.8787	7.7234
Ravenna	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764
Township Rates	0.80-7.76	0.80-7.76	0.80-7.76	0.80-7.76	0.79-7.61	0.78-7.61	0.77-9.11	0.76-9.11	0.76-9.26	0.75-9.11
Libraries:										
Fruitport District Library	—	—	—	—	—	—	—	—	0.7500	0.7500
Hackley Public Library	2.4000	2.4000	2.4000	2.4000	2.9611	2.8962	2.8999	2.8866	2.8522	2.8529
Muskegon Area District Library	0.7490	0.7490	0.7490	0.7490	0.7490	1.2490	1.2490	1.2490	1.2490	1.2448
White Lake Community Library	0.9500	0.9627	0.9572	0.9516	0.9387	0.9597	0.7023	0.8888	0.8713	0.9297
Fire/Ambulance:										
Montague Fire District	1.9000	1.9000	1.9000	1.9000	1.9000	1.8985	1.8934	1.8934	1.8794	1.8337
White Lake Ambulance Authority	0.5500	0.5500	0.5500	0.5500	1.0000	1.9000	1.9000	1.8988	1.8988	1.8000
White Lake Fire Authority	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404

Source: Muskegon County Equalization Department Apportionment Reports

Note: The 1978 Headlee Amendment to the Michigan Constitution requires voter approval for any local tax increase or new taxes thereafter. Its property tax revenue limitation requires that if a local tax unit's total taxable property values increase by more than the inflation rate, the maximum property tax millage must be reduced to yield the same gross revenue, exclusive of net additions to property values from new construction.

- a The maximum Muskegon County operating millage rate allowed for 2020 by the Headlee Amendment was 6.2000.
- b Overlapping rates are those of local governments that apply to property owners within the County of Muskegon. Not all overlapping rates apply to all Muskegon County property owners.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-5

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 24,144,272	\$ 22,746,182	94.21 %	\$ 1,398,090	\$ 24,144,272	100.0 %
2012	23,354,910	22,099,374	94.62	1,255,536	23,354,910	100.0
2013	23,147,059	21,913,027	94.67	1,234,032	23,147,059	100.0
2014	23,258,806	22,121,481	95.11	1,137,325	23,258,806	100.0
2015	23,697,065	22,649,128	95.58	1,047,937	23,697,065	100.0
2016	23,470,658	22,408,239	95.47	1,062,419	23,470,658	100.0
2017	24,265,575	23,268,755	95.89	996,820	24,265,575	100.0
2018	24,923,252	24,056,306	96.52	866,946	24,923,252	100.0
2019	25,886,808	24,921,616	96.27	965,192	25,886,808	100.0
2020	26,786,792	24,751,475	92.40	N/A	24,751,475	92.4

Source: Muskegon County Treasurer's Office
 2020 Tax Levy is an estimate and subject to adjustment
 N/A = Information not available

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule D-1

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Debt	Building Authority Bonds	Revenue Bonds	General Obligation Bonds	Local Govt Public Works Bonds	Delinquent Tax Notes			
	(2)		(3)						(1)	(1)
2011	\$ 12,875	\$ 95	\$ 10,685	\$ 87,055	\$ -	\$ 30,035	\$ 15,500	\$ 156,245	3.06	\$ 912.10
2012	11,510	2,104	10,415	82,718	-	28,965	16,000	151,712	2.81	891.47
2013	10,200	1,414	9,860	78,383	-	27,845	16,000	143,702	2.59	840.32
2014	53,847	1,167	9,285	74,382	-	26,700	16,008	181,389	3.27	1,060.70
2015	54,847	428	8,685	70,206	3,892	26,078	16,419	180,555	3.19	1,047.64
2016	53,052	653	8,065	65,649	3,877	24,689	16,064	172,049	2.88	995.71
2017	52,286	677	7,415	60,972	3,706	19,325	16,000	160,381	2.59	924.88
2018	12,636	618	50,395	56,204	3,538	18,131	16,000	157,522	2.44	906.90
2019	52,876	2,709	48,735	51,442	5,330	16,897	16,000	193,989	2.86	1,117.53
2020	56,214	1,917	46,870	46,439	5,092	15,629	15,500	187,661	2.73	1,081.21

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

(2) Includes Building Authority unlimited tax bonds

(3) Includes Building Authority limited tax bonds

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding				Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Building Authority Bonds	Local Govt Public Works Bonds				
2011	\$ 12,875	\$ 10,685	\$ 30,035	\$ 53,595	0.52	\$ 136.92	
2012	11,510	10,415	28,965	50,890	0.51	127.99	
2013	10,200	9,860	27,845	47,905	0.47	117.30	
2014	53,847	9,285	26,700	89,832	1.47	366.31	
2015	54,847	8,685	26,078	89,610	1.46	368.63	
2016	53,052	8,065	24,689	85,806	1.43	353.71	
2017	52,286	7,415	19,325	79,026	1.38	344.28	
2018	12,636	50,395	18,131	81,162	1.41	362.89	
2019	58,206	48,735	16,897	123,838	2.77	713.40	
2020	61,306	46,870	15,629	123,805	2.58	713.30	

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

There are no significant resources that are restricted to repaying the principal of outstanding general bonded debt.

(1) See Schedule C-2 for property taxable value data.

(2) Population data can be found in Schedule E-2.

Direct and Overlapping Governmental Activities Debt

As of September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 608,456,555	66.435%	\$ 404,229,745
Cities, Villages, and Townships	96,557,442	100.000%	96,557,442
Muskegon Community College	32,050,000	100.000%	32,050,000
Hackley Public Library	2,135,000	100.000%	2,135,000
Ottawa Area Intermediate School District	635,000	1.150%	7,303
Newaygo Area Intermediate School District	590,000	3.300%	19,470
Subtotal, overlapping debt			<u>534,998,960</u>
County direct debt, governmental activities			<u>105,001,006</u>
Total direct and overlapping debt			<u><u>\$ 639,999,966</u></u>

Source: Municipal Advisory Council of Michigan

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County of Muskegon. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account; however, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule D-4

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value (000s)	\$ 5,955,850
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 595,585</u>
Debt applicable to limit:	
General obligation bonds (1)	61,306
Other debt	1,917
Building authority bonds (2)	46,870
Revenue bonds	46,439
Local Govt Public Works Finance	15,629
Delinquent tax notes	<u>15,500</u>
Total net debt applicable to limit	<u>187,661</u>
Legal debt margin	<u>\$ 407,924</u>

		Fiscal Year									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	(a)	\$ 494,300	\$ 474,649	\$ 461,026	\$ 470,692	\$ 486,642	\$ 492,865	\$ 513,973	\$ 527,792	\$ 560,087	\$ 595,585
Total net debt applicable to limit	(b)	<u>156,245</u>	<u>151,712</u>	<u>143,702</u>	<u>181,389</u>	<u>180,555</u>	<u>172,049</u>	<u>160,381</u>	<u>157,522</u>	<u>193,989</u>	<u>187,661</u>
Legal debt margin available	(a-b)	<u>\$ 338,055</u>	<u>\$ 322,937</u>	<u>\$ 317,324</u>	<u>\$ 289,303</u>	<u>\$ 306,087</u>	<u>\$ 320,816</u>	<u>\$ 353,592</u>	<u>\$ 370,270</u>	<u>\$ 366,098</u>	<u>\$ 407,924</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	31.61%	31.96%	31.17%	38.54%	37.10%	34.91%	31.20%	29.85%	34.64%	31.51%
County net debt limit as a percentage of total State Equalized Value (1)		3.16%	3.20%	3.12%	3.85%	3.71%	3.49%	3.12%	2.98%	3.46%	3.15%

Note: Under Michigan State law, the County of Muskegon's outstanding debt should not exceed 10% of state equalized value less amounts available for repaying the applicable bonds.

(1) Includes Building Authority unlimited tax bonds

(2) Includes Building Authority limited tax bonds

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule D-5

Pledged-Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Pledged Revenues - Wastewater Revenue Bonds						Admin + Operations & Maint Exp	"Net Revenues"	Debt Service		Coverage
	Sewer Charges	Farm Sales	Other Operating	Interest Earnings	Operating Subsidies	"Total Revenues"			Principal	Interest	
						(1)	(2)	(3)			
2011	\$ 11,048	\$ 2,768	\$ 96	\$ 83	\$ -	\$ 13,995	\$ 9,672	\$ 4,323	\$ 2,959	\$ 1,408	99 %
2012	13,524	2,942	33	85	926	17,510	8,868	8,642	3,825	1,991	149
2013	14,854	3,348	45	77	152	18,476	8,695	9,781	3,840	1,585	180
2014	15,713	2,284	94	132	56	18,279	8,501	9,778	3,880	1,509	181
2015	15,649	2,288	140	195	65	18,337	8,793	8,338	3,925	1,542	153
2016	16,553	2,495	41	229	289	19,607	9,615	9,992	3,970	1,479	183
2017	16,631	2,647	42	224	560	20,104	10,544	9,560	4,180	1,386	172
2018	17,153	2,365	40	264	-	19,822	10,127	9,695	4,240	1,292	175
2019	19,671	2,486	32	241	-	22,431	8,703	13,729	4,290	1,197	250
2020	20,930	1,730	60	170	-	22,890	9,111	13,779	4,360	1,051	255

(1) "Revenues" is defined by Section 3 of Act 94 of 1933 as "the income derived from the rates charged for the services, facilities, and commodities furnished by a public improvement. Revenues include, to the extent provided in the authorizing ordinance, earnings on investment of funds of the public improvement and other revenues derived from or pledged to operation of the public improvement.

(2) Does not include depreciation expense.

(3) Per Section 3 of Act 94 of 1933, " 'Net Revenues' means the revenues of a public improvement remaining after deducting the reasonable expenses of administration, operation, and maintenance of the public improvement."

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule E-1

Principal Employers

Current Year and Nine Years Ago

Employer	2020			2011		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (2)
Mercy Health Partners	4,003	1	5.7 %	3,657	1	5.2 %
Alcoa Howmet	2,400	2	3.4	2,420	2	3.5
ADAC Automotive	1,168	3	1.7	500	9	0.7
County of Muskegon	1,006	4	1.4	1,206	3	1.7
Meijer	900	5	1.3	866	5	1.2
GE Aviation	624	6	0.9	556	8	0.8
Wesco	512	7	0.7	—		—
Structural Concepts	500	8	0.7	—		—
Walmart	500	9	0.7	—		—
Port City Group	421	10	0.6	465	10	0.7
Muskegon Public Schools	—		—	915	4	1.3
Muskegon Correctional Facility	—		—	722	6	1.0
Knoll Furniture	—		—	573	7	0.8
Total	12,034		17.3 %	9,794		16.9 %

⁽¹⁾ Sources: Muskegon Area First, Muskegon County Payroll, Muskegon Public Schools

⁽²⁾ Total County Employment Source: Michigan Department of Technology, Management & Budget

⁽³⁾ Source: Muskegon County 2011 Comprehensive Annual Financial Report

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule E-2

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
	(1)	(1)	(1)	(2)	(3)	(4)
2010	171,969	\$ 5,006,786	\$ 29,114	38.2	30,021	13.5 %
2011	170,021	5,234,139	30,785	38.2	29,243	10.2
2012	170,182	5,392,301	31,685	38.2	28,787	8.8
2013	171,008	5,541,481	32,405	37.2	28,347	9.0
2014	172,344	5,662,490	32,856	39.0	27,905	7.4
2015	172,790	5,979,311	34,604	39.1	27,586	5.6
2016	173,408	6,180,403	35,641	39.0	27,723	5.2
2017	173,693	6,452,555	37,149	39.1	27,548	5.4
2018	173,588	6,782,353	39,072	39.1	27,797	4.5
2019	173,566	6,879,677	39,637	39.3	26,519	4.3

- Sources:** (1) Population and personal income information provided by the U.S. Department of Commerce
 (2) Median age from decennial data provided by U.S. Census Bureau
 (3) School enrollment information provided by State of Michigan Center for Educational Performance and Information (CEPI)
 (4) Unemployment data provided by State of Michigan Department of Technology, Management and Budget (DTMB)

Note: Unemployment rate information is an adjusted yearly average.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

County Government Employee Headcount by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legislative										
Board of Commissioners	11	11	11	9	9	9	9	9	9	9
General Government										
Administration	4	6	7	8	9	7	7	4	4	4
Economic Development	-	-	-	-	-	-	1	1	-	-
County Clerk/Circuit Court Records	14	14	14	14	17	15	15	17	16	16
Prosecutor's Office	31	32	27	27	28	28	27	28	30	33
Treasurer's Office	9	9	9	9	10	9	13	12	12	12
Equalization	23	20	20	19	21	20	20	21	20	20
Register of Deeds	8	8	8	9	9	8	8	8	8	8
Water Resources Commissioner	4	6	11	11	11	9	7	7	7	7
Accounting/Budget	10	7	8	9	9	8	8	9	9	8
Human Resources	3	3	3	2	3	3	2	2	3	3
Purchasing	3	3	2	-	-	-	-	-	-	-
Office Services	3	2	2	2	2	2	2	2	2	2
Information Systems	8	7	5	5	5	6	8	10	11	12
Risk Management	8	8	10	9	10	10	10	10	10	11
Facilities Management	15	15	13	13	13	13	12	13	14	14
Judicial										
Circuit Court	22	23	23	24	23	24	25	36	38	40
District Court	65	64	63	63	65	64	61	61	60	62
Family Court	69	66	66	69	77	74	76	76	74	74
Probate Court	7	7	7	7	7	7	7	7	7	7
Public Defender	-	-	-	16	16	16	16	16	22	23
Public safety										
Sheriff	134	125	122	119	122	117	118	127	127	129
Animal Licensing	-	-	4	4	4	3	2	1	1	1
Courtroom Security	8	8	9	9	9	10	10	10	10	10
Community Corrections	5	6	4	4	4	4	4	4	4	4
Emergency Services	2	2	1	2	2	2	1	1	1	1

continued...

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

County Government Employee Headcount by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health										
Public Health	81	83	72	75	65	59	58	60	62	62
Mental Health	342	350	370	402	400	359	409	446	465	498
Brookhaven Medical Care	269	269	270	207	170	174	194	-	-	-
Water system	3	3	3	3	3	3	3	3	3	3
Wastewater	54	52	54	55	53	46	46	48	47	48
Solid Waste	14	14	15	15	15	15	16	15	15	16
Welfare										
Veterans' Affairs	-	-	-	-	-	-	-	2	2	2
Child Haven	16	16	16	16	16	16	-	-	-	-
Juvenile Detention Center	29	36	37	37	37	35	40	40	43	43
Workforce Development	12	14	14	70	65	-	-	-	-	-
Cultural										
MSU Cooperative Extension	1	1	1	1	1	-	-	-	-	-
Recreation										
County Parks	22	22	22	22	23	22	22	31	31	31
Convention/Visitor's Bureau	6	6	6	7	8	6	7	6	6	6
Airport	12	13	12	12	11	11	10	8	7	9
Transit	54	55	58	65	73	73	73	73	71	73
Total	1,382	1,386	1,399	1,450	1,425	1,287	1,347	1,224	1,251	1,298

concluded

Source: Muskegon County Budget Office

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-2

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety Police										
Bookings	8,436	8,654	8,149	7,981	7,889	9,038	8,213	8,580	8,180	6,003
Traffic Stops	2,147	3,160	3,512	2,543	2,677	3,278	2,030	1,921	3,044	1,910
Verbal Warnings	2,419	2,788	2,823	1,874	1,997	2,393	1,477	1,207	1,545	1,088
Citations	1,377	1,299	1,693	1,336	1,069	1,137	1,056	1,072	1,499	822
Public Safety-Corrections										
Average Daily Jail Population	401	407	405	403	407	453	532	513	498	388
Avg Population as Pct of Capacity	108%	110%	109%	109%	110%	81%	98%	95%	92%	72%
Sanitation										
Refuse collected (tons)	137,467	102,729	109,580	115,089	142,467	174,385	148,295	152,909	191,921	153,546
Recyclables collected (tons)	65	63	44	76	101	95	99	82	106	98
Water										
New connections	61	60	48	46	57	61	45	56	50	41
Average daily consumption (thousands of gallons)	1,195	1,216	1,159	1,112	1,122	1,111	1,117	1,124	1,075	1,310
Wastewater										
Average daily sewer treatment (million gallons)	12	12	12	12	12	12	12	12	12	12
District Court										
Cases filed	34,796	36,868	36,656	37,588	36,304	33,017	32,583	35,193	34,845	22,678
Cases disposed	39,045	40,789	39,152	38,399	42,049	38,422	37,621	39,794	41,055	25,144
Cases pending	4,609	5,210	4,717	4,532	6,147	4,758	4,729	5,235	4,452	5,671
Airport										
Total landings / take-offs	37,017	34,599	31,383	32,675	31,518	25,659	27,050	23,647	24,699	24,057
Passengers	27,711	37,724	36,634	35,641	36,484	39,512	38,528	39,240	43,816	18,838
Transit										
Total Vehicle Miles	695,211	790,430	784,796	786,389	919,108	934,391	957,154	789,068	766,422	484,989
Total Revenue Miles	676,887	713,705	707,842	731,656	849,739	867,714	853,670	784,396	730,711	454,278
Total Passengers	739,283	719,908	731,633	708,461	652,037	581,742	557,281	488,167	480,253	311,496

Source: Sheriff's Department, Road Commission, Solid Waste, Wastewater, District Court, County Airport, Transit System

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-3

Capital Asset Statistics by Function / Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety-Sheriff										
Patrol Units	30	27	29	29	29	29	29	29	29	26
Public Safety-Corrections										
Jail Capacity	370	370	370	370	558	558	542	542	542	542
Culture and Recreation										
Parks Acreage	337	337	337	337	337	337	337	337	337	337
Parks	6	6	6	6	6	6	6	6	6	6
Sewer										
Storm and Sanitary (miles)	278	278	278	278	278	278	278	278	278	278
Maximum Daily Treatment Capacity (millions of gallons)	42	42	42	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	70	73	73	73	71	70	67	71	72	61
Transit										
Number of Buses	21	24	37	37	37	36	36	36	34	34
Solid Waste										
Total Capacity (thousand cubic yards)	3,778	3,778	3,778	3,819	3,819	4,685	4,685	4,685	4,685	4,211
Remaining Capacity (thousand cubic yards)	1,596	1,517	1,388	1,231	1,114	1,114	802	659	439	230
Remaining Capacity (percent of total)	42.2%	40.2%	36.7%	32.2%	29.2%	23.8%	17.1%	14.1%	9.4%	5.5%

Source: Sheriff's Department, Road Commission, Solid Waste, Wastewater, District Court, County Airport, Transit System

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 1

Local Revenue Report

For the Year Ended September 30, 2020

	Urban		Nonurban	Total
	Linehaul	Demand Response	Linehaul	
Passenger fares	\$ 144,590	\$ 19,130	\$ 2,215	\$ 165,935
Concessions	1,767	-	-	1,767
Advertising	22,961	-	-	22,961
Greyhound commissions	6,345	-	-	6,345
Building rental	3,306	-	-	3,306
Alternative fuel reimbursement	87,577	-	-	87,577
Local operating assistance	190,786	-	7,278	198,064
Interest income	(41)	-	-	(41)
Total	\$ 457,291	\$ 19,130	\$ 9,493	\$ 485,914
Financial statement revenue				
Total operating revenues				\$ 287,891
Nonoperating revenue				
Local grants				198,064
Investment income				(41)
Total				\$ 485,914

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 2

Schedule of Expenditures of State and Federal Awards

For the Year Ended September 30, 2020

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant No./ Authorization Number	Program Award Amount	Current Year Expenditures			Prior Year's Expended	Award Amount Remaining	
				Total	Federal	State			Local
U.S. Department of Transportation									
Capital Assistance / CMAQ - Section 5307	20.507	MI-2017-022-01	\$ 2,139,547	\$ 64,496	\$ 64,496	\$ -	\$ -	\$ 1,589,275	\$ 485,776
Capital Assistance - Section 5307	20.507	MI-2019-028-00	1,731,034	81,571	81,571	-	-	1,649,463	-
Capital Assistance - Section 5307 - CARES Act	20.507	MI-2020-014-00	5,404,286	1,752,299	1,752,299	-	-	-	3,651,987
Capital Assistance - Section 5307	20.507	MI-2020-023-00	1,910,355	378,147	378,147	-	-	-	1,532,208
Capital Assistance - Section 5339 - Support Equipment	20.526	MI-2018-025-01	40,000	206	206	-	-	39,794	-
Capital Assistance - Section 5339 - Support Equipment	20.526	MI-2019-028-00	99,129	33,695	33,695	-	-	-	65,434
Passed through Michigan Department of Transportation:									
Section 5310 - New Freedom - Two <30 ft Buses with Lifts	20.513	2017-0104/P04	138,380	-	-	-	-	124,309	14,071
Section 5304 - Statewide and Nonmetropolitan Planning - Facility Study	20.505	2012-0138/P16	80,000	-	-	-	-	79,218	782
Section 5304 - Statewide and Nonmetropolitan Planning - Operational Study	20.505	2017-0104/P07	156,000	48,494	48,494	-	-	97,557	9,949
Section 5310 - New Freedom - Bus Stop Improvements	20.521	2012-0138/P20-R2	200,000	-	-	-	-	150,857	49,143
Section 5310 - New Freedom - Enhanced Mobility	20.521	2017-0104/P11	140,000	-	-	-	-	107,972	32,028
Section 5310 - New Freedom - Enhanced Mobility	20.521	2017-0104/P16	140,000	62,354	62,354	-	-	-	77,646
Section 5311 - Operating Formula Grant for Rural Areas - CARES Act (36% of expense)	20.509	2017-0104/P17-R1	17,640	12,561	12,561	-	-	-	5,079
Total U.S. Department of Transportation				2,433,823	2,433,823	-	-	3,838,445	5,924,103
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY20	1,150,694	1,150,694	-	1,150,694	-	-	-
Operating Assistance - prior years	N/A	Prior to 2020	16,689	16,689	-	16,689	-	-	-
Section 5339 Match - Equipment	N/A	17-0104/P09	10,000	51	-	51	-	9,949	-
Section 5339 Match - Equipment / Section 5307 Match - Bus & Outreach	N/A	17-0104/P13	134,782	8,424	-	8,424	-	-	126,358
Section 5310 New Freedom Match -Enhanced Mobility	N/A	17-0104/P16	35,000	15,589	-	15,589	-	-	19,411
Section 5304 Match - Operational study	N/A	17-0104/P07	39,000	12,123	-	12,123	-	24,389	2,488
Specialized Services	N/A	17-0104/P10	65,499	16,380	-	16,380	-	49,119	-
Specialized Services	N/A	17-0104/P15-R1	76,679	56,706	-	56,706	-	-	19,973
Section 5307 Match	N/A	17-0104/P03	306,896	16,124	-	16,124	-	169,328	121,444
Section 5304 Match - Facility Study	N/A	12-0138/P16	20,000	-	-	-	-	19,804	196
Section 5310 New Freedom Match - Two <30 ft Buses with Lifts	N/A	17-0104/P04	34,595	-	-	-	-	31,077	3,518
Section 5310 New Freedom Match - Bus Stop Improvements	N/A	12-0138/P20/R2	50,000	-	-	-	-	37,714	12,286
Section 5310 New Freedom Match - Bus Stop Improvements	N/A	17-0104/P11	35,000	-	-	-	-	26,993	8,007
Total Michigan Department of Transportation				1,292,780	-	1,292,780	-	368,373	313,681
Total Expenditures of Federal and State Awards				\$ 3,726,603	\$ 2,433,823	\$ 1,292,780	\$ -	\$ 4,206,818	\$ 6,237,784

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2020

	Urban	Nonurban	Capital Grants Not Capitalized	Specialized Services	Total System
Operating expenses					
Labor					
Salaries and wages - operators	\$ 1,327,596	\$ 20,546	\$ -	\$ -	\$ 1,348,142
Salaries and wages - other	393,779	-	-	-	393,779
Fringe benefits	540,381	7,534	-	-	547,915
OPEB - defined benefit	(498,010)	1,221	-	-	(496,789)
OPEB - defined contribution	8,499	41	-	-	8,540
Pension - defined benefit	557,281	1,312	-	-	558,593
Pension - defined contribution	8,594	41	-	-	8,635
Services					
Advertising	18,487	-	-	-	18,487
Audit	10,158	-	-	-	10,158
Other services	39,893	-	-	-	39,893
Materials and supplies					
Fuel	169,195	3,936	-	-	173,131
Tires and tubes	27,917	-	-	-	27,917
Other materials and supplies	774,266	260	-	-	774,526
Casualty and liability costs					
Liability insurance	165,411	-	-	-	165,411
Other insurance	13,248	-	-	-	13,248
Utilities					
	89,865	-	-	-	89,865
Miscellaneous					
Travel, meetings and training	8,756	-	-	-	8,756
Association dues and subscriptions	16,320	-	-	-	16,320
Equipment leases					
	3,409	-	-	-	3,409
Depreciation					
	758,469	-	-	-	758,469
Total operating expenses before expenses excluded	4,433,514	34,891	-	-	4,468,405

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund
 Schedule 3
 Operating and Contract Expense Report
 For the Year Ended September 30, 2020

	Urban	Nonurban	Capital Grants Not Capitalized	Specialized Services	Total System
Expenses excluded from OAR					
State grant funds					
2017-0104-P10 / Specialized Services	\$ -	\$ -	\$ -	\$ 16,380	\$ 16,380
2017-0104-P15-R1 / Specialized Services	-	-	-	56,706	56,706
2017-0104/P09	-	-	51	-	51
2017-0104/P07	-	-	9,462	-	9,462
2017-0104/P13	-	-	8,424	-	8,424
Federal grant funded					
MI-2019-028-00	-	-	33,695	-	33,695
2017-0104/P07	-	-	37,849	-	37,849
MI-2018-025-01	-	-	206	-	206
Total expenses excluded from OAR	<u>-</u>	<u>-</u>	<u>89,687</u>	<u>73,086</u>	<u>162,773</u>
Total operating expenses	<u>\$ 4,433,514</u>	<u>\$ 34,891</u>	<u>\$ 89,687</u>	<u>\$ 73,086</u>	4,631,178
Principal payments on pension debt included as expense above					(38,432)
					<u>\$ 4,592,746</u>
Financial statement expenses					
Total operating expenses					\$ 4,543,194
Nonoperating interest expense					49,552
Total					<u>\$ 4,592,746</u>
					concluded

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2020

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,283,589	\$ -	\$ 44,007	\$ 1,327,596
Salaries and wages - other	-	123,366	270,413	393,779
Fringe benefits	399,263	49,940	91,178	540,381
OPEB - defined benefit	(396,418)	(41,076)	(60,516)	(498,010)
OPEB - defined contribution	6,552	44	1,903	8,499
Pension - defined benefit	454,601	37,782	64,898	557,281
Pension - defined contribution	6,620	47	1,927	8,594
Services				
Advertising	2,325	-	16,162	18,487
Audit	-	-	10,158	10,158
Other services	-	6,289	33,604	39,893
Materials and supplies				
Fuel	169,195	-	-	169,195
Tires and tubes	27,917	-	-	27,917
Other materials and supplies	16,927	465,645	291,694	774,266
Casualty and liability costs				
Liability insurance	165,411	-	-	165,411
Other insurance	-	-	13,248	13,248
Utilities	-	-	89,865	89,865
Miscellaneous				
Travel, meetings and training	-	-	8,756	8,756
Association dues and subscriptions	-	-	16,320	16,320
Equipment leases	-	-	3,409	3,409
Depreciation	758,409	-	60	758,469
Total operating expenses	2,894,391	642,037	897,086	4,433,514

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2020

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible depreciation	\$ 758,409	\$ -	\$ -	\$ 758,409
Ineligible portion of association dues	-	-	1,385	1,385
Ineligible pension - DB actually paid	291,380	30,770	45,202	367,352
Ineligible OPEB - DB actually paid	(453,252)	(48,289)	(69,230)	(570,771)
Ineligible increase in compensated absences	-	-	31,280	31,280
Ineligible expense with advertising	-	-	1,680	1,680
Expenses paid by capital contracts				
State grant funded				
2017-0104/P16	465	-	15,124	15,589
2017-0104/P03	-	-	16,124	16,124
2017-0104/P07	-	-	2,661	2,661
Federal grant funded				
2017-0104/P16	1,860	-	60,494	62,354
MI-2017-022-01	-	-	64,496	64,496
2017-0104/P07	-	-	10,645	10,645
Total ineligible expenses	<u>598,862</u>	<u>(17,519)</u>	<u>179,861</u>	<u>761,204</u>
Total eligible expenses				<u>\$ 3,672,310</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Nonurban Regular Service Expense Report

For the Year Ended September 30, 2020

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 20,546	\$ -	\$ -	\$ 20,546
Salaries and wages - other	-	-	-	-
Fringe benefits	7,534	-	-	7,534
OPEB - defined benefit	1,221	-	-	1,221
OPEB - defined contribution	41	-	-	41
Pension - defined benefit	1,312	-	-	1,312
Pension - defined contribution	41	-	-	41
Services				
Advertising	-	-	-	-
Audit	-	-	-	-
Other services	-	-	-	-
Materials and supplies				
Fuel	3,936	-	-	3,936
Tires and tubes	-	-	-	-
Other materials and supplies	260	-	-	260
Casualty and liability costs				
Liability insurance	-	-	-	-
Other insurance	-	-	-	-
Utilities				
Utilities	-	-	-	-
Miscellaneous				
Travel, meetings and training	-	-	-	-
Association dues and subscriptions	-	-	-	-
Equipment leases				
Equipment leases	-	-	-	-
Depreciation				
Depreciation	-	-	-	-
Total operating expenses	34,891	-	-	34,891

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Nonurban Regular Service Expense Report

For the Year Ended September 30, 2020

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible depreciation	\$ -	\$ -	\$ -	\$ -
Ineligible portion of association dues	-	-	-	-
Ineligible pension - DB not paid	-	-	-	-
Ineligible OPEB - DB not paid	-	-	-	-
Ineligible increase in compensated absences	-	-	-	-
Ineligible expense with advertising	-	-	-	-
Expenses paid by capital contracts	-	-	-	-
Total ineligible expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total eligible expenses				<u>\$ 34,891</u>

concluded

Muskegon Area Transit System Fund

Schedule 4N

Urban Regular Service Nonfinancial Report

For the Year Ended September 30, 2020

	Miles	Hours
Linehaul		
First Quarter	130,571	9,466
Second Quarter	126,487	9,123
Third Quarter	51,779	3,623
Fourth Quarter	53,213	3,743
	362,050	25,955
Demand response		
First Quarter	25,600	1,774
Second Quarter	22,199	1,663
Third Quarter	8,469	884
Fourth Quarter	9,593	863
	65,861	5,184
Total operations	427,911	31,139

The methodology used for compiling miles and other nonfinancial data information used to allocate costs has been reviewed and the recording method has been found to be adequate and reliable.

Muskegon Area Transit System Fund

Schedule 4N

Nonurban Regular Service Nonfinancial Report

For the Year Ended September 30, 2020

	Miles	Hours
Linehaul		
First Quarter	13,206	484
Second Quarter	12,122	444
Third Quarter	-	-
Fourth Quarter	-	-
	25,328	928
Demand response		
First Quarter	-	-
Second Quarter	-	-
Third Quarter	-	-
Fourth Quarter	-	-
	-	-
Total operations	25,328	928

The methodology used for compiling miles and other nonfinancial data information used to allocate costs has been reviewed and the recording method has been found to be adequate and reliable.

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2020

	Linehaul	Demand Response	Total
Passenger fares	\$ 144,590	\$ 19,130	\$ 163,720
Concessions	1,767	-	1,767
Advertising	22,961	-	22,961
Greyhound commissions	6,345	-	6,345
Building rental	3,306	-	3,306
Alternative fuel reimbursement	87,577	-	87,577
Local operating assistance	190,786	-	190,786
Urban Regular Service Local Revenues - OAR Revenues	<u>457,332</u>	<u>19,130</u>	<u>476,462</u>
State Cash Grants/Reimbursements - OAR Revenues			
FY2020 Formula Funding	1,027,209	110,648	1,137,857
2017-0104/P16	15,589	-	15,589
2017-0104/P03	16,124	-	16,124
2017-0104/P07	2,661	-	2,661
State Cash Grants/Reimbursements - OAR Revenues	<u>1,061,583</u>	<u>110,648</u>	<u>1,172,231</u>
Plus OAR Excluded State Revenues (excluded Prior Year/Capital/Sp Svcs)			
Prior years formula funding	16,689	-	16,689
2017-0104-P10 / Specialized Services	16,380	-	16,380
2017-0104-P15-R1 / Specialized Services	56,706	-	56,706
2017-0104/P09	51	-	51
2017-0104/P07	9,462	-	9,462
2012-0138/P13	8,424	-	8,424
State Revenue	<u>1,169,295</u>	<u>110,648</u>	<u>1,279,943</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2020

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements - OAR Revenues			
MI-2019-028-00	\$ 81,571	\$ -	\$ 81,571
MI-2020-023-00	332,314	45,833	378,147
MI-2020-014-00 CARES Act	1,412,455	140,299	1,552,754
MI-2020-014-00 CARES Act - lost revenue	173,220	26,325	199,545
2017-0104/P16	62,354	-	62,354
MI-2017-022-01	64,496	-	64,496
2017-0104/P07	10,645	-	10,645
Federal Cash Grants/Reimbursements - OAR Revenues	<u>2,137,055</u>	<u>212,457</u>	<u>2,349,512</u>
Plus OAR Excluded Federal Revenues (excluded Capital)			
MI-2019-028-00	33,695	-	33,695
2017-0104/P07	37,849	-	37,849
MI-2018-025-01	206	-	206
Federal Revenue	<u>2,208,805</u>	<u>212,457</u>	<u>2,421,262</u>
Other revenue - OAR Revenues			
Interest income - OAR Revenues	<u>(41)</u>	<u>-</u>	<u>(41)</u>
Total revenues - OAR Revenues and OAR Excluded Revenues	<u><u>\$ 3,835,391</u></u>	<u><u>\$ 342,235</u></u>	<u><u>\$ 4,177,626</u></u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Nonurban Regular Service Revenue Report

For the Year Ended September 30, 2020

	Linehaul	Demand Response	Total
Passenger fares	\$ 2,215	\$ -	\$ 2,215
Concessions	-	-	-
Advertising	-	-	-
Greyhound commissions	-	-	-
Building rental	-	-	-
Alternative fuel reimbursement	-	-	-
Local operating assistance	7,278	-	7,278
Nonurban Regular Service Local Revenues - OAR Revenues	<u>9,493</u>	<u>-</u>	<u>9,493</u>
State Cash Grants/Reimbursements - OAR Revenues			
FY2020 Formula Funding	<u>12,837</u>	<u>-</u>	<u>12,837</u>
Federal Cash Grants/Reimbursements - OAR Revenues			
2017-0104/P17-R1 Assistance - Section 5311 - Formula 36% (2020 Q3-4)	581	-	581
2017-0104/P17-R1 Assistance - Section 5311 - Formula 36% (2020 Q1-2)	<u>11,980</u>	<u>-</u>	<u>11,980</u>
	<u>12,561</u>	<u>-</u>	<u>12,561</u>
Other revenue - OAR Revenues			
Interest income - OAR Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues - OAR Revenues and OAR Excluded Revenues	<u>\$ 34,891</u>	<u>\$ -</u>	34,891
Schedule 4R Urban revenue			<u>4,177,626</u>
Total revenue			<u>\$ 4,212,517</u>
Local revenue per Schedule 1			\$ 485,914
State revenue per Schedule 2			1,292,780
Federal revenue per Schedule 2			<u>2,433,823</u>
Total revenue			<u>\$ 4,212,517</u>

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 5

Urban Operating Assistance Calculation

For the Year Ended September 30, 2020

State eligible expenses

Labor	\$ 1,721,375	
Fringe benefits	540,381	
Other postemployment benefits	(489,511)	
Pension	565,875	
Advertising and other service	58,380	
Audit	10,158	
Materials and supplies	971,378	
Casualty and liability costs	165,411	
Other insurance	13,248	
Utilities	89,865	
Miscellaneous	25,076	
Equipment leases	3,409	
Depreciation	758,469	(2)
Total expenses	<u>4,433,514</u>	

Less ineligible expenses

Ineligible depreciation	758,409	(2)
Ineligible portion of association dues	1,385	
Ineligible pension - DB not paid	367,352	(1)
Ineligible OPEB - DB not paid	(570,771)	(1)
Ineligible increase in compensated absences	31,280	
Ineligible expense with advertising	1,680	(4)
Other expense paid by capital contract (detail at Schedule 4E Urban)	171,869	(3)
Total ineligible expenses	<u>761,204</u>	

State eligible expenses

\$ 3,672,310

State operating assistance - 30.9848%

\$ 1,137,857

The following cost allocation plans were adhered to in the preparation of the financial statements:

2020 Central Service Cost Allocation Plan

2019 Muskegon Area Regional Connection, Urban/Nonurban Service

(1) The County provides defined contribution (DC) and defined benefit (DB) pension and other postemployment benefit (OPEB) plans. DC contributions are paid in full. DB Pension and other postemployment benefit (OPEB) expense paid to MERS or the County-wide OPEB trust fund are included as eligible operating expense. Also see schedules 6, 6a and 7.

(2) The eligible depreciation expense of \$60 includes the depreciation of assets purchased with local funds where the useful life of the asset was determined pursuant to Appendix A of the Local Public Transit Revenue and Expense Manual or approved by OPT.

(3) Operating expense of \$171,869 were subtracted out as ineligible / 57603-ineligible administrative expense paid by capital contract / 57604 other ineligible operating expense paid by capital contract) because these expenses were paid for with capital funds. No other operating expenses were paid for with capital funds.

(4) There were no operating expenses incurred generating revenue in PTMS codes 406 and 407 except for \$1,680 paid for production of advertising material which is excluded as ineligible operating expense.

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 5

Nonurban Operating Assistance Calculation

For the Year Ended September 30, 2020

State eligible expenses

Labor	\$ 20,546
Fringe benefits	7,534
Other postemployment benefits	1,262
Pension	1,353
Advertising and other service	-
Audit	-
Materials and supplies	4,196
Casualty and liability costs	-
Other insurance	-
Utilities	-
Miscellaneous	-
Equipment leases	-
Depreciation	-
Total expenses	<u>34,891</u>

Less ineligible expenses

Ineligible depreciation	-
Ineligible portion of association dues	-
Ineligible pension - DB not paid	- (1)
Ineligible OPEB - DB not paid	- (1)
Ineligible increase in compensated absences	-
Ineligible expense with advertising	-
Other expense paid by capital contract	-
Total ineligible expenses	<u>-</u>

State eligible expenses

\$ 34,891

State operating assistance - 36.7916%

\$ 12,837

The following cost allocation plans were adhered to in the preparation of the financial statements:

2020 Central Service Cost Allocation Plan

2019 Muskegon Area Regional Connection, Urban/Nonurban Service

⁽¹⁾ The County provides defined contribution (DC) and defined benefit (DB) pension and other postemployment benefit (OPEB) plans. DC contributions are paid in full. DB Pension and other postemployment benefit (OPEB) expense paid to MERS or the County-wide OPEB trust fund are included as ineligible operating expense. Also see schedules 6, 6a and 7.

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COUNTY OF MUSKEGON, MICHIGAN

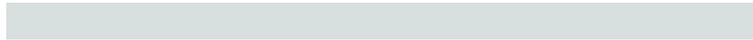
Muskegon Area Transit System Fund

Schedule 6

Annual OPEB Cost and Net OPEB Obligation Schedule

For the Year Ended September 30, 2020

	2010	2011	2012	2013
Annual required contribution	\$ 180,155	\$ 218,387	\$ 163,222	\$ 167,997
Interest on the prior year's net OPEB obligation	-	-	-	-
Adjustment to annual required contribution	-	-	-	-
Annual OPEB cost	<u>180,155</u>	<u>218,387</u>	<u>163,222</u>	<u>167,997</u>
Amount contributed:				
Payment of current premiums	180,155	218,387	163,222	167,997
Payment of prior year expenses	-	-	-	-
Payment of future expenses	-	-	-	-
Total amount contributed	<u>180,155</u>	<u>218,387</u>	<u>163,222</u>	<u>167,997</u>
Increase in OPEB obligation	-	-	-	-
OPEB obligation, beginning of year	-	-	-	-
Restatement	-	-	-	-
OPEB obligation, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



2014	2015	2016	2017
\$ 169,920	\$ 215,781	\$ 291,469	\$ 238,123
-	-	25,179	41,040
-	-	(29,093)	(53,486)
<u>169,920</u>	<u>215,781</u>	<u>287,555</u>	<u>225,677</u>
169,920	90,507	89,291	111,539
-	-	-	-
-	-	-	-
<u>169,920</u>	<u>90,507</u>	<u>89,291</u>	<u>111,539</u>
-	125,274	198,264	114,138
-	-	314,732	512,996
-	189,458	-	-
<u>\$ -</u>	<u>\$ 314,732</u>	<u>\$ 512,996</u>	<u>\$ 627,134</u>

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 6A

OPEB Cost, Net OPEB Liability (Asset) and Deferred Items

For the Year Ended September 30, 2020

	2018	2019	2020
Annual financial statement OPEB expense	\$ 364,355	\$ (784,461)	\$ (496,789)
Change in net OPEB liability (asset)	(726,515)	4,554,237	(504,930)
Change in deferred inflow	-	(3,661,962)	1,077,048
Change in deferred outflow	466,843	(500)	(1,347)
OPEB payments	<u>\$ 104,683</u>	<u>\$ 107,314</u>	<u>\$ 73,982</u>
Net OPEB asset (liability), beginning of year	\$ (627,134)	\$ (3,708,524)	\$ 845,713
Restatement	(2,354,875)	-	-
Change in net OPEB liability	(726,515)	4,554,237	(504,930)
Net OPEB asset (liability), end of year	<u>\$ (3,708,524)</u>	<u>\$ 845,713</u>	<u>\$ 340,783</u>
Beginning deferred inflows	\$ -	\$ -	\$ (3,661,962)
Change in deferred inflows	-	(3,661,962)	1,077,048
Ending deferred inflows	<u>\$ -</u>	<u>\$ (3,661,962)</u>	<u>\$ (2,584,914)</u>
Beginning deferred outflows	\$ -	\$ 466,843	\$ 466,343
Change in deferred outflows	466,843	(500)	(1,347)
Ending deferred outflows	<u>\$ 466,843</u>	<u>\$ 466,343</u>	<u>\$ 464,996</u>
Change in net OPEB (asset) liability	\$ (726,515)	\$ 4,554,237	\$ (504,930)
Change in deferred inflow	-	(3,661,962)	1,077,048
Change in deferred outflow	466,843	(500)	(1,347)
Net OPEB expense paid (not paid)	<u>\$ (259,672)</u>	<u>\$ 891,775</u>	<u>\$ 570,771</u>

The updated net OPEB liability (asset) and deferred items was reported as an adjustment to beginning net position in 2018.

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 7

Pension Cost, Net Pension Liability and Deferred Items

For the Year Ended September 30, 2020

	2014	2015	2016	2017	2018	2019	2020
Annual financial statement pension expense	\$ 172,812	\$ 262,966	\$ 551,813	\$ 606,622	\$ 540,516	\$ (152,463)	\$ 470,602
Change in net pension liability	-	(285,237)	(1,128,968)	133,222	239,234	1,081,691	(110,166)
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432
Change in discount on pension fund bonds	-	-	-	-	-	4,369	(221)
Interest/fees paid on pension funding bonds	-	-	-	-	-	-	49,560
Change in deferred inflow	-	-	-	(55,600)	(154,716)	188,359	(4,443)
Change in deferred outflow	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)
Pension payments	\$ 172,812	\$ 188,701	\$ 204,153	\$ 244,424	\$ 295,469	\$ 157,160	\$ 191,021
Net pension liability, beginning of year	\$ -	\$ -	\$ (1,844,990)	\$ (2,973,958)	\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)
Restatement	-	(1,559,753)	-	-	-	-	-
Change in net pension liability	-	(285,237)	(1,128,968)	133,222	239,234	1,081,691	(110,166)
Net pension liability, end of year	\$ -	\$ (1,844,990)	\$ (2,973,958)	\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)	\$ (1,629,977)
Beginning pension funding bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,232,960)
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432
Ending pension funding bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,232,960)	\$ (1,194,528)
Beginning discount on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,369
Change in discount on pension funding bonds	-	-	-	-	-	4,369	(221)
Ending discount on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,369	\$ 4,148
Interest/fees paid on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,560
Beginning deferred inflows	\$ -	\$ -	\$ -	\$ -	\$ (55,600)	\$ (210,316)	\$ (21,957)
Change in deferred inflows	-	-	-	(55,600)	(154,716)	188,359	(4,443)
Ending deferred inflows	\$ -	\$ -	\$ -	\$ (55,600)	\$ (210,316)	\$ (21,957)	\$ (26,400)
Beginning deferred outflows	\$ -	\$ -	\$ 210,972	\$ 992,280	\$ 552,460	\$ 222,895	\$ 491,059
Change in deferred outflows	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)
Ending deferred outflows	\$ -	\$ 210,972	\$ 992,280	\$ 552,460	\$ 222,895	\$ 491,059	\$ 238,316
Change in net pension liability	\$ -	\$ (285,237)	\$ (1,128,968)	\$ 133,222	\$ 239,234	\$ 1,081,691	\$ (110,166)
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432
Change on discount on pension funding bonds	-	-	-	-	-	4,369	(221)
Interest/fees paid on pension funding bonds	-	-	-	-	-	-	49,560
Bond issuance costs	-	-	-	-	-	8,910	-
Change in deferred inflow	-	-	-	(55,600)	(154,716)	188,359	(4,443)
Change in deferred outflow	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)
Net pension expense paid (not paid)	\$ -	\$ (74,265)	\$ (347,660)	\$ (362,198)	\$ (245,047)	\$ 318,533	\$ (279,581)

The initial net pension liability and deferred items was reported as an adjustment to beginning net position in 2015.