

County of
Muskegon,
Michigan



Year Ended
September 30,
2021

Annual
Comprehensive
Financial Report



County of Muskegon, Michigan

Annual Comprehensive Financial Report
For the Year Ended September 30, 2021

Prepared by
Department of Finance and Management Services/Accounting

Angela Gasiewski, CPA
Director of Finance

Carson Lehigh
General Accounting/Budget Supervisor

COUNTY OF MUSKEGON, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

Principal Officials

As of March 29, 2022

BOARD OF COMMISSIONERS

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

JUDICIARY

14th Circuit Court Judges

William C. Marietti, Pro Tem
Kathy L. Hoogstra*
Kenneth S. Hoopes
Annette R. Smedley

* 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, Chief Judge of Circuit &
Probate Court*
Brenda E. Sprader, Presiding Probate Judge*

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

Angela J. Gasiewski
Director of Finance

MUSKEGON COUNTY

MICHIGAN

March 29, 2022

Board of Commissioners

Robert Scolnik, Chair
District 4

Susie Hughes,
Vice Chair - District 3

Rillastine R. Wilkins
District 1

Marcia Hovey-Wright
District 2

Zach Lahring
District 5

Charles Nash
District 6

Malinda Pego
District 7

Doug Brown
District 8

Kim Cyr
District 9

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 Annual Comprehensive Financial Report of the County of Muskegon, Michigan for the fiscal year ended September 30, 2021.

Management Responsibility

This report consists of management's representations concerning the finances of the County of Muskegon ("the County"). 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 LLC, 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, 2021, 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, 2021, are fairly presented in conformity with GAAP. The independent auditors' 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 auditors' 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.

Administration | 990 Terrace Street, Muskegon, MI 49442 | Ph 231.724.6520 | Fax 231.724.6673

An EEO/ADA Employer

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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.

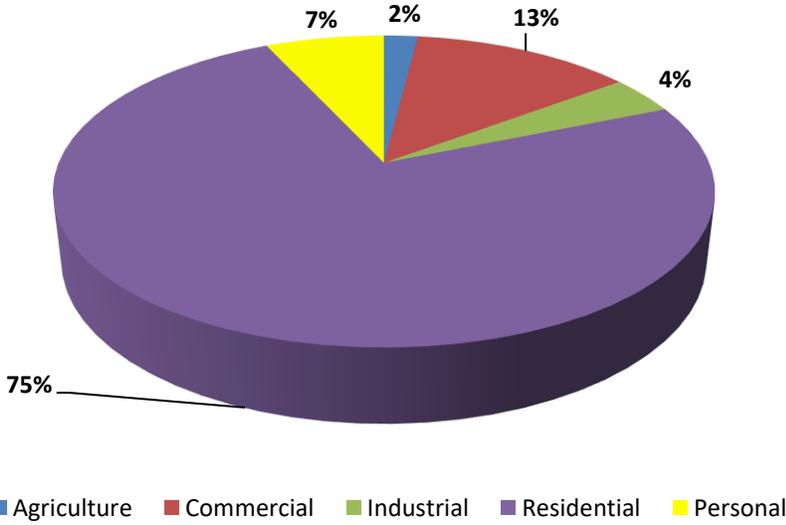
The County provides a wide range of municipal services. These services include general government, legislative, judicial, public safety, public works, health, welfare, culture, recreation, community and economic development, wastewater treatment, solid waste disposal, transportation (airport and bus 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

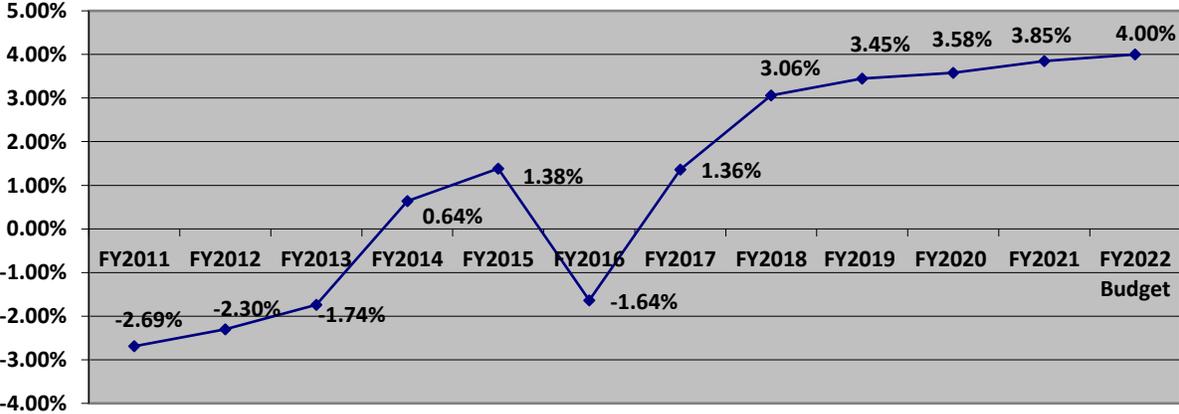
Local Economy

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 continues to impact County operations, property tax revenues remain unaffected in FY2021. The County's tax base is primarily residential which has continued to expand even during the on-going pandemic.

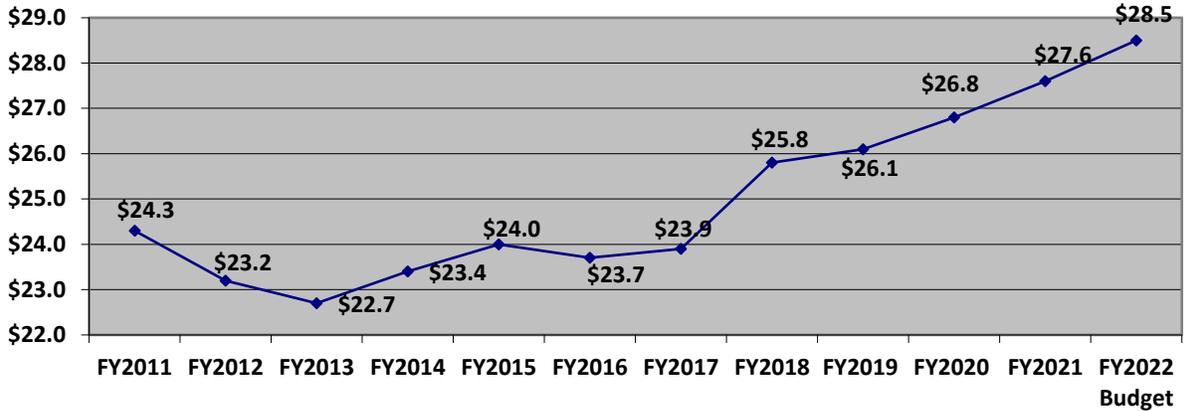
Taxable Value by Class



Taxable Value Percent Change Trend

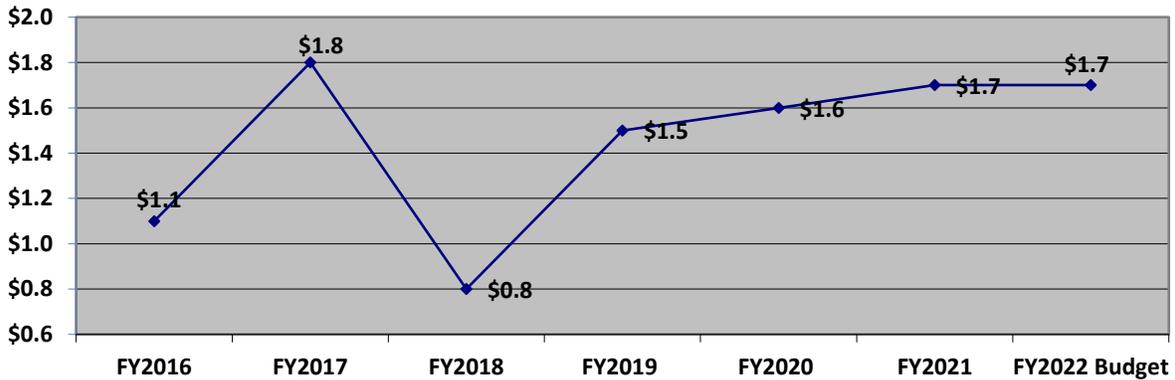


General Fund Property Tax Revenue Trend (in millions)



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.

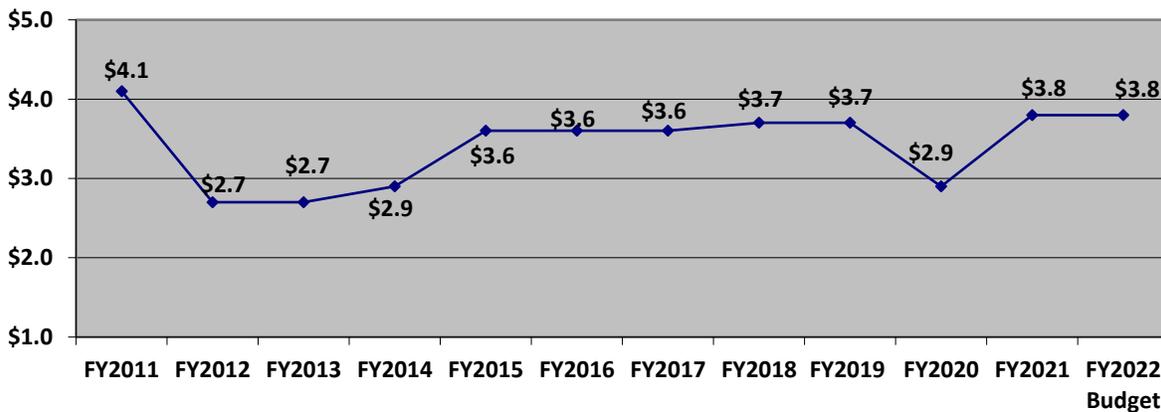
General Fund Personal Property Tax Reimbursement (in millions)



Fiscal year 2021 saw an average unemployment rate of 7.9% compared to the average unemployment rate of 10.1% for FY2020. The highest monthly rate for FY2020 was in April 2020 at 29.5% compared to the highest monthly rate for FY2021, which was 8.9% in both December 2020 and January 2021. The unemployment rate as of November 2021 is 6.5% as employment becomes more stable and as work restrictions are lifted.

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. FY2021 saw an increase of almost 3% from pre-COVID-19 State Revenue Sharing levels.

General Fund State Revenue Sharing Trend (in millions)



In addition, for fiscal year 2021 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

COVID-19 restrictions began to lift in late FY2021. The County Board and staff continued to navigate how to provide essential County services while still following all state and federal recommendations and keeping both the public and employees safe. County employees continued working remotely by conducting county business through virtual meetings. In addition, County employees continued to participate in furloughs for part of the year, although to a lesser degree than in FY2020. Capacity adjustments continued from the number of inmates in the jail to the number of passengers on the County buses.

With the COVID-19 restrictions being lifted, there was an increase in State Revenue Sharing, charges for services revenues to county departments, as well as hotel tax revenues. In addition, in FY2021 the County of Muskegon was awarded Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as part of the American Rescue Plan Act (ARPA) funding in the amount of approximately \$34 million. There are four categories in which funds may be used:

- Replace lost public sector revenue - allows recipients to provide government services up to the amount of the revenue loss during the pandemic.
- Support COVID-19 public health and economic response - allows recipients to address the impact on public health as well as addressing economic harms to households, small businesses, non-profits, impacted industries, and the public sector.
- Provide premium pay for eligible workers performing essential work - allows recipients to offer additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
- Investment in water, sewer, and broadband infrastructure - allows recipients to make necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and expand access to affordable broadband internet.

ARPA funds have not yet been expended in FY2021, but the County Board of Commissioners is pursuing many options for these funds that will provide lasting impact for FY2022 and beyond.

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), 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.

Recommendation	Action Taken	Result
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.
Consider the option of issuing pension bonds to minimize the impact of significant projected increases in pension contributions	<p>During FY2019 the County implemented a comprehensive plan to reduce retirement costs which included the following:</p> <ul style="list-style-type: none"> 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 83%. • 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 93.1% to 139.3% funded as of 9/30/21.
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 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 five 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.

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 scheduled to be completed by May 2022 • Working with three municipalities on extending sanitary sewer • Continued implementation of transit system realignments, including the introduction of a technology-enabled microtransit program • Began a study to consider alternative governance and organizational models for the MATS program
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 and 2021 were suspended due to COVID-19 but are anticipated to resume in 2022. • New housing construction has increased from 277 in 2018 to 291 in 2020
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 \$10.7 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

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	<p>the most recent union contract negotiations</p> <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. Construction on the convention center was completed in April 2021. Continued discussions on a Class II Casino operation with the Little River Band of Ottawa Indians. Federal approval achieved in 2020. The County of Muskegon is still awaiting State approval. 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 27.3% in 2021

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. The convention center, which broke ground in the spring of 2019, offers 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. The convention center opened in April 2021, but due to State capacity limits for meetings and conventions, the facility did not accept events until July 2021.

Dune Harbor Park

The Nugent Sand/Dune Harbor park acquisition project continued to move forward in FY2021. In FY2020, the Parks department applied for a Michigan Natural Resources Trust Fund (MNRTF) request for \$10 million to acquire the property, with the land owner providing a donation of 33% of the total cost of the property. In December 2020, the MNRTF Board of Directors granted Muskegon County \$5 million toward phase I of the project. The County closed on this project, the South Lake section of Nugent Sand, in December 2021, and it officially opened to the public on March 16, 2022.

The Parks department submitted a grant application for the additional \$5 million from the original request to complete the acquisition of phase II, the north section of Nugent Sand, in April 2021. The County was recommended for funding by the Trust Fund board in December 2021. Closing on phase II depends on when the Governor approves grant funding, but this closing is expected to occur in December 2022.

With the acquisition of both parcels, Muskegon County will add an additional 377 acres to the County parks system.

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 annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the 45th 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 annual comprehensive 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 annual comprehensive 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.

The preparation of this annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance and Management Services Department, as well as 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,

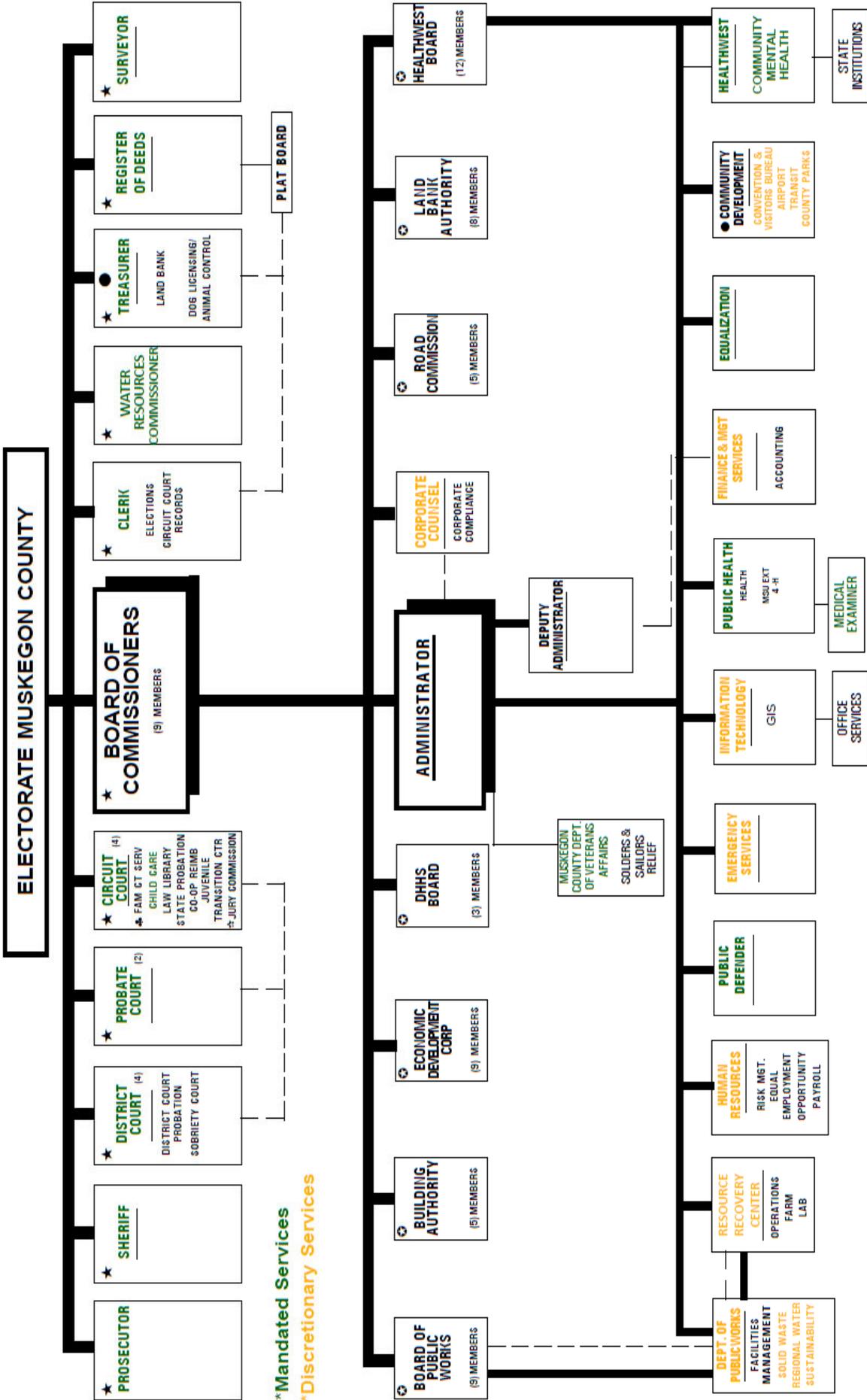


Angela J. Gasiewski, CPA
Director of Finance



Carson Lehigh
General Accounting/Budget Supervisor

2021 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 29, 2022

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, 2021, 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 70 percent, 81 percent, and 71 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*.

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, 2021, 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.

Implementation of GASB Statement No. 84

As described in Note 24, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. Accordingly, beginning net position of the fiduciary funds was restated. Our opinion is not modified with respect to this matter.

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, under separate cover, our report dated March 29, 2022, 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.

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

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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, 2021. 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, 2021; the difference representing net position of \$62.4 million reported by the primary government. Of this amount, a negative \$72.8 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 \$50.7 million on the government-wide financial statements. *Restricted net position* of \$6.6 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 \$128.6 million.
- The County's *net position* increased by \$12.6 million as a result of the current year's operations. Net position of governmental activities increased by approximately \$7.0 million and net position of business-type activities increased by approximately \$5.6 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 \$10.9 million, an increase of \$1.3 million from the prior year ending fund balance of \$9.6 million. Approximately \$13.2 million (120.2%) 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.

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).

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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, legislative, judicial, public safety, public works, health, welfare, culture, recreation, community and economic development, and interest expense. The business-type activities of the County include 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, Office of the Muskegon County 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.

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, HealthWest and American Rescue Plan Act special revenue funds, 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. The American Rescue Plan Act special revenue fund had no current year revenue or expenditures, therefore no budget was prepared or presented.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- **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 \$62.4 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	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 88.2	\$ 52.2	\$ 94.3	\$ 87.8	\$ 182.5	\$ 140.0
Capital assets, net	67.5	72.0	162.3	161.8	229.8	233.8
Total assets	155.7	124.2	256.6	249.6	412.3	373.8
Deferred outflows of resources	8.9	19.3	0.8	2.5	9.7	21.8
Liabilities						
Long-term debt outstanding	107.0	112.5	108.2	105.7	215.2	218.2
Other liabilities	81.4	72.5	10.1	9.8	91.5	82.3
Total liabilities	188.4	185.0	118.3	115.5	306.7	300.5
Deferred inflows of resources	48.2	37.5	4.7	7.8	52.9	45.3
Net position						
Net investment in capital assets	13.7	15.1	114.9	112.2	128.6	127.3
Restricted	6.6	7.5	-	0.4	6.6	7.9
Unrestricted (deficit)	(92.3)	(101.6)	19.5	16.2	(72.8)	(85.4)
Total net position	\$ (72.0)	\$ (79.0)	\$ 134.4	\$ 128.8	\$ 62.4	\$ 49.8

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 \$72.8 million.

Statement of Activities. The County's total revenue for the fiscal year ended September 30, 2021, was approximately \$188.0 million while total cost of all programs and services was \$175.4 million. The fiscal year's operations result in an increase in the primary government's net position of \$12.6 million. The *Changes in Net Position* table presents a summary for the years ended September 30.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 79.1	\$ 73.9	\$ 31.9	\$ 36.2	\$ 111.0	\$ 110.1
Operating grants	29.4	30.1	5.8	4.6	35.2	34.7
Capital grants	0.6	0.4	0.2	0.8	0.8	1.2
General revenues:						
Property taxes	30.5	29.6	-	-	30.5	29.6
Other taxes	2.4	2.0	-	-	2.4	2.0
State shared revenue	3.8	2.9	-	-	3.8	2.9
Other	4.3	3.6	-	0.2	4.3	3.8
Total revenues	150.1	142.5	37.9	41.8	188.0	184.3
Program expenses						
General government	9.5	11.2	-	-	9.5	11.2
Legislative	0.3	-	-	-	0.3	-
Judicial	17.6	16.9	-	-	17.6	16.9
Public safety	17.0	16.7	-	-	17.0	16.7
Public works	0.5	0.5	-	-	0.5	0.5
Health and welfare	92.4	87.9	-	-	92.4	87.9
Recreation and culture	2.8	2.3	-	-	2.8	2.3
Community and economic development	0.7	0.8	-	-	0.7	0.8
Interest	4.0	4.2	-	-	4.0	4.2
Delinquent tax revolving	-	-	1.0	1.0	1.0	1.0
Local govt public works financing	-	-	0.8	0.6	0.8	0.6
Solid waste	-	-	1.6	5.5	1.6	5.5
Airport operations	-	-	2.8	2.7	2.8	2.7
Regional water	-	-	3.3	2.9	3.3	2.9
Wastewater	-	-	16.9	16.2	16.9	16.2
Other enterprise funds	-	-	4.2	4.6	4.2	4.6
Total program expenses	144.8	140.5	30.6	33.5	175.4	174.0
Excess before transfers	5.3	2.0	7.3	8.3	12.6	10.3
Transfers	1.7	1.2	(1.7)	(1.2)	-	-
Change in net position	7.0	3.2	5.6	7.1	12.6	10.3
Net position, beginning of year	(79.0)	(82.2)	128.8	121.7	49.8	39.5
Net position, end of year	\$ (72.0)	\$ (79.0)	\$ 134.4	\$ 128.8	\$ 62.4	\$ 49.8

- Governmental Activities.** Revenues for the County's governmental activities increased by 5.3% (\$7.6 million), while total expenses increased by 3.1% (\$4.3 million). The increase in net position for governmental activities was \$7.0 million in 2021. This compares to a \$3.2 million increase in net position in 2020.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The increase in governmental activities revenues was primarily in the charges for services category. This increase was largely attributable to an increase in services provided by HealthWest. As COVID-19 continued to impact FY2021, HealthWest saw an increase of \$3.6 million in charges for services revenue. Judicial charges for services were also impacted by the implementation of Governmental Accounting Standards Board Statement No. 84. This took effect for fiscal year 2021. The new standard requires restitution activity, historically reported as a fiduciary activity, to be reported as Circuit and District Court activity. This contributed to the increase of charges for services of approximately \$1.0 million. Additionally, in FY2021 we saw the impact of an improving housing market. Community and economic development charges for services increased by \$0.6 million due to increases in mortgage recording fees and transfer tax collection.

Much like the impact to charges for services revenue, the increase in expenses of the various governmental activities functions were primarily due to an increase of services provided by HealthWest. HealthWest saw an increase in expenses of \$5.3 million with 53% of that increase in personnel costs and 43% in operating costs. The implementation of Government Accounting Standards Board Statement No. 84 also impacted judicial expenses. Restitution payments increased judicial expenses by approximately \$1.0 million. These increases were offset slightly by reductions in mental health institution expenses, presumably due to reduction as a result of COVID restrictions, and other post employment benefit (OPEB) expenses as a result of achieving a fully funded plan.

- **Business-type Activities.** Business-type activities increased the County's net position by approximately \$5.6 million during the year.

The decrease in charges for services of \$4.3 million was primarily due to reduced wastewater collection. FY2019 and FY2020 produced exceptionally high wastewater collection due to wet weather patterns and extraordinary flooding. In FY2021, wastewater charges for services were not impacted by these issues and decreased by \$4.7 million. This decrease was offset by slight increases in Solid Waste and Regional Water charges for services. An increase in operating grants was primarily the result of a CARES Act grant received by the Airport.

The decreases in expenses associated with business-type activities were primarily due to a change in methodology for calculating provision for closure and post closure costs. In FY2021, the landfill closure and post closure cost calculation was simplified using a current cost formula per the accounting standards recommendation. In prior years, a present value calculation was used. This reduced Solid Waste expenses by \$3.9 million.

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 \$10.9 million, an increase of \$1.3 million from the prior year.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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 \$13.2 million while total fund balance amounted to \$15.0 million. The General Fund's total fund balance increased from the prior year by \$3.4 million. At September 30, 2021, General Fund unassigned fund balance approximated 27.3% of reported prior year General Fund expenditures plus transfers out, which compares with approximately 18.9% at the end of the prior year. This increase was primarily the result of various expenditures coming in less than budgeted resulting in revenues exceeding expenditures and therefore increasing unassigned fund balance. For additional explanation see the *General Fund Budgetary Highlights* section.

The HealthWest special revenue fund had a current year decrease in fund balance amounting to \$1.0 million, resulting in ending fund balance deficit of \$13.3 million. Additional details can be located in its separately issued financial statements of the HealthWest fund, formerly known as Community Mental Health Services of Muskegon County, as well as under Governmental Activities above.

The American Rescue Plan Act special revenue fund had no revenue and expense activity as all funding received has been deferred until the funds have been used for the stated purpose.

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 \$5.6 million. The composition of the net position of the County's enterprise funds as September 30, 2021, 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	\$ 4,765	\$ -	\$ 3,999	\$ 8,764
Delinquent tax revolving	-	-	4,474	4,474
Solid waste	6,939	-	1,905	8,844
Airport	30,098	-	(1,294)	28,804
Wastewater	66,618	68	13,508	80,193
Nonmajor enterprise funds	6,480	-	(3,124)	3,355
Total net position	\$ 114,899	\$ 68	\$ 19,467	\$ 134,434

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, 2021, the Board approved several project-oriented budget amendments and revised the full General Fund budget two times.

Significant revisions from the Original Budget included the following:

- Tax revenues were projected to increase by \$401K. This was primarily due to a 0.85% increase in taxable values per the 2021 Equalization Report. Additionally, \$140K in revenues were received from the State of Michigan for distribution of taxes collected from recreational marijuana businesses in Muskegon County as required under MCL 333.27964 the Michigan Regulation and Taxation of Marihuana Act, Section 14 (3)(a) and (b).

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- State grants and contributions were projected to increase by \$882k primarily due to an increase in the projected Personal Property Tax Reimbursement from the State based on the most recent historical data and an increase in the projected State Revenue Sharing component.
- Local grants and contributions were projected to increase by \$1.2M for the DTE Program Revenue due to increased reach of the program. A corresponding increase in welfare expense of \$1.2K was also projected for this same program.
- Fines and Forfeitures were projected to decrease by \$115K primarily due to a reduction in ordinances fines and costs in the District Court budget as a result of COVID-19.
- Wages were projected to decrease overall by approximately \$418K. This was primarily attributable to the savings achieved as a result of participation in the Workshare program through early September 2021. The original budget assumed participation only through December 2020 however many departments continued to participate through the first week of September 2021. Fringe benefits also were projected to decrease overall by \$61K. This decrease was attributable to savings from furloughs, vacant positions, and reduction in medical insurance expenses. Offsetting these decreases was an increase in projected costs associated with sick and vacation payouts.
- Contractual services were projected to decrease by \$260K overall. This decrease was primarily due to reductions in contractual services in the Jail for medical and food service of \$306K, resulting from lower inmate population related to COVID-19. Additionally, limited jury trials, due to COVID-19, were estimated to reduce expenses \$73K. Offsetting these decreases were projected increases in contractual services and advertising in the Elections budget of \$41K and \$14K, the Facilities budget of \$50K, and legal fees of \$60K.
- Insurance premiums for the General Fund's portion of the general liability, property and auto insurance costs were projected to decrease by \$232K.
- Transfers out to other funds were projected to decrease by \$233K. This was primarily due to decreases in appropriations to Family Court and the Child Care Fund, attributable to participation in the workshare furlough program. Offsetting these decreases was a projected increase in appropriations to the Marine Safety Fund of as a result of Board approved pay increase for seasonal deputies.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Significant Final Budget to Actual fluctuations included the following:

- Other revenue was over budget \$628K. Primarily due to an unexpected insurance claim payout.
- Charges for services were \$641K over budget. Restitutions collected, charges for services in the Jail, transfer taxes and recording fees in the Register of Deeds office, certified copies in the County Clerks office and juror compensation reimbursement revenues all contributed to this revenue category being over budget.
- Taxes were over budget \$151K. Primarily current year property tax collection contributed to this revenue category being over budget.
- Transfers out in total were \$1.43M under budget. This was primarily due to Child Care fund and Friend of the Court which were \$1.33M under budget. Approximately 10% of this savings was due to reduction in salaries and fringe benefits due to workshare, furlough, and vacant positions. The remaining 90% was attributable to other reductions in operating budgets with the largest reduction in residential institutional board and care.
- Public safety expenditures were \$347K under budget. This variance was primarily due to savings in salaries and fringe benefits due to vacant positions primarily within the Sheriff operations and jail budgets.
- General County government expenditures were \$331K under budget. Every department in this category was under budget. Approximately 32% of this savings was due to reduction in salaries and fringe benefits due to workshare, furlough, and vacant positions. The remaining 68% was attributable to other reductions in operating costs across multiple departments.
- Judicial expenditures were \$171K under budget primarily due to salaries and fringe benefits in most of the court related departments coming in lower than anticipated as a result of workshare, furlough, and vacant positions.
- District Court restitutions expenditures were over budget \$404K. This is a new General Fund department for FY2021. Governmental Accounting Standards Board Statement No. 84 was required to be implemented in FY2021. This new standard requires restitution activity, historically reported as a fiduciary activity, to be reported as Circuit and District Court activity. There were corresponding increases to other revenue to offset this expenditure.

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	
	2021	2020	2021	2020	2021	2020
Land	\$ 4.7	\$ 4.6	\$ 20.6	\$ 20.6	\$ 25.3	\$ 25.2
Construction in progress	-	0.4	13.3	9.3	13.3	9.7
Depreciable capital assets	131.0	129.9	306.9	301.5	437.9	431.4
Accumulated depreciation	(68.2)	(62.9)	(178.5)	(169.6)	(246.7)	(232.5)
Total capital assets, net	\$ 67.5	\$ 72.0	\$ 162.3	\$ 161.8	\$ 229.8	\$ 233.8

As of September 30, 2021, net capital assets used in the primary government's governmental and business-type activities decreased by \$4.0 million, or 1.7%, over the prior year. This year-to-year change represents about \$11.1 million in capital additions less \$15.1 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	
	2021	2020	2021	2020	2021	2020
Bonds	\$ 98.5	\$ 103.1	\$ 72.5	\$ 65.0	\$ 171.0	\$ 168.1
Delinquent tax notes	-	-	12.3	15.5	12.3	15.5
Other debt	1.4	1.9	-	-	1.4	1.9
Total installment debt	99.9	105.0	84.8	80.5	184.7	185.5
Deferred premium and discount	-	-	2.2	2.1	2.2	2.1
Closure and sludge liability	-	-	20.1	21.8	20.1	21.8
Compensated absences	7.1	7.5	1.1	1.3	8.2	8.8
Totals	\$ 107.0	\$ 112.5	\$ 108.2	\$ 105.7	\$ 215.2	\$ 218.2

Overall outstanding debt decreased by \$3.0 million primarily due to annual principal payments. New debt issues within business-type activities included \$3.6 million for the refunding of Wastewater Bonds and \$13.5 million in issuance of Water Supply bonds. Closure and sludge liabilities also decreased by \$1.7 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 \$632.6 million, which is significantly in excess of the County's approximately \$186.8 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 original fiscal 2022 budget.

	General Fund Changes in Fund Balance Fiscal 2020 & 2021 with 2022 Budget (dollars in thousands)		
	2022 Budget	2021	2020
Revenues	\$ 51,390	\$ 51,536	\$ 48,551
Expenditures			
Current:			
General government	9,670	9,100	9,484
Judicial	11,243	9,709	8,623
Public safety	15,072	14,209	14,336
Public works	554	512	516
Health and welfare	2,373	2,878	1,668
Recreation and culture	67	88	6
Community and economic development	548	493	486
Other - legal obligation	-	-	5,150
Debt service:			
Principal and interest	431	432	-
Bond issuance cost	-	-	67
Total expenditures	39,958	37,421	40,336
Revenues over expenditures	11,432	14,115	8,215
Other financing sources/(uses)			
Transfers in	1,660	1,540	1,236
Transfers out	(14,035)	(12,264)	(13,046)
Issuance of long-term debt	-	-	5,220
Other	-	27	-
Total other financing sources/(uses)	(12,375)	(10,697)	(6,590)
Change in fund balance	(943)	3,418	1,625
Fund balance, beginning	14,989	11,571	9,946
Fund balance, ending	\$ 14,046	\$ 14,989	\$ 11,571

The following economic factors were considered in preparing the County's budget for the 2022 fiscal year:

- After experiencing a 3.85% increase in taxable values for fiscal 2021, General Fund property tax revenues for fiscal 2022 were budgeted assuming a taxable value increase of 4.0%. This equates to an increase of \$882K in current property tax revenues compared to fiscal 2021. This increase is based on projected inflationary increases, new housing construction, home sales and business expansions.
- State revenue sharing is budgeted to increase 1.99% to \$3.840 million based on the state's budget allocation.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- Revenues for the DTE Test and Tune-up program are budgeted to decrease by \$412K to \$2.6 million due to lower anticipated activity for fiscal 2022 compared to fiscal 2021. This is offset by a corresponding decrease in the welfare expenditures of \$505K.
- A 5.9% increase in the medical insurance premium has been incorporated into the 2022 budget. This increase as well as the assumption that a majority of positions will be filled for the entire fiscal year represents an estimated overall increase to the General Fund budget of \$766K.
- Budgeted fiscal 2022 transfers out to other funds show an increase of \$1.78 million primarily due to the assumption of full staffing and many operations returning to pre-COVID-19 levels.
- The remainder of the increases in the various expenditure functions are primarily due to board approved wage and step increases as well as the assumption that the majority of positions will be filled for the entire fiscal year.

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, Muskegon County, 141 E. Apple Ave., Muskegon, MI 49442.

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BASIC FINANCIAL STATEMENTS

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position
September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 35,602,384	\$ 61,108,567	\$ 96,710,951	\$ 15,110,533
Receivables, net	30,455,532	30,265,408	60,720,940	22,360,984
Internal balances	429,004	(429,004)	-	-
Other assets	2,347,068	66,585	2,413,653	3,991,803
Restricted assets	-	2,950,372	2,950,372	-
Advances to component units	100,000	-	100,000	-
Capital assets not being depreciated	4,723,611	33,886,980	38,610,591	38,799,712
Capital assets being depreciated, net	62,764,870	128,374,533	191,139,403	73,466,509
Net pension asset	-	244,228	244,228	-
Net OPEB asset	19,277,738	78,747	19,356,485	907,267
Total assets	155,700,207	256,546,416	412,246,623	154,636,808
Deferred outflows of resources				
Deferred charge on bond refunding	2,865,961	328,279	3,194,240	-
Deferred pension amounts	2,703,039	211,401	2,914,440	2,711,423
Deferred OPEB amounts	3,250,747	332,899	3,583,646	534,597
Total deferred outflows of resources	8,819,747	872,579	9,692,326	3,246,020
Liabilities				
Payables	17,574,588	5,634,311	23,208,899	3,075,023
Advances from primary government	-	-	-	100,000
Unearned revenue	17,033,119	12,227	17,045,346	135,315
Long-term debt:				
Due within one year	5,754,745	16,625,826	22,380,571	1,861,286
Due in more than one year	101,178,444	91,554,202	192,732,646	18,723,652
Net pension liability (due in more than one year)	46,806,977	3,933,426	50,740,403	2,353,472
Net OPEB liability (due in more than one year)	-	525,200	525,200	-
Total liabilities	188,347,873	118,285,192	306,633,065	26,248,748
Deferred inflows of resources				
Deferred pension amounts	9,559,817	747,661	10,307,478	990,183.00
Deferred OPEB amounts	38,593,921	3,952,272	42,546,193	1,073,464
Total deferred inflows of resources	48,153,738	4,699,933	52,853,671	2,063,647
Net position				
Net investment in capital assets	13,721,504	114,899,019	128,620,523	96,925,845
Restricted for:				
Grant programs and other activities	6,476,849	-	6,476,849	-
Debt service	-	-	-	1,130,579
Capital projects	83,604	-	83,604	-
Nonexpendable endowments	36,743	-	36,743	-
Pension	-	67,602	67,602	-
OPEB	-	-	-	368,400
County roads	-	-	-	10,058,501
Unrestricted (deficit)	(92,300,357)	19,467,249	(72,833,108)	21,087,108
Total net position	\$ (71,981,657)	\$ 134,433,870	\$ 62,452,213	\$ 129,570,433

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, 2021

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 9,468,123	\$ 4,657,995	\$ 2,772,224	\$ 422,446
Legislative	361,466	-	-	-
Judicial	17,598,384	3,919,766	6,445,979	-
Public safety	16,968,601	1,585,865	1,021,904	-
Public works	499,723	-	-	146,496
Health	85,322,592	65,270,018	15,818,703	-
Welfare	7,085,792	-	3,273,072	-
Culture	71,033	-	73,092	-
Recreation	2,667,209	986,748	127	-
Community and economic development	730,570	2,321,341	-	-
Interest on long-term debt	4,041,348	375,606	-	-
Total governmental activities	144,814,841	79,117,339	29,405,101	568,942
Business-type activities:				
Delinquent tax revolving	963,688	3,182,355	52,601	-
Local government public works financing	827,432	554,601	595	-
Solid waste	1,589,352	4,762,154	93,522	-
Airport operations	2,803,889	910,714	941,151	232,670
Regional water	3,255,813	4,323,185	48,140	-
Wastewater	16,866,404	17,999,079	629,914	-
Other enterprise funds	4,258,258	172,260	3,946,304	-
Total business-type activities	30,564,836	31,904,348	5,712,227	232,670
Total primary government	\$ 175,379,677	\$ 111,021,687	\$ 35,117,328	\$ 801,612
Component units				
Road Commission	\$ 17,813,743	\$ 3,728,367	\$ 17,688,533	\$ 2,656,687
Water Resources Commissioner	1,356,173	146,752	-	8,862,309
Land Bank Authority	530,464	184,710	-	5,781
Total component units	\$ 19,700,380	\$ 4,059,829	\$ 17,688,533	\$ 11,524,777
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	
\$ (1,615,458)	\$ -	\$ (1,615,458)	\$ -
(361,466)	-	(361,466)	-
(7,232,639)	-	(7,232,639)	-
(14,360,832)	-	(14,360,832)	-
(353,227)	-	(353,227)	-
(4,233,871)	-	(4,233,871)	-
(3,812,720)	-	(3,812,720)	-
2,059	-	2,059	-
(1,680,334)	-	(1,680,334)	-
1,590,771	-	1,590,771	-
(3,665,742)	-	(3,665,742)	-
<u>(35,723,459)</u>	<u>-</u>	<u>(35,723,459)</u>	<u>-</u>
-	2,271,268	2,271,268	-
-	(272,236)	(272,236)	-
-	3,266,324	3,266,324	-
-	(719,354)	(719,354)	-
-	1,115,512	1,115,512	-
-	1,762,589	1,762,589	-
-	(139,694)	(139,694)	-
<u>-</u>	<u>7,284,409</u>	<u>7,284,409</u>	<u>-</u>
<u>(35,723,459)</u>	<u>7,284,409</u>	<u>(28,439,050)</u>	<u>-</u>
-	-	-	6,259,844
-	-	-	7,652,888
-	-	-	(339,973)
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,572,759</u>
<u>(35,723,459)</u>	<u>7,284,409</u>	<u>(28,439,050)</u>	<u>13,572,759</u>
30,510,415	-	30,510,415	-
870,930	-	870,930	-
1,558,185	-	1,558,185	-
3,765,368	-	3,765,368	-
79,133	-	79,133	76,571
80,641	-	80,641	68,666
4,153,837	-	4,153,837	365,089
1,678,433	(1,678,433)	-	-
<u>42,696,942</u>	<u>(1,678,433)</u>	<u>41,018,509</u>	<u>510,326</u>
6,973,483	5,605,976	12,579,459	14,083,085
<u>(78,955,140)</u>	<u>128,827,894</u>	<u>49,872,754</u>	<u>115,487,348</u>
<u>\$ (71,981,657)</u>	<u>\$ 134,433,870</u>	<u>\$ 62,452,213</u>	<u>\$ 129,570,433</u>

COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet
Governmental Funds
September 30, 2021

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,658,165	\$ 2,700	\$ 16,856,581	\$ 11,139,762	\$ 35,657,208
Receivables, net:					
Accounts	776,866	1,313,047	-	321,288	2,411,201
Due from other governments	1,420,847	16,999,716	-	1,640,539	20,061,102
Special assessments	-	-	-	84,759	84,759
Property taxes	7,088,206	-	-	-	7,088,206
Prepays and other items	4,025	191,420	-	7,421	202,866
Inventories	-	-	-	36,980	36,980
Advances to component units	100,000	-	-	-	100,000
Total assets	<u>\$ 17,048,109</u>	<u>\$ 18,506,883</u>	<u>\$ 16,856,581</u>	<u>\$ 13,230,749</u>	<u>\$ 65,642,322</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Negative equity in pooled cash	\$ -	\$ 9,493,216	\$ -	\$ 870,143	\$ 10,363,359
Payables:					
Accounts payable	547,350	8,230,276	-	1,174,317	9,951,943
Due to other governments	261,310	-	-	884,956	1,146,266
Accrued liabilities	1,247,804	-	-	844,491	2,092,295
Advances from other funds	2,500	-	-	-	2,500
Unearned revenue	-	50,100	16,856,581	112,128	17,018,809
Total liabilities	<u>2,058,964</u>	<u>17,773,592</u>	<u>16,856,581</u>	<u>3,886,035</u>	<u>40,575,172</u>
Deferred inflows of resources					
Unavailable revenues - special assessments	-	-	-	83,604	83,604
Unavailable revenues - Medicaid fee for service and capitation	-	14,037,177	-	-	14,037,177
Total deferred inflows of resources	<u>-</u>	<u>14,037,177</u>	<u>-</u>	<u>83,604</u>	<u>14,120,781</u>
Fund balances					
Nonspendable	104,025	191,420	-	81,144	376,589
Restricted	62,827	-	-	5,803,180	5,866,007
Committed	-	-	-	3,310,916	3,310,916
Assigned	1,659,794	-	-	65,870	1,725,664
Unassigned (deficit)	13,162,499	(13,495,306)	-	-	(332,807)
Total fund balances	<u>14,989,145</u>	<u>(13,303,886)</u>	<u>-</u>	<u>9,261,110</u>	<u>10,946,369</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,048,109</u>	<u>\$ 18,506,883</u>	<u>\$ 16,856,581</u>	<u>\$ 13,230,749</u>	<u>\$ 65,642,322</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, 2021

Fund balances - total governmental funds	\$ 10,946,369
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	4,301,611
Capital assets being depreciated, net	53,540,183
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	9,392,814
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 - special assessments	83,604
Deferred inflows for unavailable revenues - Medicaid fee for service and capitation	14,037,177
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	(46,806,977)
Deferred outflows related to the net pension liability	2,703,039
Deferred inflows related to the net pension liability	(9,559,817)
Net OPEB asset	19,277,738
Deferred outflows related to the net OPEB asset	3,250,747
Deferred inflows related to the net OPEB asset	(38,593,921)
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	(88,838,363)
Unamortized deferred charge on bond refunding	2,790,059
Compensated absences	(6,997,281)
Accrued interest on long-term debt	(1,508,639)
Net position of governmental activities	<u>\$ (71,981,657)</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, 2021

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 28,827,404	\$ -	\$ -	\$ 4,273,810	\$ 33,101,214
Special assessment	-	-	-	62,892	62,892
Grants and contributions:					
Federal	120,555	4,968,037	-	7,263,043	12,351,635
State	6,797,470	2,305,845	-	8,480,086	17,583,401
Local	2,980,526	3,637	-	327,953	3,312,116
Charges for services	10,842,612	63,899,492	-	2,679,876	77,421,980
Fines and forfeitures	407,469	-	-	23,841	431,310
Investment income	61,109	-	-	58,094	119,203
Rentals	121,210	-	-	715,233	836,443
Other	1,377,885	1,572,386	-	642,205	3,592,476
Total revenues	<u>51,536,240</u>	<u>72,749,397</u>	<u>-</u>	<u>24,527,033</u>	<u>148,812,670</u>
Expenditures					
Current:					
General government	8,727,082	-	-	336,916	9,063,998
Legislative	372,866	-	-	-	372,866
Judicial	9,709,063	-	-	8,658,234	18,367,297
Public safety	14,209,035	-	-	1,657,916	15,866,951
Public works	511,828	-	-	-	511,828
Health	-	73,182,851	-	13,908,135	87,090,986
Welfare	2,878,085	-	-	4,218,764	7,096,849
Cultural	87,574	-	-	50,394	137,968
Recreation	-	-	-	2,354,693	2,354,693
Community and economic development	493,171	-	-	289,887	783,058
Debt service:					
Principal	295,000	-	-	3,476,699	3,771,699
Interest and fiscal charges	136,786	-	-	3,370,712	3,507,498
Capital outlay	-	-	-	432,036	432,036
Total expenditures	<u>37,420,490</u>	<u>73,182,851</u>	<u>-</u>	<u>38,754,386</u>	<u>149,357,727</u>
Revenues over (under) expenditures	<u>14,115,750</u>	<u>(433,454)</u>	<u>-</u>	<u>(14,227,353)</u>	<u>(545,057)</u>
Other financing sources (uses)					
Transfers in	1,539,756	706,819	-	13,855,623	16,102,198
Transfers out	(12,263,707)	(1,233,673)	-	(847,068)	(14,344,448)
Proceeds from sale of capital assets	26,562	-	-	64,766	91,328
Total other financing sources (uses)	<u>(10,697,389)</u>	<u>(526,854)</u>	<u>-</u>	<u>13,073,321</u>	<u>1,849,078</u>
Net change in fund balances	3,418,361	(960,308)	-	(1,154,032)	1,304,021
Fund balances, beginning of year	<u>11,570,784</u>	<u>(12,343,578)</u>	<u>-</u>	<u>10,415,142</u>	<u>9,642,348</u>
Fund balances, end of year	<u>\$ 14,989,145</u>	<u>\$ (13,303,886)</u>	<u>\$ -</u>	<u>\$ 9,261,110</u>	<u>\$ 10,946,369</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, 2021

Net change in fund balances - total governmental funds \$ 1,304,021

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	575,074
Depreciation expense	(3,347,003)
Proceeds from sale of capital assets	(91,328)
Gain on sale of capital assets	73,049

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 - special assessments	83,604
Net change in deferred inflows for unavailable revenues - Medicaid fee for service and capitation	890,607
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.

Principal payments on long-term liabilities	3,771,699
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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	35,157
Amortization of deferred charge on refunding	(221,287)
Amortization of bond premiums	14,585
Change in the accrual for compensated absences	373,396
Change in net pension liability and related deferred amounts	(13,454,765)
Change in net OPEB asset and related deferred amounts	17,136,690

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 loss from internal service funds	(40,070)
Interest expense from internal service funds	(362,305)
Gain on sale of capital assets from internal service funds	7,592
Operating income from governmental activities in internal service funds	21,645
Capital contributions to internal service funds	422,446
Net transfers from internal service funds	(79,317)

Change in net position of governmental activities \$ 6,973,483

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 28,274,963	\$ 28,676,440	\$ 28,827,404	\$ 150,964
Grants and contributions:				
Federal	166,544	134,943	120,555	(14,388)
State	5,964,861	6,846,784	6,797,470	(49,314)
Local	1,867,065	3,032,943	2,980,526	(52,417)
Charges for services	10,241,358	10,201,299	10,842,612	641,313
Fines and forfeitures	585,119	470,000	407,469	(62,531)
Investment income	70,000	45,425	61,109	15,684
Rentals	121,998	123,645	121,210	(2,435)
Other	822,409	749,959	1,377,885	627,926
Total revenues	<u>48,114,317</u>	<u>50,281,438</u>	<u>51,536,240</u>	<u>1,254,802</u>
Expenditures				
Current:				
General government	9,210,305	9,058,472	8,727,082	(331,390)
Legislative	394,390	407,178	372,866	(34,312)
Judicial	9,516,272	9,880,375	9,709,063	(171,312)
Public safety	15,022,462	14,556,097	14,209,035	(347,062)
Public works	558,950	540,114	511,828	(28,286)
Welfare	1,737,450	2,905,491	2,878,085	(27,406)
Cultural	88,163	91,787	87,574	(4,213)
Community and economic development	540,649	543,354	493,171	(50,183)
Debt service:				
Principal	295,000	295,000	295,000	-
Interest and fiscal charges	137,086	137,086	136,786	(300)
Total expenditures	<u>37,500,727</u>	<u>38,414,954</u>	<u>37,420,490</u>	<u>(994,464)</u>
Revenues over expenditures	<u>10,613,590</u>	<u>11,866,484</u>	<u>14,115,750</u>	<u>2,249,266</u>
Other financing sources (uses)				
Transfers in:				
Delinquent tax fund	1,100,000	1,150,000	1,150,000	-
Other funds	381,328	387,575	389,756	2,181
Total transfers in	<u>1,481,328</u>	<u>1,537,575</u>	<u>1,539,756</u>	<u>2,181</u>
Transfers out:				
Child care fund	(4,225,013)	(4,156,641)	(3,175,580)	(981,061)
Public health fund	(1,774,392)	(1,774,392)	(1,707,124)	(67,268)
Other funds	(7,924,600)	(7,760,379)	(7,381,003)	(379,376)
Total transfers out	<u>(13,924,005)</u>	<u>(13,691,412)</u>	<u>(12,263,707)</u>	<u>(1,427,705)</u>
Proceeds from sale of capital assets	-	24,762	26,562	1,800
Total other financing sources (uses)	<u>(12,442,677)</u>	<u>(12,129,075)</u>	<u>(10,697,389)</u>	<u>(1,431,686)</u>
Net change in fund balances	<u>(1,829,087)</u>	<u>(262,591)</u>	<u>3,418,361</u>	<u>3,680,952</u>
Fund balances, beginning of year	<u>11,570,784</u>	<u>11,570,784</u>	<u>11,570,784</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,741,697</u>	<u>\$ 11,308,193</u>	<u>\$ 14,989,145</u>	<u>\$ 3,680,952</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Grants and contributions:				
Federal	\$ 5,252,755	\$ 6,706,346	\$ 4,968,037	\$ (1,738,309)
State	2,223,377	2,173,564	2,305,845	132,281
Local	281,630	130,930	3,637	(127,293)
Charges for services:				
Medicaid fee for service and capitation	57,704,323	67,953,379	63,899,492	(4,053,887)
Other	1,392,142	1,778,890	1,572,386	(206,504)
Total revenues	<u>66,854,227</u>	<u>78,743,109</u>	<u>72,749,397</u>	<u>(5,993,712)</u>
Expenditures				
Current - Health	<u>66,198,725</u>	<u>78,206,838</u>	<u>73,182,851</u>	<u>(5,023,987)</u>
Revenues over (under) expenditures	<u>655,502</u>	<u>536,271</u>	<u>(433,454)</u>	<u>(969,725)</u>
Other financing sources (uses)				
Transfers in	875,586	851,239	706,819	(144,420)
Transfers out	(1,531,088)	(1,387,510)	(1,233,673)	153,837
Total other financing sources (uses)	<u>(655,502)</u>	<u>(536,271)</u>	<u>(526,854)</u>	<u>9,417</u>
Net change in fund balances	-	-	(960,308)	(960,308)
Fund balances, beginning of year	<u>(12,343,578)</u>	<u>(12,343,578)</u>	<u>(12,343,578)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (12,343,578)</u>	<u>\$ (12,343,578)</u>	<u>\$ (13,303,886)</u>	<u>\$ (960,308)</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, 2021

	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	\$ 16,279,047	\$ 8,847,038	\$ -	\$ 16,043,328
Receivables:				
Accounts	735,246	37,803	-	460,888
Due from other governments	392,996	-	-	8,999
Accrued interest	-	-	-	-
Taxes	-	8,172,511	-	-
Notes	2,521	-	-	-
Leases	-	-	1,008,586	-
Special assessments	94,053	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	3,034
Total current assets	17,503,863	17,057,352	1,008,586	16,516,249
Noncurrent assets:				
Advances to other funds	-	-	-	21,580
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	2,822,523
Leases receivable	-	-	13,845,658	-
Special assessments receivable	290,890	-	-	-
Capital assets not being depreciated	4,239,135	-	-	1,701,444
Capital assets being depreciated, net	13,565,177	-	-	5,237,068
Net pension asset	-	-	-	-
Net OPEB asset	3,619	-	-	59,445
Total noncurrent assets	18,098,821	-	13,845,658	9,842,060
Total assets	35,602,684	17,057,352	14,854,244	26,358,309
Deferred outflows of resources				
Deferred charge on bond refunding	91,594	-	236,685	-
Deferred pension amounts	10,652	-	-	45,027
Deferred OPEB amounts	12,725	-	-	53,767
Total deferred outflows of resources	114,971	-	236,685	98,794

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ 19,562,732	\$ 1,019,208	\$ 61,751,353	\$ 10,308,535
986,727	1,416,143	18,953	3,655,760	605,105
68,996	1,993,079	731,359	3,195,429	6,864
-	-	-	-	198,295
-	-	-	8,172,511	-
-	-	-	2,521	-
-	-	-	1,008,586	-
-	-	-	94,053	-
23,385	-	-	23,385	1,646,891
-	40,166	-	43,200	-
<u>1,079,108</u>	<u>23,012,120</u>	<u>1,769,520</u>	<u>77,946,798</u>	<u>12,765,690</u>
-	-	-	21,580	453,084
-	-	-	-	460,331
-	-	127,849	2,950,372	-
-	-	-	13,845,658	-
-	-	-	290,890	-
16,204,002	11,387,646	354,753	33,886,980	422,000
13,894,121	89,553,277	6,124,890	128,374,533	9,224,687
-	244,228	-	244,228	-
-	15,683	-	78,747	-
<u>30,098,123</u>	<u>101,200,834</u>	<u>6,607,492</u>	<u>179,692,988</u>	<u>10,560,102</u>
<u>31,177,231</u>	<u>124,212,954</u>	<u>8,377,012</u>	<u>257,639,786</u>	<u>23,325,792</u>
-	-	-	328,279	75,902
12,107	69,628	73,987	211,401	-
13,177	166,047	87,183	332,899	-
<u>25,284</u>	<u>235,675</u>	<u>161,170</u>	<u>872,579</u>	<u>75,902</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2021

	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	\$ -	\$ -	\$ 3,852	\$ -
Payables:				
Accounts payable	2,188,430	12,677	-	94,711
Due to other governments	361,289	-	-	-
Accrued liabilities	14,600	241,640	-	151,639
Accrued interest	154,758	29,017	225,164	4,991
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	251,726
Current portion of compensated absences	6,524	-	-	23,415
Current portion of long-term debt	795,953	10,000,000	794,840	7,946
Total current liabilities	3,521,554	10,283,334	1,023,856	534,428
Noncurrent liabilities, net of current portion:				
Advances from other funds	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	14,181,080
Compensated absences	47,980	-	-	172,201
Long-term debt	23,022,481	2,300,000	14,067,073	277,870
Net pension liability	173,137	-	-	1,650,290
Net OPEB liability	-	-	-	-
Total noncurrent liabilities	23,243,598	2,300,000	14,067,073	16,281,441
Total liabilities	26,765,152	12,583,334	15,090,929	16,815,869
Deferred inflows of resources				
Deferred pension amounts	37,672	-	-	159,248
Deferred OPEB amounts	151,072	-	-	638,335
Total deferred inflows of resources	188,744	-	-	797,583
Net position				
Net investment in capital assets	4,765,205	-	-	6,938,512
Restricted for pension	-	-	-	-
Unrestricted (deficit)	3,998,554	4,474,018	-	1,905,139
Total net position	\$ 8,763,759	\$ 4,474,018	\$ -	\$ 8,843,651

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
\$ 638,934	\$ -	\$ -	\$ 642,786	\$ -
157,604	1,217,126	105,510	3,776,058	66,511
25,503	-	-	386,792	16,004
3,350	190,840	98,169	700,238	2,666,086
4,189	333,115	19,989	771,223	126,844
12,227	-	-	12,227	14,310
-	-	21,172	272,898	-
-	69,838	36,484	136,261	17,561
6,669	4,579,437	31,822	16,216,667	1,529,005
<u>848,476</u>	<u>6,390,356</u>	<u>313,146</u>	<u>22,915,150</u>	<u>4,436,321</u>
450,584	-	-	450,584	21,580
-	5,390,115	223,448	19,794,643	-
-	513,607	268,313	1,002,101	129,146
233,216	29,743,950	1,112,868	70,757,458	9,421,833
511,339	-	1,598,660	3,933,426	-
155,423	-	369,777	525,200	-
<u>1,350,562</u>	<u>35,647,672</u>	<u>3,573,066</u>	<u>96,463,412</u>	<u>9,572,559</u>
<u>2,199,038</u>	<u>42,038,028</u>	<u>3,886,212</u>	<u>119,378,562</u>	<u>14,008,880</u>
42,818	246,254	261,669	747,661	-
156,442	1,971,359	1,035,064	3,952,272	-
<u>199,260</u>	<u>2,217,613</u>	<u>1,296,733</u>	<u>4,699,933</u>	<u>-</u>
30,098,123	66,617,536	6,479,643	114,899,019	(1,228,249)
-	67,602	-	67,602	-
(1,293,906)	13,507,850	(3,124,406)	19,467,249	10,621,063
<u>\$ 28,804,217</u>	<u>\$ 80,192,988</u>	<u>\$ 3,355,237</u>	<u>\$ 134,433,870</u>	<u>\$ 9,392,814</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position
 Proprietary Funds
 For the Year Ended September 30, 2021

	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	\$ 3,464,317	\$ 1,426,581	\$ 8,098	\$ 4,761,786
Farm sales	-	-	-	-
Interest and penalties	-	1,755,774	-	-
Rentals	58,074	-	-	-
Lease interest revenue	-	-	545,867	-
Other revenues	800,790	-	636	368
Total operating revenues	4,323,181	3,182,355	554,601	4,762,154
Operating expenses				
Salaries and fringes	279,074	323,954	-	1,271,196
Supplies and other operating expenses	1,951,781	487,018	283,954	(162,074)
Insurance benefits and claims	-	-	-	-
Insurance premiums	-	-	-	-
Depreciation	407,819	-	-	470,471
Total operating expenses	2,638,674	810,972	283,954	1,579,593
Operating income (loss)	1,684,507	2,371,383	270,647	3,182,561
Nonoperating revenues (expenses)				
Grants and contributions:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Investment income (loss)	48,140	52,601	595	93,522
Interest expense	(293,894)	(126,566)	(543,478)	(12,009)
Bond issuance expense	(323,405)	(26,150)	-	-
Gain (loss) on sale of capital assets	-	-	-	2,250
Total nonoperating revenues (expenses)	(569,159)	(100,115)	(542,883)	83,763
Income (loss) before capital contributions and transfers	1,115,348	2,271,268	(272,236)	3,266,324
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Transfers				
Transfers in	-	-	-	-
Transfers out	-	(1,678,433)	-	-
Change in net position	1,115,348	592,835	(272,236)	3,266,324
Net position, beginning of year	7,648,411	3,881,183	272,236	5,577,327
Net position, end of year	\$ 8,763,759	\$ 4,474,018	\$ -	\$ 8,843,651

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
\$ 818,121	\$ 15,370,497	\$ 170,981	\$ 26,020,381	\$ 18,772,364
-	2,426,630	-	2,426,630	-
-	-	-	1,755,774	-
75,105	-	-	133,179	1,207,822
-	-	-	545,867	-
17,488	201,952	1,283	1,022,517	6,205,195
<u>910,714</u>	<u>17,999,079</u>	<u>172,264</u>	<u>31,904,348</u>	<u>26,185,381</u>
282,324	3,231,569	1,971,930	7,360,047	2,371,980
1,326,820	5,978,145	1,442,725	11,308,369	1,950,988
-	-	-	-	668,922
-	-	-	-	19,116,707
1,184,666	6,893,199	713,050	9,669,205	2,055,139
<u>2,793,810</u>	<u>16,102,913</u>	<u>4,127,705</u>	<u>28,337,621</u>	<u>26,163,736</u>
<u>(1,883,096)</u>	<u>1,896,166</u>	<u>(3,955,441)</u>	<u>3,566,727</u>	<u>21,645</u>
917,759	-	2,349,321	3,267,080	-
13,366	-	1,338,100	1,351,466	-
-	466,622	254,323	720,945	-
10,026	163,292	4,560	372,736	(40,070)
(10,079)	(725,498)	(48,096)	(1,759,620)	(362,305)
-	(70,931)	-	(420,486)	-
-	32,938	(82,297)	(47,109)	7,592
<u>931,072</u>	<u>(133,577)</u>	<u>3,815,911</u>	<u>3,485,012</u>	<u>(394,783)</u>
(952,024)	1,762,589	(139,530)	7,051,739	(373,138)
232,483	-	-	232,483	422,446
187	-	-	187	-
-	-	-	-	42,828
-	-	-	(1,678,433)	(122,145)
<u>(719,354)</u>	<u>1,762,589</u>	<u>(139,530)</u>	<u>5,605,976</u>	<u>(30,009)</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>
<u>\$ 28,804,217</u>	<u>\$ 80,192,988</u>	<u>\$ 3,355,237</u>	<u>\$ 134,433,870</u>	<u>\$ 9,392,814</u>

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2021

	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	\$ 4,203,769	\$ 16,255,831	\$ 1,315,968	\$ 4,931,140
Payments to vendors	(1,025,139)	(474,508)	(280,929)	(4,023,183)
Payments for personnel services	(276,092)	(125,632)	-	(1,307,223)
Delinquent taxes purchased	-	(10,847,396)	-	-
Net cash provided by (used in) operating activities	<u>2,902,538</u>	<u>4,808,295</u>	<u>1,035,039</u>	<u>(399,266)</u>
Cash flows from noncapital financing activities				
Intergovernmental receipts	-	-	-	10,275
Intergovernmental payments	-	(1,678,433)	-	-
Receipts on advances to component unit	-	75,000	-	-
Issuance of tax notes	-	8,300,000	-	-
Principal paid on pension bonds	(6,378)	-	-	(11,451)
Interest paid on pension bonds	(6,775)	-	-	(12,120)
Principal paid on tax notes	-	(11,500,000)	-	-
Interest paid on tax notes	-	(212,884)	-	-
Federal, state and/or local grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(13,153)</u>	<u>(5,016,317)</u>	<u>-</u>	<u>(13,296)</u>
Cash flows from capital and related financing activities				
Proceeds from issuance of long-term debt	13,500,000	-	-	-
Proceeds received on refunded bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Premium on issuance of long-term debt	147,147	-	-	-
Premium on issuance of refunded bonds	-	-	-	-
Principal paid on long-term debt	(680,000)	-	(630,000)	-
Interest paid on long-term debt	(668,313)	-	(675,240)	-
Capital contributions received	-	-	-	-
Proceeds from sale of capital assets	-	-	-	2,250
Purchase of capital assets	(3,377,731)	-	-	(1,284,639)
Net cash provided by (used in) capital and related financing activities	<u>8,921,103</u>	<u>-</u>	<u>(1,305,240)</u>	<u>(1,282,389)</u>
Cash flows from investing activities				
Interest received on investments	48,140	52,601	595	93,522
Net change in cash and investments	<u>11,858,628</u>	<u>(155,421)</u>	<u>(269,606)</u>	<u>(1,601,429)</u>
Cash and investments, beginning of year	<u>4,420,419</u>	<u>9,002,459</u>	<u>269,606</u>	<u>17,644,757</u>
Cash and investments, end of year	<u>\$ 16,279,047</u>	<u>\$ 8,847,038</u>	<u>\$ -</u>	<u>\$ 16,043,328</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 270,755	\$ 18,708,814	\$ 161,656	\$ 45,847,933	\$ 26,041,752
(912,907)	(4,693,469)	(1,564,302)	(12,974,437)	(22,144,080)
(378,308)	(3,832,251)	(2,089,457)	(8,008,963)	(2,220,410)
-	-	-	(10,847,396)	-
(1,020,460)	10,183,094	(3,492,103)	14,017,137	1,677,262
-	-	-	10,275	14,077
(50,000)	-	-	(1,728,433)	(56,169)
-	-	-	75,000	-
-	-	-	8,300,000	-
(9,611)	-	(45,861)	(73,301)	-
(10,172)	-	(48,541)	(77,608)	-
-	-	-	(11,500,000)	-
-	-	-	(212,884)	-
1,080,405	466,622	3,847,565	5,394,592	-
1,010,622	466,622	3,753,163	187,641	(42,092)
-	-	-	13,500,000	-
-	3,625,000	-	3,625,000	-
-	(4,022,663)	-	(4,022,663)	-
-	-	-	147,147	-
-	377,032	-	377,032	-
-	(4,415,000)	-	(5,725,000)	(1,641,610)
-	(960,778)	-	(2,304,331)	(375,944)
-	-	-	-	422,446
-	33,980	24,750	60,980	7,592
(188)	(5,391,274)	-	(10,053,832)	(55,306)
(188)	(10,753,703)	24,750	(4,395,667)	(1,642,822)
10,026	163,292	4,560	372,736	(40,070)
-	59,305	290,370	10,181,847	(47,722)
-	19,503,427	728,838	51,569,506	10,356,257
\$ -	\$ 19,562,732	\$ 1,019,208	\$ 61,751,353	\$ 10,308,535

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2021

	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)	\$ 1,684,507	\$ 2,371,383	\$ 270,647	\$ 3,182,561
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	407,819	-	-	470,471
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	37,947	1,273,133	-	162,642
Due from other governments	(233,644)	-	-	6,344
Accrued interest receivable	-	-	-	-
Taxes receivable	-	952,947	-	-
Notes receivable	7,593	-	-	-
Leases receivable	-	-	761,367	-
Special assessments receivable	68,692	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	1,954
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	(131,485)
Negative equity in pooled cash	-	-	3,852	-
Accounts payable	992,247	12,510	-	(1,715,436)
Due to other governments	(65,605)	-	(827)	-
Accrued liabilities	2,973	198,322	-	4,122
Unearned revenue	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	(2,340,290)
Compensated absences	14,246	-	-	19,612
Net pension asset	-	-	-	-
Net pension liability	13,822	-	-	18,317
Deferred outflows - pension amounts	35,458	-	-	86,307
Deferred inflows - pension amounts	24,876	-	-	119,506
Net OPEB asset	31,651	-	-	(40,048)
Net OPEB liability	-	-	-	-
Deferred outflows - OPEB amounts	12,249	-	-	144,088
Deferred inflows - OPEB amounts	(132,293)	-	-	(387,931)
Net cash provided by (used in) operating activities	<u>\$ 2,902,538</u>	<u>\$ 4,808,295</u>	<u>\$ 1,035,039</u>	<u>\$ (399,266)</u>

Noncash transactions

The Airport fund received noncash capital contributions of \$232,670 for the year ended September 30, 2021.

The Equipment Revolving internal service fund purchased \$234,100 of vehicles through a capital lease for the year ended September 30, 2021.

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
\$ (1,883,096)	\$ 1,896,166	\$ (3,955,441)	\$ 3,566,727	\$ 21,645
1,184,666	6,893,199	713,050	9,669,205	2,055,139
(639,211)	318,370	(10,608)	1,142,273	(174,140)
-	2,798	-	(224,502)	16,910
-	-	-	-	15,619
-	-	-	952,947	-
-	388,567	-	396,160	-
-	-	-	761,367	-
-	-	-	68,692	-
(187)	-	-	(187)	(248,590)
-	(212)	-	1,742	-
-	-	-	-	237,445
-	-	523	(130,962)	-
402,921	-	(119,862)	286,911	-
11,179	635,517	23,130	(40,853)	(396,318)
-	-	-	(66,432)	(48,368)
(19,414)	16,513	(10,485)	192,031	185,709
(748)	-	-	(748)	(2,018)
-	649,371	(25,368)	(1,716,287)	-
(67,309)	(86,730)	(13,846)	(134,027)	14,229
-	(22,659)	-	(22,659)	-
1,547	-	(31,317)	2,369	-
52,070	633,512	164,329	971,676	-
19,604	166,333	235,269	565,588	-
-	92,507	340,783	424,893	-
1,777	-	369,777	371,554	-
38,042	106,491	377,813	678,683	-
(122,301)	(1,506,649)	(1,549,850)	(3,699,024)	-
<u>\$ (1,020,460)</u>	<u>\$ 10,183,094</u>	<u>\$ (3,492,103)</u>	<u>\$ 14,017,137</u>	<u>\$ 1,677,262</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2021

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
Assets		
Cash and investments	\$ 15,629,335	\$ -
MERS total market portfolio	-	66,729,153
Prepays	-	95,757
Total assets	<u>15,629,335</u>	<u>66,824,910</u>
Liabilities		
Negative equity in pooled cash	-	102,619
Accounts payable	5,202	-
Due to other governments	2,543,987	-
Undistributed current and delinquent taxes	11,651,694	-
Trust deposits	105,460	-
Unallocated receipts	278,639	-
Total liabilities	<u>14,584,982</u>	<u>102,619</u>
Net position restricted for		
Individuals, organizations and other governments	1,044,353	-
Other postemployment benefits	-	66,722,291
Total net position	<u>\$ 1,044,353</u>	<u>\$ 66,722,291</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, 2021

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
Additions		
Employer contributions	\$ -	\$ 39,711
Contributions	11,434	-
Investment earnings	477	12,498,774
Collections:		
Property and other taxes	96,249,831	-
Road Commission Act 51	17,520,829	-
Court and other fees	2,060,478	-
Library penal	318,386	-
HealthWest consumer	4,820,589	-
Inmate	1,470,032	-
Other	829,427	-
Total additions	<u>123,281,483</u>	<u>12,538,485</u>
Deductions		
Benefit payments	-	2,245,778
Administrative expenses	-	115,413
Distributions:		
Property and other taxes	96,249,831	-
Road Commission Act 51	17,520,829	-
Court and other fees	2,060,478	-
Library penal	318,386	-
HealthWest consumer	4,650,161	-
Inmate	1,445,825	-
Other	829,427	-
Total deductions	<u>123,074,937</u>	<u>2,361,191</u>
Change in net position	206,546	10,177,294
Net position, beginning of year, as restated	<u>837,807</u>	<u>56,544,997</u>
Net position, end of year	<u>\$ 1,044,353</u>	<u>\$ 66,722,291</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, 2021

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
Assets				
Cash and investments	\$ 5,191,511	\$ 8,897,552	\$ 1,021,470	\$ 15,110,533
Receivables:				
Accounts	-	-	484,675	484,675
Assessments	-	17,535,327	-	17,535,327
Due from other governments	4,117,530	178,626	-	4,296,156
Other	44,826	-	-	44,826
Prepays and other assets	225,455	-	-	225,455
Inventories	2,727,933	-	-	2,727,933
Assets held for resale	-	-	1,038,415	1,038,415
Capital assets not being depreciated	31,230,163	7,569,549	-	38,799,712
Capital assets being depreciated, net	62,824,013	10,613,606	28,890	73,466,509
Net OPEB asset	907,267	-	-	907,267
Total assets	107,268,698	44,794,660	2,573,450	154,636,808
Deferred outflows of resources				
Deferred pension amounts	2,711,423	-	-	2,711,423
Deferred OPEB amounts	534,597	-	-	534,597
Total deferred outflows of resources	3,246,020	-	-	3,246,020
Liabilities				
Accounts payable	323,766	1,731,709	3,092	2,058,567
Accrued liabilities	800,498	-	3,402	803,900
Accrued interest	-	212,556	-	212,556
Advances from primary government	-	100,000	-	100,000
Unearned revenue	107,428	-	27,887	135,315
Long-term debt:				
Due within one year	248,000	1,613,286	-	1,861,286
Due in more than one year	136,830	18,586,822	-	18,723,652
Net pension liability (due in more than one year)	2,353,472	-	-	2,353,472
Total liabilities	3,969,994	22,244,373	34,381	26,248,748
Deferred inflows of resources				
Deferred pension amounts	990,183	-	-	990,183
Deferred OPEB amounts	1,073,464	-	-	1,073,464
Total deferred inflows of resources	2,063,647	-	-	2,063,647
Net position				
Net investment in capital assets	94,054,176	2,842,779	28,890	96,925,845
Restricted for debt service	-	1,130,579	-	1,130,579
Restricted for OPEB	368,400	-	-	368,400
Restricted for county roads	10,058,501	-	-	10,058,501
Unrestricted	-	18,576,929	2,510,179	21,087,108
Total net position	\$ 104,481,077	\$ 22,550,287	\$ 2,539,069	\$ 129,570,433

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, 2021

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
Expenses				
Road Commission	\$ 17,813,743	\$ -	\$ -	\$ 17,813,743
Water Resources	-	1,356,173	-	1,356,173
Land Bank Authority	-	-	530,464	530,464
Total expenses	<u>17,813,743</u>	<u>1,356,173</u>	<u>530,464</u>	<u>19,700,380</u>
Revenues				
Program revenues:				
Charges for services	3,728,367	146,752	184,710	4,059,829
Operating grants and contributions	17,688,533	-	-	17,688,533
Capital grants and contributions	2,656,687	8,862,309	5,781	11,524,777
General revenues:				
Unrestricted investment earnings	1,806	41,380	33,385	76,571
Gain on sale of capital assets	68,666	-	-	68,666
Other revenue	-	10,461	354,628	365,089
Total revenues	<u>24,144,059</u>	<u>9,060,902</u>	<u>578,504</u>	<u>33,783,465</u>
Change in net position	6,330,316	7,704,729	48,040	14,083,085
Net position, beginning of year	<u>98,150,761</u>	<u>14,845,558</u>	<u>2,491,029</u>	<u>115,487,348</u>
Net position, end of year	<u>\$ 104,481,077</u>	<u>\$ 22,550,287</u>	<u>\$ 2,539,069</u>	<u>\$ 129,570,433</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

Fiduciary Component Unit

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

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly 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.

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 American Rescue Plan Act Special Revenue Fund accounts for funds earmarked for coronavirus local fiscal recovery. Monies are provided by federal grants.

The County reports the following major enterprise funds:

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

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.

The *Permanent Fund* is 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

Custodial Funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes and fees collected for other governments).

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).

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

- (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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 1,440 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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 special assessments, 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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to 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.
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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

During the year ended September 30, 2021, 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:			
Corporate Counsel	\$ 300,000	\$ 321,866	\$ 21,866
Judicial:			
District Court Restitution	250,000	654,629	404,629
Public safety:			
Emergency Response Team	6,110	7,136	1,026
Senior Millage Fund	2,363,012	2,788,642	425,630
Highway Safety Patrol	314,150	317,592	3,442
Park Fund	986,492	998,800	12,308
Special Investigative Fund	18,034	19,283	1,249

3. DEFICIT FUND EQUITY

At September 30, 2021, 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
Airport	\$ (1,293,906)	\$ 28,804,217	\$ 230,632	\$ 840,738
Muskegon Area Transit System	(3,735,716)	2,593,395	749,465	3,104,000
Energy Improvements	1,961,273	(134,479)	1,546,273	-

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.

In addition to the deficits noted above, the HealthWest special revenue fund had an unassigned deficit of \$13,495,306 at September 30, 2021, while the total fund deficit was \$13,303,886. HealthWest's fund balance deficit resulted from payment on \$14,037,177 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2021:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 96,710,951	\$ 15,110,533	\$ 111,821,484
Restricted assets	2,950,372	-	2,950,372
	<u>99,661,323</u>	<u>15,110,533</u>	<u>114,771,856</u>
Statement of Fiduciary Net Position			
Custodial funds:			
Cash and investments	15,629,335	-	15,629,335
Other postemployment benefit trust fund:			
Negative equity in pooled cash	(102,619)	-	(102,619)
MERS total market portfolio	66,729,153	-	66,729,153
	<u>82,255,869</u>	<u>-</u>	<u>82,255,869</u>
Total	<u>\$ 181,917,192</u>	<u>\$ 15,110,533</u>	<u>\$ 197,027,725</u>
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 102,469,893
Certificates of deposits, due within one year			3,500,000
Certificates of deposits, due within one to five years			20,000
Total bank deposits			<u>105,989,893</u>
Investments:			
MERS total market portfolio			66,729,153
Money market accounts			2,950,372
Municipal bonds			19,104,000
Government securities			1,405,000
Non-cash commodity			742,589
Total investments			<u>90,931,114</u>
Cash on hand			<u>106,718</u>
Total			<u>\$ 197,027,725</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, \$109,942,023 of the County's bank balance of \$110,816,707 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, 2021, 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 AA1	\$ 2,944,158
Moody AA2	648,780
Moody AA3	2,035,320
Moody A1	2,056,500
S&P AA	9,619,543
S&P AA-	1,799,699
Unrated	<u>71,827,114</u>
Total	<u><u>\$ 90,931,114</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	\$ 3,042,060
Due in 1-5 years	1,241,797
Due in 6-10 years	6,365,083
Due in 11-15 years	8,060,361
Due in 26-30 years	1,799,699
No maturity	<u>70,422,114</u>
Total	<u>\$ 90,931,114</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, 2021:

	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	\$ 66,729,153	\$ 66,729,153	\$ -	\$ -
Money market accounts	2,950,372	2,950,372	-	-
Municipal bonds	19,104,000	-	19,104,000	-
Government securities	1,405,000	-	1,405,000	-
Non-cash commodity	742,589	742,589	-	-
Total investments	<u>\$ 90,931,114</u>	<u>\$ 70,422,114</u>	<u>\$ 20,509,000</u>	<u>\$ -</u>

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 3,276,926	\$ 3,655,760	\$ 484,675
Less: allowance for uncollectibles	(260,620)	-	-
Due from other governments	20,067,966	3,195,429	4,296,156
Accrued interest	198,295	-	-
Taxes (current)	7,088,206	-	-
Taxes (delinquent)	-	8,172,511	-
Notes	-	2,521	-
Leases	-	14,854,244	-
Special assessments	84,759	384,943	17,535,327
Other	-	-	44,826
	<u>\$ 30,455,532</u>	<u>\$ 30,265,408</u>	<u>\$ 22,360,984</u>

Of the amounts reported for receivables above, special assessments receivable in the amount of \$16,164,716, leases receivable in the amount of \$13,845,658, and accounts receivable of \$395,472 are not expected to be collected within one year.

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	\$ 10,018,454	\$ 3,776,058	\$ 2,058,567
Due to other governments	1,162,270	386,792	-
Accrued liabilities	4,758,381	700,238	803,900
Accrued interest payable	1,635,483	771,223	212,556
	<u>\$ 17,574,588</u>	<u>\$ 5,634,311</u>	<u>\$ 3,075,023</u>

7. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Prepays and other items	\$ 1,849,757	\$ 23,385	\$ 225,455
Inventories	36,980	43,200	2,727,933
Deposits held with others	460,331	-	-
Assets held for resale	-	-	1,038,415
	<u>\$ 2,347,068</u>	<u>\$ 66,585</u>	<u>\$ 3,991,803</u>

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2021, was as follows:

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ -	\$ 2,500
Solid Waste	21,580	-
Airport	-	450,584
Internal Service Funds	453,084	21,580
	<u>\$ 474,664</u>	<u>\$ 474,664</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	\$ -
Water Resources Commissioner	-	100,000
	<u>\$ 100,000</u>	<u>\$ 100,000</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, 2021, interfund transfers consisted of the following:

Transfers Out	Transfers In				Totals
	General Fund	HealthWest	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 706,819	\$ 11,514,060	\$ 42,828	\$ 12,263,707
HealthWest	-	-	1,233,673	-	1,233,673
Nonmajor Governmental Funds	89,756	-	757,312	-	847,068
Delinquent Tax Revolving	1,450,000	-	228,433	-	1,678,433
Internal Service Funds	-	-	122,145	-	122,145
Totals	\$ 1,539,756	\$ 706,819	\$ 13,855,623	\$ 42,828	\$ 16,145,026

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, 2021 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,615,297	\$ 98,458	\$ (9,493)	\$ -	\$ 4,704,262
Construction-in-progress	419,058	19,349	-	(419,058)	19,349
	<u>5,034,355</u>	<u>117,807</u>	<u>(9,493)</u>	<u>(419,058)</u>	<u>4,723,611</u>
Capital assets being depreciated:					
Land improvements	8,066,046	6,200	(16,398)	-	8,055,848
Building and improvements	92,744,941	140,043	-	-	92,884,984
Machinery and equipment	29,133,429	600,430	(128,109)	419,058	30,024,808
	<u>129,944,416</u>	<u>746,673</u>	<u>(144,507)</u>	<u>419,058</u>	<u>130,965,640</u>
Less accumulated depreciation for:					
Land improvements	(4,842,625)	(301,862)	14,212	-	(5,130,275)
Building and improvements	(37,584,388)	(3,091,483)	-	-	(40,675,871)
Machinery and equipment	(20,507,336)	(2,008,797)	121,509	-	(22,394,624)
	<u>(62,934,349)</u>	<u>(5,402,142)</u>	<u>135,721</u>	<u>-</u>	<u>(68,200,770)</u>
Total capital assets being depreciated, net	<u>67,010,067</u>	<u>(4,655,469)</u>	<u>(8,786)</u>	<u>419,058</u>	<u>62,764,870</u>
Governmental activities- capital assets, net	<u>\$ 72,044,422</u>	<u>\$ (4,537,662)</u>	<u>\$ (18,279)</u>	<u>\$ -</u>	<u>\$ 67,488,481</u>

Of the amount reported in capital assets, \$1,527,154 of machinery and equipment was purchased through capital lease purchase agreements. Related accumulated depreciation at year-end amounted to \$897,852.

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	\$ 794,282
Judicial	36,294
Public safety	1,537,153
Health	614,092
Welfare	1,700
Recreation	363,482
Internal service funds	<u>2,055,139</u>

Total depreciation expense - governmental activities \$ 5,402,142

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 20,639,468	\$ -	\$ -	\$ -	\$ 20,639,468
Construction-in-progress	9,238,981	6,682,854	-	(2,674,323)	13,247,512
	<u>29,878,449</u>	<u>6,682,854</u>	<u>-</u>	<u>(2,674,323)</u>	<u>33,886,980</u>
Capital assets being depreciated:					
Land improvements	32,832,116	1,385,011	(12,423)	1,484,655	35,689,359
Buildings and improvements	29,758,786	12,535	(16,398)	-	29,754,923
Machinery and equipment	43,605,920	2,122,331	(800,520)	112,011	45,039,742
Lagoons	9,495,715	-	-	-	9,495,715
W/W collection and distribution	176,848,065	83,771	(61,365)	1,077,657	177,948,128
Capitalized interest and engineering	8,936,046	-	-	-	8,936,046
	<u>301,476,648</u>	<u>3,603,648</u>	<u>(890,706)</u>	<u>2,674,323</u>	<u>306,863,913</u>
Less accumulated depreciation for:					
Land improvements	(20,252,425)	(796,292)	12,423	-	(21,036,294)
Building and improvements	(18,817,128)	(778,921)	16,398	-	(19,579,651)
Machinery and equipment	(23,786,940)	(2,098,609)	692,431	-	(25,193,118)
Lagoons	(4,479,993)	(95,085)	-	-	(4,575,078)
W/W collection and distribution	(94,719,856)	(5,794,429)	61,365	-	(100,452,920)
Capitalized interest and engineering	(7,546,450)	(105,869)	-	-	(7,652,319)
	<u>(169,602,792)</u>	<u>(9,669,205)</u>	<u>782,617</u>	<u>-</u>	<u>(178,489,380)</u>
Total capital assets being depreciated, net	<u>131,873,856</u>	<u>(6,065,557)</u>	<u>(108,089)</u>	<u>2,674,323</u>	<u>128,374,533</u>
Business-type activities capital assets, net	<u><u>\$ 161,752,305</u></u>	<u><u>\$ 617,297</u></u>	<u><u>\$ (108,089)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 162,261,513</u></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	470,471
Airport	1,184,666
Wastewater	6,893,199
Nonmajor enterprise funds	<u>713,050</u>

Total depreciation expense - business-type activities \$ 9,669,205

	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	<u>-</u>	<u>(4,815)</u>	<u>-</u>	<u>-</u>	<u>(4,815)</u>
Land Bank Authority					
capital assets, net	<u>\$ 33,705</u>	<u>\$ (4,815)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,890</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, 2021:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Public placement:					
General obligation bonds	\$ 91,700,760	\$ -	\$ (3,411,699)	\$ 88,289,061	\$ 3,003,848
Direct placement:					
General obligation bonds	11,360,000	-	(1,215,000)	10,145,000	1,235,000
Capital leases	481,982	234,100	(267,283)	448,799	184,931
Installment purchase agreements	1,434,524	-	(519,327)	915,197	451,014
Total direct placement	13,276,506	234,100	(2,001,610)	11,508,996	1,870,945
Total installment debt	104,977,266	234,100	(5,413,309)	99,798,057	4,874,793
Premium on bonds payable	162,299	-	(38,357)	123,942	30,847
Discount on bonds payable	(138,559)	-	5,761	(132,798)	(6,031)
Compensated absences	7,503,155	1,220,679	(1,579,846)	7,143,988	855,136
Total governmental activities	\$ 112,504,161	\$ 1,454,779	\$ (7,025,751)	\$ 106,933,189	\$ 5,754,745
Business-type activities					
Public placement:					
General obligation bonds	\$ 19,499,240	\$ -	\$ (868,301)	\$ 18,630,939	\$ 886,152
Revenue bonds	14,845,000	17,125,000	(5,390,000)	26,580,000	1,445,000
Total public placement	34,344,240	17,125,000	(6,258,301)	45,210,939	2,331,152
Direct placement:					
Revenue bonds	30,763,365	-	(3,455,000)	27,308,365	3,525,000
Notes payable	15,500,000	8,300,000	(11,500,000)	12,300,000	10,000,000
Total direct placement	46,263,365	8,300,000	(14,955,000)	39,608,365	13,525,000
Total installment debt	80,607,605	25,425,000	(21,213,301)	84,819,304	15,856,152
Premium on bonds payable	2,059,216	524,179	(422,218)	2,161,177	360,804
Discount on bonds payable	(6,631)	-	275	(6,356)	(289)
Closure and sludge cost	21,783,828	649,371	(2,365,658)	20,067,541	272,898
Compensated absences	1,272,389	118,165	(252,192)	1,138,362	136,261
Total business-type activities	\$ 105,716,407	\$ 26,716,715	\$ (24,253,094)	\$ 108,180,028	\$ 16,625,826

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.	\$ 4,020,000
\$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.	40,310,000
\$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.	38,364,061
\$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.	3,930,000
\$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>1,665,000</u>
Total governmental activities public placement installment debt	<u><u>\$ 88,289,061</u></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.	\$ 530,000
\$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.	4,690,000
\$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.	4,925,000

Capital leases

Various capital leases, due in various monthly installments plus interest maturing at various dates through October 21, 2025.	448,799
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COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Installment purchase agreement

\$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.

\$ 915,197

Total governmental activities direct placement installment debt

\$ 11,508,996

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.

\$ 13,710,000

\$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.

85,000

\$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.

3,000,000

\$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.

1,835,939

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.

5,360,000

\$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.

4,095,000

\$13,500,000 2021 Muskegon County Water Supply System Revenue Bonds, due in annual installments of \$100,000 to \$855,000 plus interest ranging from 2.00% to 2.25%, payable semi-annually, through July 1, 2047.

13,500,000

\$3,625,000 2021 Wastewater Revenue Refunding Bond, payable in annual installments of \$695,000 to \$745,000 plus interest at 4.00% payable semi-annually, through July 1, 2026.

3,625,000

Total business-type activities public placement installment debt

\$ 45,210,939

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.	\$ 5,811,560
**\$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.	5,425,000
**\$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.	605,000
**\$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.	373,316
**\$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.	6,909,830
**\$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.	7,342,676
**\$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.	840,983
Notes payable	
\$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.	4,000,000
\$8,300,000 2020 General Obligation Tax Note, due in installments of \$2,300,000 to \$3,000,000 plus interest at 0.39%, payable semi-annually, through December 1, 2022.	<u>8,300,000</u>
Total business-type activities direct placement installment debt	<u>\$ 39,608,365</u>

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, 2021, the total amount outstanding on the various bond and drain notes that will be assessed to the County in subsequent years is approximately \$3.5 million. The amounts will be assessed annually through 2051.

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 \$29,829,376. For the current year, principal and interest paid was \$4,104,516 and net revenues were \$8,952,657.

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
2022	\$ 3,003,848	\$ 3,424,884	\$ 1,870,945	\$ 307,041
2023	3,235,629	3,321,544	1,318,191	253,830
2024	3,410,834	3,212,441	831,456	216,855
2025	3,395,172	3,094,705	814,240	195,164
2026	3,460,400	2,977,505	789,164	173,993
2027-2031	20,128,765	12,862,783	4,275,000	543,535
2032-2036	24,594,144	8,229,926	1,610,000	116,417
2037-2041	19,540,269	3,247,020	-	-
2042-2044	7,520,000	466,176	-	-
	<u>\$ 88,289,061</u>	<u>\$ 40,836,984</u>	<u>\$ 11,508,996</u>	<u>\$ 1,806,835</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Year Ended September 30,	Business-type Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2022	\$ 2,331,152	\$ 1,569,391	\$ 13,525,000	\$ 632,012
2023	2,414,371	1,509,359	5,900,000	510,086
2024	2,469,166	1,415,200	3,680,000	431,351
2025	2,524,828	1,314,770	3,755,000	355,321
2026	2,569,600	1,210,757	3,840,000	277,635
2027-2031	10,346,235	4,808,838	8,908,365	372,781
2032-2036	12,020,856	2,695,208	-	-
2037-2041	5,654,731	840,728	-	-
2042-2046	4,025,000	371,416	-	-
2047	855,000	19,236	-	-
	<u>\$ 45,210,939</u>	<u>\$ 15,754,903</u>	<u>\$ 39,608,365</u>	<u>\$ 2,579,186</u>

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 Egelston, Muskegon, Dalton, 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.

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 31% of the governmental activities expense for fiscal 2021 and 45% was from the HealthWest major special revenue fund.

Refunded and Defeased Debt

The County issued \$3.625 million of 2021 Wastewater Revenue 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 \$3.915 million of the 2011 Wastewater Revenue Refunding Bonds. As a result, the 2011 bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$536,931 and an economic gain of \$530,354.

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.

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%.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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
2020	\$ 2,364,965	\$ 1,154,762	\$ (1,128,896)	\$ 2,390,831
2021	2,390,831	1,388,243	(1,218,517)	2,560,557

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.

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 3 to 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Employees Covered by Benefit Terms. At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,144
Inactive employees entitled to but not yet receiving benefits	576
Active employees	<u>358</u>
Total membership	<u><u>2,078</u></u>

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

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended September 30, 2021:

Division/Bargaining Unit	Employer Contribution	Employee Contribution
01 - Public Works	\$ 12,909	4.51%
04 - MCF Union	9,799	8.57%
10 - Gnrl Local214	112,443	3.84%
11 - Gnrl NonUnion	289,037	5.41%
12 - District Court	14,959	1.50%
13 - Health Dpt Nrses	10,406	4.05%
14 - Mntl Hlth Wrks	16,996	3.86%
15 - Judges	224	4.13%
17 - Comm/E.O./Adm Dir	45,194	5.20%
19 - Mental Hlth Workers af 9/1/10	-	5.86%
20 - Corrections	27,854	2.69%
22 - Shrf Dpty Lcl214	34,506	5.00%
23 - Shrf Cmnd Unit	24,293	7.33%
24 - Correction Ofr hired af 9/1/10	6,912	5.69%
25 - Sheriff Deputy after 10/01/10	2,132	6.50%
41 - AFSCME#570	28,136	5.58%
42 - MCF Union hired after 3/1/10	-	4.00%
90 - Public Works after 02/01/11	2,355	6.50%
91 - Gnrl Local 214 after 11/1/10	<u>4,331</u>	6.00%
	<u><u>\$ 642,486</u></u>	

Net Pension Liability. The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2020 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 base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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%
	<u>100.0%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.60%</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2020 was 7.6%. 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.

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, 2019	\$ 276,463,999	\$ 225,171,872	\$ 51,292,127
Changes for the year:			
Service cost	2,023,535	-	2,023,535
Interest	20,307,385	-	20,307,385
Differences between expected and actual experience	364,771	-	364,771
Changes in assumptions	10,662,443	-	10,662,443
Employer contributions	-	3,579,954	(3,579,954)
Employee contributions	-	1,108,008	(1,108,008)
Net investment income	-	29,907,776	(29,907,776)
Benefit payments, including refunds of employee contributions	(20,445,370)	(20,445,370)	-
Administrative expense	-	(441,652)	441,652
Net changes	<u>12,912,764</u>	<u>13,708,716</u>	<u>(795,952)</u>
Balances at December 31, 2020	<u><u>\$ 289,376,763</u></u>	<u><u>\$ 238,880,588</u></u>	<u><u>\$ 50,496,175</u></u>

Following is a reconciliation of the County's net pension liability (asset) as of September 30, 2021:

	Net Pension Liability	Net Pension Asset	Net Pension Liability (Asset)
Governmental activities	\$ 46,806,977	\$ -	\$ 46,806,977
Business-type activities	3,933,426	(244,228)	3,689,198
	<u><u>\$ 50,740,403</u></u>	<u><u>\$ (244,228)</u></u>	<u><u>\$ 50,496,175</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Changes in assumptions. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

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%)
\$ 80,411,350	\$ 50,496,175	\$ 25,041,231

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, 2021, the County recognized pension expense of \$18,392,853. 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
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 10,307,478	\$ (10,307,478)
Contributions subsequent to the measurement date	2,914,440	-	2,914,440
Total	<u>\$ 2,914,440</u>	<u>\$ 10,307,478</u>	<u>\$ (7,393,038)</u>

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, 2022. 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
2022	\$ (2,162,746)
2023	(413,450)
2024	(5,048,447)
2025	<u>(2,682,835)</u>
Total	<u>\$ (10,307,478)</u>

Payable to the Pension Plan. At September 30, 2021, 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 32% of pension contributions by governmental activities for fiscal 2021 and 45% 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 \$1,030,052 and \$1,493,640 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, 2021, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	617
Active plan members	<u>338</u>
Total	<u><u>955</u></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, 2021, 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, 2021 was comprised of 100% total market portfolio funds.

Rate of Return. For the year ended September 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the County

The components of the net OPEB asset of the County at September 30, 2021, were as follows:

Total OPEB liability	\$ 47,891,006
Plan fiduciary net position	<u>(66,722,291)</u>
County's net OPEB asset	<u>\$ (18,831,285)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	139.3%

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Following is a reconciliation of the County's net OPEB liability (asset) as of September 30, 2021:

	Net OPEB Liability	Net OPEB Asset	Net OPEB Liability (Asset)
Governmental activities	\$ -	\$ (19,277,738)	\$ (19,277,738)
Business-type activities	525,200	(78,747)	446,453
	<u>\$ 525,200</u>	<u>\$ (19,356,485)</u>	<u>\$ (18,831,285)</u>

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, 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	2.5%
Investment rate of return	7.35%, net of OPEB Plan investment expense, including inflation
Healthcare cost trend rates	Trend starting at 7.0% and gradually decreasing to an ultimate trend rate of 4.5%.
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-2021 Full Generational Improvement for healthy life; and Society of Actuaries RPH Headcount-weighted General and Public Safety Disabled Mortality Table with MP-2021 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	20.0%	7.25%	1.45%
	<u>100.0%</u>		4.85%
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>7.35%</u></u>

Discount Rate. The discount rate used to measure the total OPEB liability was 7.35%. 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 (Asset)

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, 2020	\$ 60,728,974	\$ 56,544,997	\$ 4,183,977
Changes for the year:			
Service cost	592,166	-	592,166
Interest	4,402,809	-	4,402,809
Differences between expected and actual experience	(3,049,402)	-	(3,049,402)
Changes of assumptions	(12,537,763)	-	(12,537,763)
Employer contributions	-	39,711	(39,711)
Net investment income	-	12,498,774	(12,498,774)
Benefit payments	(2,245,778)	(2,245,778)	-
Administrative expense	-	(115,413)	115,413
Net changes	<u>(12,837,968)</u>	<u>10,177,294</u>	<u>(23,015,262)</u>
Balances at September 30, 2021	<u>\$ 47,891,006</u>	<u>\$ 66,722,291</u>	<u>\$ (18,831,285)</u>

Change in assumptions. The changes of assumptions noted above present the impact of per capita costs, retiree contribution premiums and trend were updated as of the actuarial evaluation, advantage premiums decreased about 20% from 2020 to 2021, the assumed proportion of disabilities from Duty / Non-Duty was changed from 40%/60% to 20%/80%, the assumed salary scale was changed from 2.0% to 2.5%, the turnover and retirement assumptions were updated considering the latest available statistics from the MERS – Muskegon County pension report, and the mortality assumption were changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate. The following presents the net OPEB asset of the County, calculated using the discount rate of 7.35%, as well as what the County's net OPEB 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 asset	\$ (13,796,297)	\$ (18,831,285)	\$ (23,093,038)

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB asset of the County, as well as what the County's net OPEB asset would be if it were calculated using healthcare trend cost rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB asset	\$ (23,590,947)	\$ (18,831,285)	\$ (13,179,071)

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$(18,856,177). 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	\$ -	\$ 6,985,381	\$ (6,985,381)
Changes in assumptions	3,583,646	30,359,655	(26,776,009)
Net difference between projected and actual earnings on OPEB plan investments	-	5,201,157	(5,201,157)
Total	<u>\$ 3,583,646</u>	<u>\$ 42,546,193</u>	<u>\$ (38,962,547)</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
2022	\$ (21,376,322)
2023	(12,436,091)
2024	(3,464,527)
2025	<u>(1,685,607)</u>
Total	<u>\$ (38,962,547)</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Payable to the OPEB Plan. At September 30, 2021, the County had no outstanding contribution amounts payable to the plan for the year ended September 30, 2021.

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 \$1,040,701 for the year ended September 30, 2021.

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 \$14.7 million reported as landfill closure and post-closure care liability at September 30, 2021 represents the cumulative amount reported to date based on the use of 89 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 2 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$14.7 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 2021. 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 \$2,950,372 held in trust as of September 30, 2021. 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	\$ 4,025	\$ 191,420	\$ 7,421	\$ 202,866
Inventories	-	-	36,980	36,980
Long-term advances	100,000	-	-	100,000
Permanent fund corpus	-	-	36,743	36,743
Total nonspendable	<u>104,025</u>	<u>191,420</u>	<u>81,144</u>	<u>376,589</u>
Restricted for:				
Training	62,827	-	-	62,827
Lake Pollution	-	-	1,654,081	1,654,081
Seniors	-	-	976,441	976,441
Public Health Local Stabilization	-	-	405,652	405,652
Convention Business and Tourism	-	-	1,106,880	1,106,880
Grant programs	-	-	156,165	156,165
Forfeited property	-	-	40,765	40,765
Deed Automation Fund	-	-	306,547	306,547
Indigent Defense	-	-	525,242	525,242
Veterans' Care & Trust	-	-	362,944	362,944
Mental Health Buildings	-	-	123,216	123,216
Victim Restitution	-	-	20,048	20,048
Debt repayment	-	-	125,199	125,199
Total restricted	<u>62,827</u>	<u>-</u>	<u>5,803,180</u>	<u>5,866,007</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	General Fund	HealthWest	Nonmajor Governmental Funds	Total
Fund balances, governmental funds				
Committed for:				
Parks	\$ -	\$ -	\$ 688,764	\$ 688,764
District Court	-	-	12,416	12,416
Grant programs	-	-	36,975	36,975
Juvenile prosecution	-	-	410	410
Concealed permits	-	-	246,001	246,001
Pension bonds	-	-	1,677,584	1,677,584
Capital projects	-	-	648,766	648,766
Total committed	-	-	3,310,916	3,310,916
Assigned for:				
Juror Show Cause	49,926	-	-	49,926
Subsequent budget shortfall	943,201	-	-	943,201
Judgement Settlement	666,667	-	-	666,667
Marine Safety	-	-	10,503	10,503
Emergency Services	-	-	2,401	2,401
Crime Victims' Rights	-	-	889	889
Drug Treatment Court	-	-	3,102	3,102
Capital projects	-	-	48,975	48,975
Total assigned	1,659,794	-	65,870	1,725,664
Unassigned (deficit)	13,162,499	(13,495,306)	-	(332,807)
Total fund balances, governmental funds	\$ 14,989,145	\$ (13,303,886)	\$ 9,261,110	\$ 10,946,369

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, 2021, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 4,723,611	\$ 33,886,980	\$ 38,799,712
Capital assets being depreciated, net	62,764,870	128,374,533	73,466,509
	<u>67,488,481</u>	<u>162,261,513</u>	<u>112,266,221</u>
Related debt:			
Total installment debt	99,798,057	84,819,304	20,200,108
Net bond premium	123,942	2,161,177	-
Net bond discount	(132,798)	(6,356)	-
Deferred charge on advance refunding	(2,865,961)	(328,279)	-
General obligation tax notes	-	(12,300,000)	-
Bonds payable related to capital lease receivables	-	(13,795,000)	-
Bonds payable related to pension liability	(38,364,061)	(1,835,939)	-
Net bond discount related to pension liability	132,798	6,356	-
Bond premium on capital lease receivables	-	(1,066,913)	-
Deferred charge on advance refunding on capital lease receivables	-	236,685	-
Bonds payable related to judgement bonds	(4,925,000)	-	-
Unspent bond proceeds	-	(10,528,541)	(4,859,732)
	<u>53,766,977</u>	<u>47,362,494</u>	<u>15,340,376</u>
Net investment in capital assets	<u><u>\$ 13,721,504</u></u>	<u><u>\$ 114,899,019</u></u>	<u><u>\$ 96,925,845</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

18. COMMITMENTS

The County has active construction projects as of September 30, 2021. 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	\$ 948,645	\$ 1,451,982
Verkade security camera and installation at HealthWest	-	65,676
Electric Healthcare Record Implementation of PCE Systems	94,500	361,800
Facility condition assessment	48,707	65,000
Cisco Voice Upgrade	100,602	121,747
UPS's Uninterruptable Power Supply	-	81,405
Business-type activities		
Wastewater:		
John Deere Self-Propelled Sprayer	-	450,428
South Irrigation Pump Station Replacement	366,750	3,967,650
Pump Station J-Station Replacement/Upgrade	1,454,040	2,306,960
South Irrigation Station Replacement	111,102	87,383
Southeast Regional Force Main	448,100	287,233
J Force Main Replacement	533,950	1,160,473
W Force Main Replacement	3,489	272,779
Whitehall Township Water Main Extension	3,225	162,775
Regional Water:		
Muskegon Channel Crossing	251,339	228,519
Gabe's Construction	-	9,442,338
Solid Waste:		
LED Lighting Conversion	-	63,815
Muskegon Area Transit System:		
Gillig busses (5)	-	2,481,250
Airport:		
ARFF services	196,803	214,000
	<u>\$ 4,561,252</u>	<u>\$ 23,273,213</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The County is a lessee of office facilities and equipment, as part of operating leases. During fiscal year 2021, the County made payments of \$416,752 under these operating lease agreements. Future minimum lease payments for these leases are as follows:

Year Ended September 30,	Expected Lease Payment
2022	\$ 468,540
2023	411,988
2024	316,779
2025	<u>205,800</u>
Total	<u>\$ 1,403,107</u>

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 2021, 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, 2021, 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 \$150,000 under agreements entered into by local cities and townships pursuant to this program.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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, 2021:

Expenditure Type	PA 263	PA 59	Total
Marketing collaboration	\$ 96,282	\$ 29,344	\$ 125,626
Product development (convention center bonds)	395,375	395,374	790,749
Governance/public policy	3,929	1,825	5,754
Other	689,122	-	689,122
	<u>\$ 1,184,708</u>	<u>\$ 426,543</u>	<u>\$ 1,611,251</u>

21. LEASE RECEIVABLE

The County entered into a lease agreement with the a third party whereby the third party leases part of a facility from the County. Total future lease receipts are as follows:

Year Ended September 30,	Expected Lease Payment
2022	\$ 88,182
2023	88,182
2024	88,182
2025	88,182
2026	89,208
Thereafter	<u>356,832</u>
Total	<u><u>\$ 798,768</u></u>

22. SUBSEQUENT EVENTS

On October 14, 2021, the County Water Resources Commissioner issued a \$780,000 drainage district note on behalf of the Waalkens Drain drainage district, due in annual installments of \$52,000 plus interest at 2.22% payable semi-annually through July 1, 2036. The proceeds of these drainage district note are designated to pay for the acquisition, construction and financing of a project to undertake improvements to the Waalkens Drain.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

23. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The County directly received approximately \$4.9 million during fiscal year 2021 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the CARES Act and other funding sources. This funding was used to provide relief in multiple areas such as vaccination programs, personal protection equipment (PPE) programs, and payroll.

24. RESTATEMENT

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result of this change, beginning net position of the fiduciary funds was increased by \$754,314.



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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			
	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 2,023,535	\$ 2,389,449	\$ 2,641,636	\$ 2,906,291
Interest	20,307,385	20,324,542	21,295,469	21,006,199
Changes in benefit terms	-	-	(14,961,647)	-
Differences between expected and actual experience	364,771	1,529,070	(1,215,805)	(1,111,674)
Changes in assumptions	10,662,443	9,358,648	-	-
Benefit payments, including refunds of employee contributions	(20,445,370)	(19,999,524)	(19,542,529)	(18,560,904)
Other changes	-	-	877	(876)
Net change in total pension liability	<u>12,912,764</u>	<u>13,602,185</u>	<u>(11,781,999)</u>	<u>4,239,036</u>
Total pension liability, beginning of year	<u>276,463,999</u>	<u>262,861,814</u>	<u>274,643,813</u>	<u>270,404,777</u>
Total pension liability, end of year	<u>289,376,763</u>	<u>276,463,999</u>	<u>262,861,814</u>	<u>274,643,813</u>
Plan fiduciary net position				
Employer contributions	3,579,954	3,695,616	57,731,046	7,177,037
Employee contributions	1,108,008	1,214,543	1,380,205	1,417,126
Net investment income (loss)	29,907,776	28,208,200	(7,167,381)	21,849,796
Benefit payments, including refunds of employee contributions	(20,445,370)	(19,999,524)	(19,542,529)	(18,560,904)
Administrative expense	(441,652)	(485,566)	(347,089)	(346,767)
Net change in plan fiduciary net position	<u>13,708,716</u>	<u>12,633,269</u>	<u>32,054,252</u>	<u>11,536,288</u>
Plan fiduciary net position, beginning of year	<u>225,171,872</u>	<u>212,538,603</u>	<u>180,484,351</u>	<u>168,948,063</u>
Plan fiduciary net position, end of year	<u>238,880,588</u>	<u>225,171,872</u>	<u>212,538,603</u>	<u>180,484,351</u>
County's net pension liability	<u>\$ 50,496,175</u>	<u>\$ 51,292,127</u>	<u>\$ 50,323,211</u>	<u>\$ 94,159,462</u>
Plan fiduciary net position as a percentage of total pension liability	82.6%	81.4%	80.9%	65.7%
Covered payroll	\$ 20,954,572	\$ 23,217,125	\$ 23,625,834	\$ 26,131,809
County's net pension liability as a percentage of covered payroll	241.0%	220.9%	213.0%	360.3%

See notes to required supplementary information.



Year Ended September 30

2017	2016	2015
-------------	-------------	-------------

\$ 3,083,783	\$ 3,308,152	\$ 3,712,445
20,748,385	19,713,939	19,172,131
-	-	-
(2,373,469)	2,011,308	-
-	12,726,778	-
(17,733,692)	(16,766,675)	(15,460,228)
-	175	(1,610)
<u>3,725,007</u>	<u>20,993,677</u>	<u>7,422,738</u>
<u>266,679,770</u>	<u>245,686,093</u>	<u>238,263,355</u>
<u>270,404,777</u>	<u>266,679,770</u>	<u>245,686,093</u>
6,260,290	5,974,000	5,775,708
1,436,839	1,703,744	1,814,766
17,929,109	(2,519,393)	10,678,844
(17,733,692)	(16,766,675)	(15,460,228)
(354,403)	(372,829)	(390,750)
<u>7,538,143</u>	<u>(11,981,153)</u>	<u>2,418,340</u>
<u>161,409,920</u>	<u>173,391,073</u>	<u>170,972,733</u>
<u>168,948,063</u>	<u>161,409,920</u>	<u>173,391,073</u>
<u>\$ 101,456,714</u>	<u>\$ 105,269,850</u>	<u>\$ 72,295,020</u>

62.5% 60.5% 70.6%

\$ 27,677,080 \$ 30,232,116 \$ 34,366,135

366.6% 348.2% 210.4%

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
2021	\$ 289,376,763	\$ 238,880,588	\$ 50,496,175	82.6%	\$ 20,954,572	241.0%
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
2021	\$ 3,885,819	\$ 3,885,819	\$ -	\$ 21,194,535	18.3%
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				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 592,166	\$ 512,080	\$ 2,081,923	\$ 1,659,119	\$ 790,107
Interest	4,402,809	3,980,166	7,070,293	6,944,748	6,630,852
Differences between expected and actual experience	(3,049,402)	-	(15,188,991)	-	-
Changes of assumptions	(12,537,763)	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	(2,245,778)	(2,340,702)	(2,646,706)	(3,879,487)	(4,215,210)
Net change in total OPEB liability	(12,837,968)	8,457,676	(80,166,095)	15,581,404	(4,287,821)
Total OPEB liability - beginning	60,728,974	52,271,298	132,437,393	116,855,989	121,143,810
Total OPEB liability - ending	47,891,006	60,728,974	52,271,298	132,437,393	116,855,989
Plan fiduciary net position					
Employer contributions	39,711	1,128,011	1,589,289	1,870,502	1,967,737
Net investment income	12,498,774	3,859,600	1,310,202	2,792,252	5,716,799
Benefit payments, including refunds of employee contributions	(2,245,778)	(2,340,702)	(2,646,706)	(3,879,487)	(3,646,698)
Administrative expense	(115,413)	(98,533)	(103,550)	(129,731)	(163,989)
Net change in plan fiduciary net position	10,177,294	2,548,376	149,235	653,536	3,873,849
Plan fiduciary net position - beginning	56,544,997	53,996,621	53,847,386	53,193,850	49,320,001
Plan fiduciary net position - ending	66,722,291	56,544,997	53,996,621	53,847,386	53,193,850
County's net OPEB liability (asset)	<u>\$ (18,831,285)</u>	<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	139.3%	93.1%	103.3%	40.7%	45.5%
Covered payroll	\$ 20,954,572	\$ 23,217,125	\$ 22,581,341	\$ 24,801,852	\$ 28,082,014
Net OPEB liability (asset) as a percentage of covered payroll	-89.9%	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
2021	\$ 47,891,006	\$ 66,722,291	\$ (18,831,285)	139.3%	\$ 20,954,572	-89.9%
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
2021	\$ 1,066,774	\$ 39,711	\$ (1,027,063)	\$ 20,954,572	0.2%
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
2021	22.50%
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

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 2021, the changes of assumptions noted above present the impact of per capita costs, retiree contribution premiums and trend were updated as of the actuarial evaluation, advantage premiums decreased about 20% from 2020 to 2021, the assumed proportion of disabilities from Duty / Non-Duty was changed from 40%/60% to 20%/80%, the assumed salary scale was changed from 2.0% to 2.5%, the turnover and retirement assumptions were updated considering the latest available statistics from the MERS – Muskegon County pension report, and the mortality assumption were changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.

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, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	17 years
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	2.50%
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-2021 Full Generational Improvement for healthy life; and Society of Actuaries RPH Headcount-weighted General and Public Safety Disabled Mortality Table with MP-2021 Full Generational Improvement for disabled life.
Health care trend rates	Trend starting at 7.0% and gradually decreasing to an ultimate trend rate of 4.5%.

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.

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**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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government				
Brookhaven Plant O&M	\$ 77,289	\$ 79,889	\$ 79,889	\$ -
Administration	678,813	706,599	651,164	(55,435)
Elections	194,287	248,224	194,508	(53,716)
Accounting	932,096	982,643	964,254	(18,389)
Corporate Counsel	250,000	300,000	321,866	21,866
County Clerk	415,102	402,238	377,751	(24,487)
Juror Showcause	12,119	22,119	17,623	(4,496)
Equalization	1,689,352	1,698,452	1,649,158	(49,294)
Human Resources	321,460	299,861	263,645	(36,216)
Johnny O. Harris Building	16,721	12,725	11,289	(1,436)
Training Center	146,210	42,545	42,480	(65)
Central Services Building G	-	6,593	6,528	(65)
Treasurer	381,631	410,463	403,431	(7,032)
Shady Grove Cemetery	5,328	4,800	2,774	(2,026)
Cordova Site O&M	1,655	16,879	3,901	(12,978)
Courthouse and Grounds	991,325	908,477	866,390	(42,087)
Oak Ave. Building	141,969	142,593	137,494	(5,099)
County Jail Building	67,446	71,218	62,928	(8,290)
Vector Control Building	7,750	7,505	1,898	(5,607)
Plat Board	700	700	-	(700)
Vehicle Pool	18,450	330	319	(11)
State Institutions	300,000	310,000	284,222	(25,778)
Misc Contingency	2,560,602	2,383,619	2,383,570	(49)
Total general government	9,210,305	9,058,472	8,727,082	(331,390)
Legislative				
Board of Commissioners	394,390	407,178	372,866	(34,312)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Judicial				
Circuit Court	\$ 1,439,488	\$ 1,420,866	\$ 1,371,049	\$ (49,817)
Circuit Court Collections	105,228	102,565	70,427	(32,138)
Circuit Court Restitution	-	550,000	476,950	(73,050)
District Court	3,513,872	3,416,008	3,289,468	(126,540)
Probation Cobo Hall Tax	161,089	146,644	144,697	(1,947)
District Court Collections	219,614	185,564	184,094	(1,470)
District Court Restitution	-	250,000	654,629	404,629
Law Library	6,075	6,100	4,544	(1,556)
Jury Commission	61,846	59,001	47,053	(11,948)
Probate Court	867,080	889,580	850,611	(38,969)
State Probation	71,025	59,491	49,745	(9,746)
Circuit Court Records	600,823	472,317	390,512	(81,805)
Prosecutor	2,194,840	2,059,092	1,921,283	(137,809)
DHHS Legal Representation Grant	275,292	263,147	254,001	(9,146)
Total judicial	9,516,272	9,880,375	9,709,063	(171,312)
Public safety				
Designated & Pass-thru Revenues	423,348	435,465	435,465	-
Facility Security Services	140,637	122,761	105,456	(17,305)
County Jail Building 2015	585,056	617,871	583,621	(34,250)
Sheriff Operations	3,918,690	4,121,162	4,007,996	(113,166)
Sheriff Administration	458,919	475,710	468,751	(6,959)
Emergency Response Team	6,110	6,110	7,136	1,026
Officer Training Act 320	10,000	10,000	6,408	(3,592)
Correction Officer Training	60,000	118,660	83,130	(35,530)
Sheriff Jail	7,947,899	7,268,369	7,181,307	(87,062)
Courtroom Security	1,124,329	1,033,154	1,006,545	(26,609)
Vector Control	347,474	346,835	323,220	(23,615)
Total public safety	15,022,462	14,556,097	14,209,035	(347,062)
Public works				
Water Resources Commissioner	558,950	540,114	511,828	(28,286)
Welfare				
Residential Energy Efficiency Program	1,737,450	2,905,491	2,878,085	(27,406)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Cultural				
Fairgrounds Training Center	\$ 88,163	\$ 91,787	\$ 87,574	\$ (4,213)
Community and economic development				
Register of Deeds	540,649	543,354	493,171	(50,183)
Debt service				
Principal	295,000	295,000	295,000	-
Interest and fiscal charges	137,086	137,086	136,786	(300)
Total debt service	432,086	432,086	431,786	(300)
Total expenditures	\$ 37,500,727	\$ 38,414,954	\$ 37,420,490	\$ (994,464)

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Transfers Out by Function

Budget and Actual

General Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Transfers out				
Special revenue funds:				
Judicial:				
Sobriety Court	\$ -	\$ (5,580)	\$ (21,156)	\$ 15,576
Friend of Court	(1,438,606)	(1,252,279)	(902,665)	(349,614)
Other judicial	(2,908)	(6,981)	(5,951)	(1,030)
Public safety funds	(1,989,562)	(2,057,288)	(1,993,564)	(63,724)
Health, welfare and cultural funds:				
Child care fund	(4,225,013)	(4,156,641)	(3,175,580)	(981,061)
Public health fund	(1,774,392)	(1,774,392)	(1,707,124)	(67,268)
HealthWest fund	(706,819)	(706,819)	(706,819)	-
Other health, welfare and cultural funds	(12,768)	(7,358)	(1,945)	(5,413)
Internal service funds - Equipment revolving	(42,828)	(42,828)	(42,828)	-
Debt service funds	(3,731,109)	(3,681,246)	(3,706,075)	24,829
Total transfers out	<u>\$ (13,924,005)</u>	<u>\$ (13,691,412)</u>	<u>\$ (12,263,707)</u>	<u>\$ (1,427,705)</u>

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.

Park Development (2411)--to account for monies received from grants and other sources for the improvement and development of the various County parks.

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.

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.

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.)

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, 2021

	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)	Parks (2080)	Coronavirus Public Safety (2110)
Assets									
Cash and investments	\$ 1,438,755	\$ -	\$ -	\$ -	\$ -	\$ 10,195	\$ 44,522	\$ 764,309	\$ -
Receivables, net:									
Accounts	-	-	-	32,095	-	-	-	-	-
Due from other governments	-	75,634	51,950	60,381	73,307	24,599	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,438,755</u>	<u>\$ 75,634</u>	<u>\$ 51,950</u>	<u>\$ 92,476</u>	<u>\$ 73,307</u>	<u>\$ 34,794</u>	<u>\$ 44,522</u>	<u>\$ 764,309</u>	<u>\$ -</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ 50,984	\$ 41,369	\$ 74,801	\$ 50,592	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	462,314	17,560	2,115	871	3,891	25,883	2,493	58,869	-
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	7,090	5,364	5,403	8,321	8,911	11,285	29,127	-
Unearned revenue	-	-	-	9,000	-	-	30,744	-	-
Total liabilities	<u>462,314</u>	<u>75,634</u>	<u>48,848</u>	<u>90,075</u>	<u>62,804</u>	<u>34,794</u>	<u>44,522</u>	<u>87,996</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	976,441	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	676,313	-
Assigned	-	-	3,102	2,401	10,503	-	-	-	-
Total fund balances	<u>976,441</u>	<u>-</u>	<u>3,102</u>	<u>2,401</u>	<u>10,503</u>	<u>-</u>	<u>-</u>	<u>676,313</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,438,755</u>	<u>\$ 75,634</u>	<u>\$ 51,950</u>	<u>\$ 92,476</u>	<u>\$ 73,307</u>	<u>\$ 34,794</u>	<u>\$ 44,522</u>	<u>\$ 764,309</u>	<u>\$ -</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)
\$ -	\$ -	\$ -	\$ 12,416	\$ 1,165,094	\$ 405,652	\$ 36,223	\$ 1,716,890	\$ -	\$ 6	\$ 870,980
3,881	-	-	-	6,738	-	-	-	-	-	268,591
444,008	-	71,574	-	126,164	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	4,471	-	-	-	-	-	-
-	-	-	-	36,980	-	-	-	-	-	-
<u>\$ 447,889</u>	<u>\$ -</u>	<u>\$ 71,574</u>	<u>\$ 12,416</u>	<u>\$ 1,339,447</u>	<u>\$ 405,652</u>	<u>\$ 36,223</u>	<u>\$ 1,716,890</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,139,571</u>
\$ 238,218	\$ -	\$ 67,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,909	-	823	-	158,494	-	36,223	62,809	-	-	17,475
-	-	-	-	879,616	-	-	-	-	-	-
176,762	-	3,041	-	254,636	-	-	-	-	-	15,216
-	-	-	-	5,250	-	-	-	-	-	-
<u>447,889</u>	<u>-</u>	<u>71,574</u>	<u>-</u>	<u>1,297,996</u>	<u>-</u>	<u>36,223</u>	<u>62,809</u>	<u>-</u>	<u>-</u>	<u>32,691</u>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	41,451	-	-	-	-	-	-
-	-	-	-	-	405,652	-	1,654,081	-	6	1,106,880
-	-	-	12,416	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	12,416	41,451	405,652	-	1,654,081	-	6	1,106,880
<u>\$ 447,889</u>	<u>\$ -</u>	<u>\$ 71,574</u>	<u>\$ 12,416</u>	<u>\$ 1,339,447</u>	<u>\$ 405,652</u>	<u>\$ 36,223</u>	<u>\$ 1,716,890</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,139,571</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021

	Special Revenue Funds								
	Park Development (2411)	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	\$ 12,451	\$ 156,159	\$ 36,975	\$ -	\$ 309,870	\$ 49,410	\$ 706,538	\$ 250,461	\$ 1,092
Receivables, net:									
Accounts	-	-	-	-	-	-	1,066	-	-
Due from other governments	-	-	-	-	-	-	14,918	-	19,299
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	2,750	200	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 12,451</u>	<u>\$ 156,159</u>	<u>\$ 36,975</u>	<u>\$ -</u>	<u>\$ 309,870</u>	<u>\$ 49,410</u>	<u>\$ 725,272</u>	<u>\$ 250,661</u>	<u>\$ 20,391</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	-	-	-	-	280	-	83,252	3,554	5,928
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	3,043	-	114,028	906	14,463
Unearned revenue	-	-	-	-	-	49,000	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,323</u>	<u>49,000</u>	<u>197,280</u>	<u>4,460</u>	<u>20,391</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	2,750	200	-
Restricted	-	156,159	-	-	306,547	-	525,242	-	-
Committed	12,451	-	36,975	-	-	410	-	246,001	-
Assigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>12,451</u>	<u>156,159</u>	<u>36,975</u>	<u>-</u>	<u>306,547</u>	<u>410</u>	<u>527,992</u>	<u>246,201</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,451</u>	<u>\$ 156,159</u>	<u>\$ 36,975</u>	<u>\$ -</u>	<u>\$ 309,870</u>	<u>\$ 49,410</u>	<u>\$ 725,272</u>	<u>\$ 250,661</u>	<u>\$ 20,391</u>

Special Revenue Funds								
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative Fund (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)
\$ 39,411	\$ 1,354	\$ -	\$ -	\$ 3,876	\$ 18,134	\$ 17,891	\$ -	\$ 386,737
-	-	-	-	-	-	-	8,917	-
-	-	2,951	95,026	2,826	-	-	577,902	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 39,411</u>	<u>\$ 1,354</u>	<u>\$ 2,951</u>	<u>\$ 95,026</u>	<u>\$ 6,702</u>	<u>\$ 18,134</u>	<u>\$ 17,891</u>	<u>\$ 586,819</u>	<u>\$ 386,737</u>
\$ -	\$ -	\$ 2,951	\$ 66,342	\$ -	\$ -	\$ -	\$ 276,021	\$ -
-	-	-	526	6,702	-	17,891	162,921	7,443
-	-	-	-	-	-	-	-	5,340
-	-	-	27,269	-	-	-	147,877	11,010
-	-	-	-	-	18,134	-	-	-
-	-	2,951	94,137	6,702	18,134	17,891	586,819	23,793
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
39,411	1,354	-	-	-	-	-	-	362,944
-	-	-	-	-	-	-	-	-
-	-	-	889	-	-	-	-	-
<u>39,411</u>	<u>1,354</u>	<u>-</u>	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,944</u>
<u>\$ 39,411</u>	<u>\$ 1,354</u>	<u>\$ 2,951</u>	<u>\$ 95,026</u>	<u>\$ 6,702</u>	<u>\$ 18,134</u>	<u>\$ 17,891</u>	<u>\$ 586,819</u>	<u>\$ 386,737</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021

	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	\$ 127,046	\$ 20,048	\$ -	\$ -	\$ -	\$ 125,199	\$ -	\$ 1,677,584	\$ 48,975
Receivables, net:									
Accounts	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 127,046</u>	<u>\$ 20,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,199</u>	<u>\$ -</u>	<u>\$ 1,677,584</u>	<u>\$ 48,975</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	3,091	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	739	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>3,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	123,216	20,048	-	-	-	125,199	-	-	-
Committed	-	-	-	-	-	-	1,677,584	-	-
Assigned	-	-	-	-	-	-	-	-	48,975
Total fund balances	<u>123,216</u>	<u>20,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,199</u>	<u>-</u>	<u>1,677,584</u>	<u>48,975</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,046</u>	<u>\$ 20,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,199</u>	<u>\$ -</u>	<u>\$ 1,677,584</u>	<u>\$ 48,975</u>

Capital Projects Funds				Permanent Fund	
Jail / JTC Building (4660)	Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Cemetery Trust (1500)	Total
\$ 54,055	\$ 414,909	\$ 179,802	\$ -	\$ 36,743	\$ 11,139,762
-	-	-	-	-	321,288
-	-	-	-	-	1,640,539
-	-	-	84,759	-	84,759
-	-	-	-	-	7,421
-	-	-	-	-	36,980
<u>\$ 54,055</u>	<u>\$ 414,909</u>	<u>\$ 179,802</u>	<u>\$ 84,759</u>	<u>\$ 36,743</u>	<u>\$ 13,230,749</u>
\$ -	\$ -	\$ -	\$ 1,155	\$ -	\$ 870,143
-	-	-	-	-	1,174,317
-	-	-	-	-	884,956
-	-	-	-	-	844,491
-	-	-	-	-	112,128
-	-	-	1,155	-	3,886,035
-	-	-	83,604	-	83,604
-	-	-	-	36,743	81,144
-	-	-	-	-	5,803,180
54,055	414,909	179,802	-	-	3,310,916
-	-	-	-	-	65,870
<u>54,055</u>	<u>414,909</u>	<u>179,802</u>	<u>-</u>	<u>36,743</u>	<u>9,261,110</u>
<u>\$ 54,055</u>	<u>\$ 414,909</u>	<u>\$ 179,802</u>	<u>\$ 84,759</u>	<u>\$ 36,743</u>	<u>\$ 13,230,749</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, 2021

	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)	Parks (2080)	Coronavirus Public Safety (2110)
Revenues									
Taxes									
Property taxes	\$ 2,359,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	169,043	189,715	-	56,079	-	-	5,350
State	187,747	272,046	-	-	79,273	123,702	-	-	-
Local	-	-	-	-	-	-	174,717	104,958	-
Charges for services	-	53,211	-	33,250	16,301	-	-	980,748	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	10,623	-	-	-	-	-	-	3,687	-
Rentals	-	-	-	-	-	-	-	-	-
Other	-	-	3,399	9,237	-	-	-	45,170	-
Total revenues	2,557,635	325,257	172,442	232,202	95,574	179,781	174,717	1,134,563	5,350
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	341,996	171,752	-	-	-	-	-	-
Public safety	-	-	-	247,772	244,022	309,485	338,648	-	5,350
Health	-	-	-	-	-	-	-	-	-
Welfare	2,788,642	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	800,045	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	110,242	-	-	-	134,069	-
Total expenditures	2,788,642	341,996	171,752	358,014	244,022	309,485	338,648	934,114	5,350
Revenues over (under) expenditures	(231,007)	(16,739)	690	(125,812)	(148,448)	(129,704)	(163,931)	200,449	-
Other financing sources (uses)									
Transfers in	-	21,156	5,950	130,020	152,118	137,811	174,717	-	-
Transfers out	-	(4,417)	(3,538)	(4,757)	(3,670)	(8,107)	(10,786)	(64,686)	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	16,739	2,412	125,263	148,448	129,704	163,931	(64,686)	-
Net change in fund balances	(231,007)	-	3,102	(549)	-	-	-	135,763	-
Fund balances, beginning of year	1,207,448	-	-	2,950	10,503	-	-	540,550	-
Fund balances, end of year	\$ 976,441	\$ -	\$ 3,102	\$ 2,401	\$ 10,503	\$ -	\$ -	\$ 676,313	\$ -

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	294,688
-	-	-	-	-	-	-	-	-	-	1,263,497
-	-	-	-	-	-	-	-	-	-	-
2,991,250	-	33,250	-	3,442,268	-	-	-	-	-	-
198,789	-	154,867	-	2,357,502	203,841	-	-	23,076	-	-
-	-	-	-	68	-	-	-	-	-	-
534,205	-	-	-	479,919	-	264,922	-	-	-	6,000
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	122	12,808	-	-	4,947
-	-	-	-	-	-	-	-	-	-	4,800
58,574	-	-	-	28,663	-	-	-	-	-	-
3,782,818	-	188,117	-	6,308,420	203,841	265,044	12,808	23,076	-	1,573,932
-	-	-	-	-	-	265,600	-	-	-	-
4,569,575	-	-	2,739	-	-	-	-	-	-	-
-	-	188,107	-	-	-	-	-	-	-	-
-	-	-	-	7,742,506	-	-	-	-	-	-
-	-	-	-	-	-	-	948,645	23,076	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	1,554,648
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	106,406	-	-	-	-	-	-
4,569,575	-	188,107	2,739	7,848,912	-	265,600	948,645	23,076	-	1,554,648
(786,757)	-	10	(2,739)	(1,540,492)	203,841	(556)	(935,837)	-	-	19,284
902,665	-	2,346	-	1,706,567	-	556	-	-	-	-
(115,908)	-	(2,356)	(84)	(146,690)	-	-	-	-	-	(56,603)
-	-	-	-	-	-	-	-	-	-	-
786,757	-	(10)	(84)	1,559,877	-	556	-	-	-	(56,603)
-	-	-	(2,823)	19,385	203,841	-	(935,837)	-	-	(37,319)
-	-	-	15,239	22,066	201,811	-	2,589,918	-	6	1,144,199
\$ -	\$ -	\$ -	\$ 12,416	\$ 41,451	\$ 405,652	\$ -	\$ 1,654,081	\$ -	\$ 6	\$ 1,106,880

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COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2021

	Special Revenue Funds								
	Park Development (2411)	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	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	4,485	-	-	121,662	-	-
State	-	-	-	-	-	-	1,797,059	-	175,788
Local	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	205,600	-	92,874	11,115	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	836	191	-	1,759	278	8,080	1,213	-
Rentals	-	-	-	-	-	-	-	-	-
Other	-	91,288	2,000	-	-	-	140	97,906	-
Total revenues	-	92,124	2,191	4,485	207,359	278	2,019,815	110,234	175,788
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	49,443	-
Judicial	-	-	-	-	-	-	3,051,269	-	-
Public safety	-	-	-	-	-	-	-	-	324,249
Health	-	-	-	-	-	-	-	-	-
Welfare	-	59,425	-	4,485	-	-	-	-	-
Cultural	3,588	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	289,887	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	15,761	-	-	-	-	-	-	-	-
Total expenditures	19,349	59,425	-	4,485	289,887	-	3,051,269	49,443	324,249
Revenues over (under) expenditures	(19,349)	32,699	2,191	-	(82,528)	278	(1,031,454)	60,791	(148,461)
Other financing sources (uses)									
Transfers in	31,800	-	-	-	-	-	1,194,566	-	159,476
Transfers out	-	(30,551)	-	-	(2,338)	-	(83,785)	(499)	(11,015)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	31,800	(30,551)	-	-	(2,338)	-	1,110,781	(499)	148,461
Net change in fund balances	12,451	2,148	2,191	-	(84,866)	278	79,327	60,292	-
Fund balances, beginning of year	-	154,011	34,784	-	391,413	132	448,665	185,909	-
Fund balances, end of year	\$ 12,451	\$ 156,159	\$ 36,975	\$ -	\$ 306,547	\$ 410	\$ 527,992	\$ 246,201	\$ -

Special Revenue Funds								
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative Fund (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,762
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	16,284	216,347	-	-	-	17,310	-
-	-	-	262,084	-	46,811	-	2,520,263	77,238
-	-	-	-	2,826	-	-	-	45,384
-	-	-	-	-	-	-	-	-
23,841	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	2,280
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	293,076	-
<u>23,852</u>	<u>-</u>	<u>16,284</u>	<u>478,431</u>	<u>2,826</u>	<u>46,811</u>	<u>-</u>	<u>2,830,649</u>	<u>479,664</u>
-	-	-	-	18,711	-	-	-	-
-	-	18,653	501,871	-	-	-	-	-
237	46	-	-	-	-	-	-	-
-	-	-	-	-	-	1,938	5,900,189	-
-	-	-	-	-	-	-	-	394,491
-	-	-	-	-	46,806	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>237</u>	<u>46</u>	<u>18,653</u>	<u>501,871</u>	<u>18,711</u>	<u>46,806</u>	<u>1,938</u>	<u>5,900,189</u>	<u>394,491</u>
<u>23,615</u>	<u>(46)</u>	<u>(2,369)</u>	<u>(23,440)</u>	<u>(15,885)</u>	<u>5</u>	<u>(1,938)</u>	<u>(3,069,540)</u>	<u>85,173</u>
-	-	2,999	39,513	-	7	1,938	3,175,578	-
-	-	(630)	(16,073)	-	(12)	-	(106,038)	(6,645)
-	-	-	-	-	-	-	-	-
-	-	2,369	23,440	-	(5)	1,938	3,069,540	(6,645)
23,615	(46)	-	-	(15,885)	-	-	-	78,528
15,796	1,400	-	889	15,885	-	-	-	284,416
<u>\$ 39,411</u>	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,944</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, 2021

	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	\$ -	\$ -	\$ -	\$ 1,598	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Charges for services	-	1,731	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	501	8	-	-	-	774	-	6,163	-
Rentals	334,827	-	-	-	-	375,606	-	-	-
Other	-	-	-	-	-	-	-	12,752	-
Total revenues	335,328	1,739	-	1,598	-	376,380	-	18,915	-
Expenditures									
Current:									
General government	-	-	26	-	718	-	903	1,275	-
Judicial	-	379	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	263,012	-	-	-	-	490	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	45,000	-	515,000	265,000	1,120,000	1,531,699	-
Interest and fiscal charges	-	-	24,898	-	29,365	152,453	1,542,355	1,621,641	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	263,012	379	69,924	-	545,083	417,943	2,663,258	3,154,615	-
Revenues over (under) expenditures	72,316	1,360	(69,924)	1,598	(545,083)	(41,563)	(2,663,258)	(3,135,700)	-
Other financing sources (uses)									
Transfers in	-	-	69,924	-	545,083	42,433	2,663,258	2,695,142	-
Transfers out	(473)	-	-	(1,598)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(473)	-	69,924	(1,598)	545,083	42,433	2,663,258	2,695,142	-
Net change in fund balances	71,843	1,360	-	-	-	870	-	(440,558)	-
Fund balances, beginning of year	51,373	18,688	-	-	-	124,329	-	2,118,142	48,975
Fund balances, end of year	\$ 123,216	\$ 20,048	\$ -	\$ -	\$ -	\$ 125,199	\$ -	\$ 1,677,584	\$ 48,975

Capital Projects Funds				Permanent Fund	
Jail / JTC Building (4660)	Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,715,625
-	-	-	-	-	294,688
-	-	-	-	-	1,263,497
-	-	-	62,892	-	62,892
-	-	-	-	-	7,263,043
-	-	-	-	-	8,480,086
-	-	-	-	-	327,953
-	-	-	-	-	2,679,876
-	-	-	-	-	23,841
-	2,245	1,147	227	194	58,094
-	-	-	-	-	715,233
-	-	-	-	-	642,205
-	2,245	1,147	63,119	194	24,527,033
-	-	-	-	240	336,916
-	-	-	-	-	8,658,234
-	-	-	-	-	1,657,916
-	-	-	-	-	13,908,135
-	-	-	-	-	4,218,764
-	-	-	-	-	50,394
-	-	-	-	-	2,354,693
-	-	-	-	-	289,887
-	-	-	-	-	3,476,699
-	-	-	-	-	3,370,712
2,554	1,588	57,513	3,903	-	432,036
2,554	1,588	57,513	3,903	240	38,754,386
(2,554)	657	(56,366)	59,216	(46)	(14,227,353)
-	-	-	-	-	13,855,623
-	(106,593)	-	(59,216)	-	(847,068)
-	64,766	-	-	-	64,766
-	(41,827)	-	(59,216)	-	13,073,321
(2,554)	(41,170)	(56,366)	-	(46)	(1,154,032)
56,609	456,079	236,168	-	36,789	10,415,142
\$ 54,055	\$ 414,909	\$ 179,802	\$ -	\$ 36,743	\$ 9,261,110

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, 2021

	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	\$ 2,343,249	\$ 2,359,265	\$ 16,016	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	187,747	187,747	488,116	272,046	(216,070)
Local	-	-	-	-	-	-
Charges for services	-	-	-	67,163	53,211	(13,952)
Fines and forfeitures	-	-	-	-	-	-
Investment income	11,500	10,623	(877)	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	2,354,749	2,557,635	202,886	555,279	325,257	(230,022)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	556,469	341,996	(214,473)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	2,363,012	2,788,642	425,630	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	2,363,012	2,788,642	425,630	556,469	341,996	(214,473)
Revenues over (under) expenditures	(8,263)	(231,007)	(222,744)	(1,190)	(16,739)	(15,549)
Other financing sources (uses)						
Transfers in	-	-	-	5,580	21,156	15,576
Transfers out	-	-	-	(4,390)	(4,417)	27
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,190	16,739	15,603
Net change in fund balances	(8,263)	(231,007)	(222,744)	-	-	-
Fund balances, beginning of year	1,207,448	1,207,448	-	-	-	-
Fund balances, end of year	\$ 1,199,185	\$ 976,441	\$ (222,744)	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
355,763	169,043	(186,720)	162,672	189,715	27,043	-	-	-
-	-	-	-	-	-	141,925	79,273	(62,652)
-	-	-	-	-	-	-	-	-
-	-	-	33,250	33,250	-	21,434	16,301	(5,133)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,300	3,399	2,099	9,187	9,237	50	-	-	-
357,063	172,442	(184,621)	205,109	232,202	27,093	163,359	95,574	(67,785)
-	-	-	-	-	-	-	-	-
354,447	171,752	(182,695)	-	-	-	-	-	-
-	-	-	286,671	247,772	(38,899)	349,533	244,022	(105,511)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	78,745	110,242	31,497	579	-	(579)
354,447	171,752	(182,695)	365,416	358,014	(7,402)	350,112	244,022	(106,090)
2,616	690	(1,926)	(160,307)	(125,812)	34,495	(186,753)	(148,448)	38,305
6,981	5,950	(1,031)	164,803	130,020	(34,783)	190,237	152,118	(38,119)
(7,202)	(3,538)	(3,664)	(4,440)	(4,757)	317	(3,484)	(3,670)	186
-	-	-	-	-	-	-	-	-
(221)	2,412	(4,695)	160,363	125,263	(34,466)	186,753	148,448	(37,933)
2,395	3,102	707	56	(549)	(605)	-	-	-
-	-	-	2,950	2,950	-	10,503	10,503	-
\$ 2,395	\$ 3,102	\$ 707	\$ 3,006	\$ 2,401	\$ (605)	\$ 10,503	\$ 10,503	\$ -

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COUNTY OF MUSKEGON, MICHIGAN

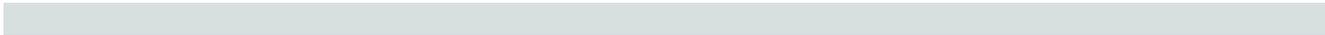
Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2021

	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	56,079	56,079	-	-	-	-
State	92,220	123,702	31,482	-	-	-
Local	-	-	-	185,446	174,717	(10,729)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	148,299	179,781	31,482	185,446	174,717	(10,729)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	306,565	309,485	2,920	360,811	338,648	(22,163)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	306,565	309,485	2,920	360,811	338,648	(22,163)
Revenues over (under) expenditures	(158,266)	(129,704)	28,562	(175,365)	(163,931)	11,434
Other financing sources (uses)						
Transfers in	165,851	137,811	(28,040)	185,446	174,717	(10,729)
Transfers out	(7,585)	(8,107)	522	(10,081)	(10,786)	705
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	158,266	129,704	(27,518)	175,365	163,931	(10,024)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Parks (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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	20,000	5,350	(14,650)	3,094,940	2,991,250	(103,690)
-	-	-	-	-	-	204,308	198,789	(5,519)
6,500	104,958	98,458	-	-	-	-	-	-
900,000	980,748	80,748	-	-	-	458,550	534,205	75,655
-	-	-	-	-	-	-	-	-
4,000	3,687	(313)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
45,170	45,170	-	-	-	-	41,391	58,574	17,183
<u>955,670</u>	<u>1,134,563</u>	<u>178,893</u>	<u>20,000</u>	<u>5,350</u>	<u>(14,650)</u>	<u>3,799,189</u>	<u>3,782,818</u>	<u>(16,371)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,908,257	4,569,575	(338,682)
-	-	-	20,000	5,350	(14,650)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
907,247	800,045	(107,202)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
15,000	134,069	119,069	-	-	-	29,621	-	(29,621)
<u>922,247</u>	<u>934,114</u>	<u>11,867</u>	<u>20,000</u>	<u>5,350</u>	<u>(14,650)</u>	<u>4,937,878</u>	<u>4,569,575</u>	<u>(368,303)</u>
<u>33,423</u>	<u>200,449</u>	<u>167,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,138,689)</u>	<u>(786,757)</u>	<u>351,932</u>
-	-	-	-	-	-	1,252,279	902,665	(349,614)
(64,245)	(64,686)	441	-	-	-	(113,590)	(115,908)	2,318
-	-	-	-	-	-	-	-	-
<u>(64,245)</u>	<u>(64,686)</u>	<u>441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138,689</u>	<u>786,757</u>	<u>(347,296)</u>
(30,822)	135,763	166,585	-	-	-	-	-	-
540,550	540,550	-	-	-	-	-	-	-
<u>\$ 509,728</u>	<u>\$ 676,313</u>	<u>\$ 166,585</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, 2021

	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	5,500	-	(5,500)	188,396	33,250	(155,146)
State	-	-	-	152,127	154,867	2,740
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	5,500	-	(5,500)	340,523	188,117	(152,406)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	5,500	-	(5,500)	-	-	-
Public safety	-	-	-	337,543	188,107	(149,436)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	5,500	-	(5,500)	337,543	188,107	(149,436)
Revenues over (under) expenditures	-	-	-	2,980	10	(2,970)
Other financing sources (uses)						
Transfers in	-	-	-	2,525	2,346	(179)
Transfers out	-	-	-	(5,505)	(2,356)	(3,149)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,980)	(10)	(3,328)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	4,366,277	3,442,268	(924,009)	-	-	-
-	-	-	2,554,317	2,357,502	(196,815)	-	203,841	203,841
-	-	-	12	68	56	-	-	-
-	-	-	474,330	479,919	5,589	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	300	-	(300)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	26,082	28,663	2,581	-	-	-
-	-	-	7,421,318	6,308,420	(1,112,898)	-	203,841	203,841
-	-	-	-	-	-	-	-	-
2,840	2,739	(101)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	8,886,380	7,742,506	(1,143,874)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	149,242	106,406	(42,836)	-	-	-
2,840	2,739	(101)	9,035,622	7,848,912	(1,186,710)	-	-	-
(2,840)	(2,739)	101	(1,614,304)	(1,540,492)	73,812	-	203,841	203,841
-	-	-	1,774,392	1,706,567	(67,825)	-	-	-
-	(84)	84	(160,088)	(146,690)	(13,398)	-	-	-
-	-	-	-	-	-	-	-	-
-	(84)	84	1,614,304	1,559,877	(81,223)	-	-	-
(2,840)	(2,823)	17	-	19,385	19,385	-	203,841	203,841
15,239	15,239	-	22,066	22,066	-	201,811	201,811	-
\$ 12,399	\$ 12,416	\$ 17	\$ 22,066	\$ 41,451	\$ 19,385	\$ 201,811	\$ 405,652	\$ 203,841

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, 2021

	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	264,922	(485,078)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	750	122	(628)	14,282	12,808	(1,474)
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	750,750	265,044	(485,706)	14,282	12,808	(1,474)
Expenditures						
Current:						
General government	750,750	265,600	(485,150)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	1,095,229	948,645	(146,584)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	750,750	265,600	(485,150)	1,095,229	948,645	(146,584)
Revenues over (under) expenditures	-	(556)	(556)	(1,080,947)	(935,837)	145,110
Other financing sources (uses)						
Transfers in	-	556	556	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	556	556	-	-	-
Net change in fund balances	-	-	-	(1,080,947)	(935,837)	145,110
Fund balances, beginning of year	-	-	-	2,589,918	2,589,918	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 1,508,971	\$ 1,654,081	\$ 145,110



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	214,000	294,688	80,688
-	-	-	-	-	-	902,000	1,263,497	361,497
-	-	-	-	-	-	-	-	-
61,392	23,076	(38,316)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,000	6,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,800	4,947	1,147
-	-	-	-	-	-	1,800	4,800	3,000
-	-	-	-	-	-	-	-	-
61,392	23,076	(38,316)	-	-	-	1,127,600	1,573,932	446,332
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
61,392	23,076	(38,316)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,648,256	1,554,648	(93,608)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
61,392	23,076	(38,316)	-	-	-	1,648,256	1,554,648	(93,608)
-	-	-	-	-	-	(520,656)	19,284	539,940
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(55,936)	(56,603)	667
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(55,936)	(56,603)	667
-	-	-	-	-	-	(576,592)	(37,319)	539,273
-	-	-	6	6	-	1,144,199	1,144,199	-
\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ -	\$ 567,607	\$ 1,106,880	\$ 539,273

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, 2021

	Park Development (2411)			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	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	800	836	36
Rentals	-	-	-	-	-	-
Other	-	-	-	93,000	91,288	(1,712)
Total revenues	-	-	-	93,800	92,124	(1,676)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	106,799	59,425	(47,374)
Cultural	31,800	3,588	(28,212)	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	15,761	15,761	-	-	-
Total expenditures	31,800	19,349	(12,451)	106,799	59,425	(47,374)
Revenues over (under) expenditures	(31,800)	(19,349)	12,451	(12,999)	32,699	45,698
Other financing sources (uses)						
Transfers in	31,800	31,800	-	-	-	-
Transfers out	-	-	-	(30,551)	(30,551)	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	31,800	31,800	-	(30,551)	(30,551)	-
Net change in fund balances	-	12,451	12,451	(43,550)	2,148	45,698
Fund balances, beginning of year	-	-	-	154,011	154,011	-
Fund balances, end of year	\$ -	\$ 12,451	\$ 12,451	\$ 110,461	\$ 156,159	\$ 45,698



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	4,485	(515)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	190,000	205,600	15,600
-	-	-	-	-	-	-	-	-
200	191	(9)	-	-	-	4,000	1,759	(2,241)
-	-	-	-	-	-	-	-	-
-	2,000	2,000	-	-	-	-	-	-
200	2,191	1,991	5,000	4,485	(515)	194,000	207,359	13,359
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5,000	4,485	(515)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	360,400	289,887	(70,513)
-	-	-	-	-	-	-	-	-
-	-	-	5,000	4,485	(515)	360,400	289,887	(70,513)
200	2,191	1,991	-	-	-	(166,400)	(82,528)	83,872
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,526)	(2,338)	(188)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,526)	(2,338)	(188)
200	2,191	1,991	-	-	-	(168,926)	(84,866)	84,060
34,784	34,784	-	-	-	-	391,413	391,413	-
\$ 34,984	\$ 36,975	\$ 1,991	\$ -	\$ -	\$ -	\$ 222,487	\$ 306,547	\$ 84,060

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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, 2021

	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	-	-	-	-	121,662	121,662
State	-	-	-	1,943,060	1,797,059	(146,001)
Local	-	-	-	-	-	-
Charges for services	-	-	-	101,100	92,874	(8,226)
Fines and forfeitures	-	-	-	-	-	-
Investment income	264	278	14	6,250	8,080	1,830
Rentals	-	-	-	-	-	-
Other	-	-	-	-	140	140
Total revenues	264	278	14	2,050,410	2,019,815	(30,595)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	3,085,239	3,051,269	(33,970)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	3,085,239	3,051,269	(33,970)
Revenues over (under) expenditures	264	278	14	(1,034,829)	(1,031,454)	3,375
Other financing sources (uses)						
Transfers in	-	-	-	1,152,563	1,194,566	42,003
Transfers out	-	-	-	(83,414)	(83,785)	371
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,069,149	1,110,781	42,374
Net change in fund balances	264	278	14	34,320	79,327	45,007
Fund balances, beginning of year	132	132	-	448,665	448,665	-
Fund balances, end of year	\$ 396	\$ 410	\$ 14	\$ 482,985	\$ 527,992	\$ 45,007

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	175,788	(20,412)	-	-	-
-	-	-	-	-	-	-	-	-
8,000	11,115	3,115	10,700	-	(10,700)	-	-	-
-	-	-	-	-	-	500	23,841	23,341
1,000	1,213	213	-	-	-	-	11	11
-	-	-	-	-	-	-	-	-
92,000	97,906	5,906	-	-	-	-	-	-
101,000	110,234	9,234	206,900	175,788	(31,112)	500	23,852	23,352
53,631	49,443	(4,188)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	349,966	324,249	(25,717)	237	237	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
53,631	49,443	(4,188)	349,966	324,249	(25,717)	237	237	-
47,369	60,791	13,422	(143,066)	(148,461)	(5,395)	263	23,615	23,352
-	-	-	153,376	159,476	6,100	-	-	-
(533)	(499)	(34)	(10,310)	(11,015)	705	-	-	-
-	-	-	-	-	-	-	-	-
(533)	(499)	(34)	143,066	148,461	6,805	-	-	-
46,836	60,292	13,456	-	-	-	263	23,615	23,352
185,909	185,909	-	-	-	-	15,796	15,796	-
\$ 232,745	\$ 246,201	\$ 13,456	\$ -	\$ -	\$ -	\$ 16,059	\$ 39,411	\$ 23,352

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COUNTY OF MUSKEGON, MICHIGAN

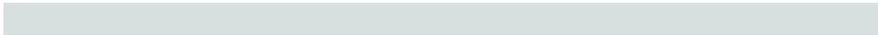
Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2021

	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	-	-	-	16,284	16,284	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,284</u>	<u>16,284</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	17,574	18,653	1,079
Public safety	46	46	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>46</u>	<u>46</u>	<u>-</u>	<u>17,574</u>	<u>18,653</u>	<u>1,079</u>
Revenues over (under) expenditures	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>(1,290)</u>	<u>(2,369)</u>	<u>(1,079)</u>
Other financing sources (uses)						
Transfers in	-	-	-	1,750	2,999	1,249
Transfers out	-	-	-	(460)	(630)	170
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>2,369</u>	<u>1,419</u>
Net change in fund balances	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>1,400</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,354</u>	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
261,770	216,347	(45,423)	-	-	-
306,785	262,084	(44,701)	-	-	-
350	-	(350)	50,000	2,826	(47,174)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
568,905	478,431	(90,474)	50,000	2,826	(47,174)
-	-	-	50,000	18,711	(31,289)
591,816	501,871	(89,945)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
591,816	501,871	(89,945)	50,000	18,711	(31,289)
(22,911)	(23,440)	(529)	-	(15,885)	(15,885)
40,737	39,513	(1,224)	-	-	-
(17,826)	(16,073)	(1,753)	-	-	-
-	-	-	-	-	-
22,911	23,440	(2,977)	-	-	-
-	-	-	-	(15,885)	(15,885)
889	889	-	15,885	15,885	-
\$ 889	\$ 889	\$ -	\$ 15,885	\$ -	\$ (15,885)

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, 2021

	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	79,994	46,811	(33,183)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>79,994</u>	<u>46,811</u>	<u>(33,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	7,348	1,938	(5,410)
Welfare	-	-	-	-	-	-
Cultural	79,992	46,806	(33,186)	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>79,992</u>	<u>46,806</u>	<u>(33,186)</u>	<u>7,348</u>	<u>1,938</u>	<u>(5,410)</u>
Revenues over (under) expenditures	<u>2</u>	<u>5</u>	<u>3</u>	<u>(7,348)</u>	<u>(1,938)</u>	<u>5,410</u>
Other financing sources (uses)						
Transfers in	10	7	(3)	7,348	1,938	(5,410)
Transfers out	(12)	(12)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2)</u>	<u>(5)</u>	<u>(3)</u>	<u>7,348</u>	<u>1,938</u>	<u>(5,410)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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)			Veterans' Care (2930)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 353,475	\$ 354,762	\$ 1,287
-	-	-	-	-	-
-	-	-	-	-	-
50,287	17,310	(32,977)	-	-	-
3,309,961	2,520,263	(789,698)	91,936	77,238	(14,698)
-	-	-	50,000	45,384	(4,616)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,700	2,280	580
-	-	-	-	-	-
354,934	293,076	(61,858)	-	-	-
<u>3,715,182</u>	<u>2,830,649</u>	<u>(884,533)</u>	<u>497,111</u>	<u>479,664</u>	<u>(17,447)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,768,400	5,900,189	(1,868,211)	-	-	-
-	-	-	475,584	394,491	(81,093)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	300	-	(300)
<u>7,768,400</u>	<u>5,900,189</u>	<u>(1,868,211)</u>	<u>475,884</u>	<u>394,491</u>	<u>(81,393)</u>
<u>(4,053,218)</u>	<u>(3,069,540)</u>	<u>983,678</u>	<u>21,227</u>	<u>85,173</u>	<u>63,946</u>
4,156,641	3,175,578	(981,063)	-	-	-
(103,423)	(106,038)	2,615	(6,028)	(6,645)	617
-	-	-	-	-	-
<u>4,053,218</u>	<u>3,069,540</u>	<u>(978,448)</u>	<u>(6,028)</u>	<u>(6,645)</u>	<u>617</u>
-	-	-	15,199	78,528	63,329
-	-	-	284,416	284,416	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,615</u>	<u>\$ 362,944</u>	<u>\$ 63,329</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, 2021

	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	1,731	631
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	501	501	200	8	(192)
Rentals	334,826	334,827	1	-	-	-
Other	-	-	-	-	-	-
Total revenues	334,826	335,328	502	1,300	1,739	439
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	8,500	379	(8,121)
Public safety	-	-	-	-	-	-
Health	287,541	263,012	(24,529)	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	287,541	263,012	(24,529)	8,500	379	(8,121)
Revenues over (under) expenditures	47,285	72,316	25,031	(7,200)	1,360	8,560
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(521)	(473)	(48)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	(521)	(473)	(48)	-	-	-
Net change in fund balances	46,764	71,843	25,079	(7,200)	1,360	8,560
Fund balances, beginning of year	51,373	51,373	-	18,688	18,688	-
Fund balances, end of year	\$ 98,137	\$ 123,216	\$ 25,079	\$ 11,488	\$ 20,048	\$ 8,560

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, 2021

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Assets				
Current assets:				
Cash and investments	\$ 645,998	\$ 289,631	\$ 83,579	\$ 1,019,208
Receivables:				
Accounts	-	18,953	-	18,953
Due from other governments	-	731,359	-	731,359
Total current assets	645,998	1,039,943	83,579	1,769,520
Noncurrent assets:				
Restricted assets	127,849	-	-	127,849
Capital assets not being depreciated	-	354,753	-	354,753
Capital assets being depreciated, net	-	5,974,358	150,532	6,124,890
Total noncurrent assets	127,849	6,329,111	150,532	6,607,492
Total assets	773,847	7,369,054	234,111	8,377,012
Deferred outflows of resources				
Deferred pension amounts	-	73,987	-	73,987
Deferred OPEB amounts	-	87,183	-	87,183
Total deferred outflows of resources	-	161,170	-	161,170
Liabilities				
Current liabilities:				
Accounts payable	879	104,211	420	105,510
Accrued liabilities	-	97,972	197	98,169
Accrued interest	-	19,989	-	19,989
Current portion of accrued closure cost and sludge removal	21,172	-	-	21,172
Current portion of compensated absences	-	36,484	-	36,484
Current portion of long-term debt	-	31,822	-	31,822
Total current liabilities	22,051	290,478	617	313,146
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	223,448	-	-	223,448
Compensated absences	-	268,313	-	268,313
Long-term debt	-	1,112,868	-	1,112,868
Net pension liability	-	1,598,660	-	1,598,660
Net OPEB liability	-	369,777	-	369,777
Total noncurrent liabilities	223,448	3,349,618	-	3,573,066
Total liabilities	245,499	3,640,096	617	3,886,212
Deferred inflows of resources				
Deferred pension amounts	-	261,669	-	261,669
Deferred OPEB amounts	-	1,035,064	-	1,035,064
Total deferred inflows of resources	-	1,296,733	-	1,296,733
Net position				
Net investment in capital assets	-	6,329,111	150,532	6,479,643
Unrestricted (deficit)	528,348	(3,735,716)	82,962	(3,124,406)
Total net position	\$ 528,348	\$ 2,593,395	\$ 233,494	\$ 3,355,237

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Operating revenues				
Charges for services	\$ -	\$ 149,926	\$ 21,055	\$ 170,981
Other revenues	-	1,283	-	1,283
Total operating revenues	-	151,209	21,055	172,264
Operating expenses				
Salaries and fringes	-	1,969,233	2,697	1,971,930
Supplies and other operating expenses	(8,848)	1,445,748	5,825	1,442,725
Depreciation	-	684,745	28,305	713,050
Total operating expenses	(8,848)	4,099,726	36,827	4,127,705
Operating income (loss)	8,848	(3,948,517)	(15,772)	(3,955,441)
Nonoperating revenues (expenses)				
Grants and contributions:				
Federal	-	2,349,321	-	2,349,321
State	-	1,338,100	-	1,338,100
Local	-	254,323	-	254,323
Investment income	3,646	503	411	4,560
Interest expense	-	(48,096)	-	(48,096)
Loss on sale of capital assets	-	(82,297)	-	(82,297)
Total nonoperating revenues (expenses)	3,646	3,811,854	411	3,815,911
Change in net position	12,494	(136,663)	(15,361)	(139,530)
Net position, beginning of year	515,854	2,730,058	248,855	3,494,767
Net position, end of year	<u>\$ 528,348</u>	<u>\$ 2,593,395</u>	<u>\$ 233,494</u>	<u>\$ 3,355,237</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Cash flows from operating activities				
Receipts from customers and users	\$ -	\$ 140,001	\$ 21,655	\$ 161,656
Payments to vendors	(16,708)	(1,542,079)	(5,515)	(1,564,302)
Payments for personnel services	-	(2,086,707)	(2,750)	(2,089,457)
Net cash provided by (used in) operating activities	<u>(16,708)</u>	<u>(3,488,785)</u>	<u>13,390</u>	<u>(3,492,103)</u>
Cash flows from noncapital financing activities				
Principal paid on pension bonds	-	(45,861)	-	(45,861)
Interest paid on pension bonds	-	(48,541)	-	(48,541)
Federal and/or state grants	-	3,847,565	-	3,847,565
Net cash provided by noncapital financing activities	<u>-</u>	<u>3,753,163</u>	<u>-</u>	<u>3,753,163</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	24,750	-	24,750
Cash flows from investing activities				
Interest received on investments	3,646	503	411	4,560
Net change in cash and investments	<u>(13,062)</u>	<u>289,631</u>	<u>13,801</u>	<u>290,370</u>
Cash and investments, beginning of year	659,060	-	69,778	728,838
Cash and investments, end of year	<u>\$ 645,998</u>	<u>\$ 289,631</u>	<u>\$ 83,579</u>	<u>\$ 1,019,208</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 8,848	\$ (3,948,517)	\$ (15,772)	\$ (3,955,441)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	684,745	28,305	713,050
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	-	(11,208)	600	(10,608)
Restricted assets	523	-	-	523
Negative equity in pooled cash	-	(119,862)	-	(119,862)
Accounts payable	(711)	23,531	310	23,130
Accrued liabilities	-	(10,432)	(53)	(10,485)
Accrued closure cost and sludge removal	(25,368)	-	-	(25,368)
Compensated absences	-	(13,846)	-	(13,846)
Net pension liability	-	(31,317)	-	(31,317)
Deferred outflows - pension amounts	-	164,329	-	164,329
Deferred inflows - pension amounts	-	235,269	-	235,269
Net OPEB asset	-	340,783	-	340,783
Net OPEB liability	-	369,777	-	369,777
Deferred outflows - OPEB amounts	-	377,813	-	377,813
Deferred inflows - OPEB amounts	-	(1,549,850)	-	(1,549,850)
Net cash provided by (used in) operating activities	<u>\$ (16,708)</u>	<u>\$ (3,488,785)</u>	<u>\$ 13,390</u>	<u>\$ (3,492,103)</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, 2021

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Assets			
Current assets:			
Cash and investments	\$ 25,685	\$ 19,570	\$ 3,429
Receivables:			
Accounts	-	-	-
Due from other governments	3,446	-	-
Accrued interest	-	-	-
Prepays	35,000	-	-
Total current assets	64,131	19,570	3,429
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	39,312
Total noncurrent assets	-	-	54,312
Total assets	64,131	19,570	57,741
Deferred outflows of resources			
Deferred charge on bond refunding	-	-	-
Liabilities			
Current liabilities:			
Payables:			
Accounts payable	21,915	14,398	106
Due to other governments	-	-	-
Accrued liabilities	6,201	5,172	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	1,035	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	29,151	19,570	106
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	-	-
Compensated absences	7,612	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	7,612	-	-
Total liabilities	36,763	19,570	106
Net position			
Net investment in capital assets	-	-	54,312
Unrestricted	27,368	-	3,323
Total net position	\$ 27,368	\$ -	\$ 57,635

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ 2,016,189	\$ 4,947,476	\$ 3,296,186	\$ 10,308,535
-	10,346	594,759	605,105
-	3,418	-	6,864
-	-	198,295	198,295
-	261,025	1,350,866	1,646,891
<u>2,016,189</u>	<u>5,222,265</u>	<u>5,440,106</u>	<u>12,765,690</u>
-	-	453,084	453,084
-	-	460,331	460,331
-	407,000	-	422,000
<u>2,518,346</u>	<u>6,667,029</u>	<u>-</u>	<u>9,224,687</u>
<u>2,518,346</u>	<u>7,074,029</u>	<u>913,415</u>	<u>10,560,102</u>
<u>4,534,535</u>	<u>12,296,294</u>	<u>6,353,521</u>	<u>23,325,792</u>
<u>75,902</u>	<u>-</u>	<u>-</u>	<u>75,902</u>
-	21,327	8,765	66,511
-	-	16,004	16,004
-	49,543	2,605,170	2,666,086
54,916	71,928	-	126,844
-	-	14,310	14,310
-	16,526	-	17,561
<u>415,000</u>	<u>1,114,005</u>	<u>-</u>	<u>1,529,005</u>
<u>469,916</u>	<u>1,273,329</u>	<u>2,644,249</u>	<u>4,436,321</u>
-	21,580	-	21,580
-	121,534	-	129,146
<u>4,275,000</u>	<u>5,146,833</u>	<u>-</u>	<u>9,421,833</u>
<u>4,275,000</u>	<u>5,289,947</u>	<u>-</u>	<u>9,572,559</u>
<u>4,744,916</u>	<u>6,563,276</u>	<u>2,644,249</u>	<u>14,008,880</u>
(2,095,752)	813,191	-	(1,228,249)
<u>1,961,273</u>	<u>4,919,827</u>	<u>3,709,272</u>	<u>10,621,063</u>
<u>\$ (134,479)</u>	<u>\$ 5,733,018</u>	<u>\$ 3,709,272</u>	<u>\$ 9,392,814</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, 2021

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	653,870	-
Other revenues	415,656	-	-
Total operating revenues	<u>415,656</u>	<u>653,870</u>	<u>-</u>
Operating expenses			
Salaries and fringes	118,306	103,758	-
Supplies and other operating expenses	319,677	547,137	2,401
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	-	5,616
Total operating expenses	<u>437,983</u>	<u>650,895</u>	<u>8,017</u>
Operating income (loss)	<u>(22,327)</u>	<u>2,975</u>	<u>(8,017)</u>
Nonoperating revenues (expense)			
Investment income (loss)	208	-	-
Interest expense	-	-	-
Gain on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>208</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>(22,119)</u>	<u>2,975</u>	<u>(8,017)</u>
Capital contributions - federal	-	-	-
Transfers in	-	-	-
Transfers out	<u>(3,999)</u>	<u>(2,975)</u>	<u>-</u>
Change in net position	<u>(26,118)</u>	<u>-</u>	<u>(8,017)</u>
Net position, beginning of year	<u>53,486</u>	<u>-</u>	<u>65,652</u>
Net position, end of year	<u>\$ 27,368</u>	<u>\$ -</u>	<u>\$ 57,635</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ -	\$ 18,772,364	\$ 18,772,364
-	553,952	-	1,207,822
-	3,943,587	1,845,952	6,205,195
-	4,497,539	20,618,316	26,185,381
-	1,018,561	1,131,355	2,371,980
1,180	943,871	136,722	1,950,988
-	-	668,922	668,922
-	-	19,116,707	19,116,707
352,488	1,697,035	-	2,055,139
353,668	3,659,467	21,053,706	26,163,736
(353,668)	838,072	(435,390)	21,645
147,606	30,448	(218,332)	(40,070)
(132,747)	(229,558)	-	(362,305)
-	7,592	-	7,592
14,859	(191,518)	(218,332)	(394,783)
(338,809)	646,554	(653,722)	(373,138)
422,446	-	-	422,446
-	42,828	-	42,828
-	(81,748)	(33,423)	(122,145)
83,637	607,634	(687,145)	(30,009)
(218,116)	5,125,384	4,396,417	9,422,823
\$ (134,479)	\$ 5,733,018	\$ 3,709,272	\$ 9,392,814

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Cash flows from operating activities			
Receipts from customers and users	\$ 417,989	\$ 653,870	\$ -
Payments to vendors	(313,036)	(567,040)	(2,446)
Payments for personnel services	(112,645)	(104,024)	-
Net cash provided by (used in) operating activities	<u>(7,692)</u>	<u>(17,194)</u>	<u>(2,446)</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	-
Intergovernmental payments	(3,999)	(2,975)	-
Net cash provided by (used in) noncapital financing activities	<u>(3,999)</u>	<u>(2,975)</u>	<u>-</u>
Cash flows from capital and related financing activities			
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 used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	208	-	-
Net change in cash and investments	(11,483)	(20,169)	(2,446)
Cash and investments, beginning of year	37,168	39,739	5,875
Cash and investments, end of year	<u>\$ 25,685</u>	<u>\$ 19,570</u>	<u>\$ 3,429</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (22,327)	\$ 2,975	\$ (8,017)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	5,616
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	-	-	-
Due from other governments	2,333	-	-
Accrued interest receivable	-	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Accounts payable	6,641	(19,903)	(45)
Due to other governments	-	-	-
Accrued liabilities	1,488	(266)	-
Unearned revenue	-	-	-
Compensated absences	4,173	-	-
Net cash provided by (used in) operating activities	<u>\$ (7,692)</u>	<u>\$ (17,194)</u>	<u>\$ (2,446)</u>

Noncash transactions

The Equipment Revolving fund purchased \$234,100 of vehicles through a capital lease for the year ended September 30, 2021.

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ 4,530,282	\$ 20,439,611	\$ 26,041,752
(1,180)	(1,345,412)	(19,914,966)	(22,144,080)
-	(1,002,179)	(1,001,562)	(2,220,410)
(1,180)	2,182,691	(476,917)	1,677,262
-	-	14,077	14,077
-	(49,195)	-	(56,169)
-	(49,195)	14,077	(42,092)
(405,000)	(1,236,610)	-	(1,641,610)
(122,313)	(253,631)	-	(375,944)
422,446	-	-	422,446
-	7,592	-	7,592
-	(55,306)	-	(55,306)
(104,867)	(1,537,955)	-	(1,642,822)
147,606	30,448	(218,332)	(40,070)
41,559	625,989	(681,172)	(47,722)
1,974,630	4,321,487	3,977,358	10,356,257
\$ 2,016,189	\$ 4,947,476	\$ 3,296,186	\$ 10,308,535
\$ (353,668)	\$ 838,072	\$ (435,390)	\$ 21,645
352,488	1,697,035	-	2,055,139
-	18,166	(192,306)	(174,140)
-	14,577	-	16,910
-	-	15,619	15,619
-	(176,280)	(72,310)	(248,590)
-	-	237,445	237,445
-	(225,261)	(157,750)	(396,318)
-	-	(48,368)	(48,368)
-	6,326	178,161	185,709
-	-	(2,018)	(2,018)
-	10,056	-	14,229
\$ (1,180)	\$ 2,182,691	\$ (476,917)	\$ 1,677,262

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COUNTY OF MUSKEGON, MICHIGAN

Custodial Funds

Custodial Fund (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, and garnishments. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes.

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.

Epic Heir Fund (7650)--is used to account accounts for the perpetual care of specific individuals as ordered by the Court.

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 Net Position
 Custodial Funds
 September 30, 2021

	Custodial (7010)	Library Penal Fines Fund (7210)	Epic Heir (7650)	HealthWest Client Funds (7930)	Total
Assets					
Cash and investments	\$ 14,573,086	\$ 72,979	\$ 95,404	\$ 887,866	\$ 15,629,335
Liabilities					
Accounts payable	5,202	-	-	-	5,202
Due to other governments	2,471,008	72,979	-	-	2,543,987
Undistributed current and delinquent taxes	11,651,694	-	-	-	11,651,694
Trust deposits	105,460	-	-	-	105,460
Unallocated receipts	278,639	-	-	-	278,639
Total liabilities	<u>14,512,003</u>	<u>72,979</u>	<u>-</u>	<u>-</u>	<u>14,584,982</u>
Net position restricted for					
Individuals, organizations and other governments	<u>\$ 61,083</u>	<u>\$ -</u>	<u>\$ 95,404</u>	<u>\$ 887,866</u>	<u>\$ 1,044,353</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2021

	Custodial (7010)	Library Penal Fines Fund (7210)	Epic Heir (7650)	HealthWest Client Funds (7930)	Total
Additions					
Employer contributions	\$ -	\$ -	\$ 11,434	\$ -	\$ 11,434
Investment earnings	-	-	477	-	477
Collections:					
Property and other taxes	96,249,831	-	-	-	96,249,831
Road Commission Act 51	17,520,829	-	-	-	17,520,829
Court and other fees	2,060,478	-	-	-	2,060,478
Library penal	-	318,386	-	-	318,386
Healthwest consumer	-	-	-	4,820,589	4,820,589
Inmate	1,470,032	-	-	-	1,470,032
Other	829,427	-	-	-	829,427
Total additions	118,130,597	318,386	11,911	4,820,589	123,281,483
Deductions					
Distributions:					
Property and other taxes	96,249,831	-	-	-	96,249,831
Road Commission Act 51	17,520,829	-	-	-	17,520,829
Court and other fees	2,060,478	-	-	-	2,060,478
Library penal	-	318,386	-	-	318,386
Healthwest consumer	-	-	-	4,650,161	4,650,161
Inmate	1,445,825	-	-	-	1,445,825
Other	829,427	-	-	-	829,427
Total deductions	118,106,390	318,386	-	4,650,161	123,074,937
Change in net position	24,207	-	11,911	170,428	206,546
Net position, beginning of year, as restated	36,876	-	83,493	717,438	837,807
Net position, end of year	\$ 61,083	\$ -	\$ 95,404	\$ 887,866	\$ 1,044,353

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STATISTICAL SECTION

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Statistical Section

This part of the County of Muskegon's annual comprehensive 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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<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
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<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
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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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 48,399	\$ 53,894	\$ 51,938	\$ 38,123	\$ 28,841	\$ 24,984	\$ 21,820	\$ 18,160	\$ 15,123	\$ 13,722
Restricted	4,031	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,475	6,597
Unrestricted (deficit)	14,922	9,333	481	(50,027)	(61,197)	(69,365)	(128,221)	(109,214)	(101,553)	(92,300)
Total governmental activities net position	\$ 67,352	\$ 66,767	\$ 55,494	\$ (9,269)	\$ (29,454)	\$ (41,108)	\$ (102,698)	\$ (82,138)	\$ (78,955)	\$ (71,981)
Business-type activities										
Net investment in capital assets	\$ 100,796	\$ 98,852	\$ 96,621	\$ 94,764	\$ 94,269	\$ 98,216	\$ 99,225	\$ 106,669	\$ 112,221	\$ 114,899
Restricted	-	-	-	-	-	-	-	-	414	67
Unrestricted	26,164	22,839	26,893	16,881	19,715	13,134	9,555	15,015	16,193	19,467
Total business-type activities net position	\$ 126,960	\$ 121,691	\$ 123,514	\$ 111,645	\$ 113,984	\$ 111,350	\$ 108,780	\$ 121,684	\$ 128,828	\$ 134,433
Primary government										
Net investment in capital assets	\$ 149,195	\$ 152,746	\$ 148,559	\$ 132,887	\$ 123,110	\$ 123,200	\$ 121,045	\$ 124,829	\$ 127,344	\$ 128,621
Restricted	4,031	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,889	6,664
Unrestricted (deficit)	41,086	32,172	27,374	(33,146)	(41,482)	(56,231)	(118,666)	(94,199)	(85,360)	(72,833)
Total primary government net position	\$ 194,312	\$ 188,458	\$ 179,008	\$ 102,376	\$ 84,530	\$ 70,242	\$ 6,082	\$ 39,546	\$ 49,873	\$ 62,452

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General county government	\$ 12,400	\$ 13,866	\$ 17,209	\$ 26,562	\$ 27,791	\$ 11,937	\$ 12,059	\$ 11,831	\$ 10,793	\$ 9,468
Judicial	10,920	10,952	11,588	11,466	13,440	18,675	20,139	13,179	16,869	17,598
Public safety	14,943	18,119	17,264	16,191	18,313	20,207	20,204	13,756	16,669	16,969
Public works	246	272	276	336	251	283	368	198	543	500
Health and welfare	113,421	114,539	91,296	84,637	80,246	87,823	92,596	84,829	87,881	92,408
Recreation and culture	3,980	1,697	1,631	1,581	1,613	1,715	2,721	2,372	2,748	3,100
Community and economic development	716	677	689	990	1,353	1,184	1,281	474	755	731
Interest	684	1,133	2,904	3,096	2,984	2,905	3,001	4,354	4,252	4,041
Total governmental activities expense	157,310	161,255	142,856	144,859	145,992	144,729	152,369	130,993	140,510	144,815
Business-type activities:										
Brookhaven	15,441	15,155	13,113	13,776	13,413	13,660	5,120	174	-	-
Local government public works financing	1,370	1,321	1,285	1,252	935	759	1,421	638	588	828
Solid Waste	2,308	2,737	2,653	6,042	2,675	3,377	3,806	3,666	5,539	1,589
Airport Operations	2,569	3,039	2,874	2,803	2,690	2,578	2,456	2,655	2,722	2,804
Regional Water System	2,961	3,166	3,135	3,515	3,592	3,147	3,200	2,975	2,881	3,256
Muskegon Area Transit System	4,260	4,809	4,976	5,566	5,993	6,294	6,396	4,381	4,543	4,100
Wastewater Management System	16,442	16,638	17,326	16,514	17,152	18,261	17,174	15,917	16,154	16,866
Other proprietary funds	2,355	901	835	1,099	1,235	1,189	1,094	1,170	1,089	1,122
Total business-type activities expenses	47,706	47,766	46,197	50,567	47,685	49,265	40,667	31,576	33,516	30,565
Total primary government expenses	205,016	209,021	189,053	195,426	193,677	193,994	193,036	162,569	174,026	175,380
Program revenues										
Governmental activities:										
Charges for services:										
General government	3,544	4,172	4,146	4,783	4,770	4,699	4,284	4,459	4,535	4,658
Judicial	2,785	3,079	3,081	2,915	2,845	3,132	3,233	3,497	2,917	3,920
Public safety	858	1,606	1,749	965	1,700	2,286	1,927	2,303	1,739	1,586
Health and welfare	74,810	77,094	57,142	55,576	55,296	59,919	61,316	62,969	61,671	65,270
Community and economic development	1,007	1,212	1,061	1,113	1,357	1,707	1,744	1,674	1,751	2,321
Other activities	2,456	1,170	1,188	1,263	1,341	1,356	1,298	1,312	1,257	1,362
Operating grants and contributions	31,528	29,703	26,797	26,538	21,739	23,492	25,463	34,401	30,059	29,405
Capital grants and contributions	383	693	673	940	555	403	387	401	387	569
Total governmental activities program revenues	117,371	118,729	95,837	94,093	89,603	96,994	99,652	111,016	104,316	109,091

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Wastewater	\$ 16,466	\$ 18,247	\$ 18,091	\$ 18,077	\$ 19,088	\$ 19,320	\$ 19,559	\$ 22,190	\$ 22,720	\$ 17,999
Brookhaven	13,492	14,046	12,446	12,380	11,810	10,515	3,797	-	-	-
Other	11,870	12,206	12,432	12,511	12,742	11,961	12,023	13,954	13,433	13,905
Operating grants and contributions	1,305	2,037	2,102	4,672	4,734	5,386	5,056	4,841	4,567	5,712
Capital grants and contributions	5,377	3,379	4,622	4,303	1,138	645	521	4,876	826	233
Total business-type activities program revenues	48,510	49,915	49,693	51,943	49,512	47,827	40,956	45,861	41,546	37,849
Total primary government program revenues	165,881	168,644	145,530	146,036	139,115	144,821	140,608	156,877	145,862	146,940
Net (expense)/revenue										
Governmental activities	(39,939)	(42,526)	(47,019)	(50,766)	(56,389)	(47,735)	(52,717)	(19,977)	(36,194)	(35,724)
Business-type activities	804	2,149	3,496	1,376	1,827	(1,438)	289	14,285	8,030	7,284
Total primary government net expense	(39,135)	(40,377)	(43,523)	(49,390)	(54,562)	(49,173)	(52,428)	(5,692)	(28,164)	(28,440)
General revenues and other changes in net position										
Governmental activities:										
Property/Liquor/Lodging taxes	26,599	26,812	27,717	28,290	27,233	28,534	30,547	31,089	31,558	32,940
State shared revenue	2,728	2,748	2,882	3,595	3,601	3,637	3,673	3,690	2,884	3,765
Investment earnings (loss)	256	(742)	1,627	1,204	743	250	80	1,622	1,075	79
Other revenue and transfers	8,973	13,162	7,024	4,265	4,627	3,660	5,132	4,135	3,860	5,913
Special item	-	-	(3,504)	-	-	-	(10,701)	-	-	-
Total governmental activities	38,556	41,980	35,746	37,354	36,204	36,081	28,731	40,536	39,377	42,697
Business-type activities:										
Investment earnings	349	-	-	-	-	-	-	-	-	-
Other revenue and transfers	(2,835)	(7,219)	(1,673)	(1,599)	(1,765)	(1,196)	(2,238)	(1,380)	(886)	(1,678)
Special item	-	-	-	-	2,277	-	10,701	-	-	-
Total business-type activities	(2,486)	(7,219)	(1,673)	(1,599)	512	(1,196)	8,463	(1,380)	(886)	(1,678)
Total primary government	36,070	34,761	34,073	35,755	36,716	34,885	37,194	39,156	38,491	41,019
Change in net position										
Governmental activities	(1,383)	(546)	(11,273)	(13,412)	(20,185)	(11,654)	(23,986)	20,559	3,183	6,973
Business-type activities	(1,682)	(5,070)	1,823	(223)	2,339	(2,634)	8,752	12,905	7,144	5,606
Total primary government	\$ (3,065)	\$ (5,616)	\$ (9,450)	\$ (13,635)	\$ (17,846)	\$ (14,288)	\$ (15,234)	\$ 33,464	\$ 10,327	\$ 12,579

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	\$ 2,738	\$ 2,528	\$ 3,838	\$ 1,577	\$ 1,320	\$ 1,076	\$ 58	\$ 108	\$ 104	\$ 104
Restricted	114	45	59	70	101	110	97	102	110	63
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	40	-	-	-	628	-	73	68	1,895	1,660
Unassigned	7,839	7,217	5,808	7,926	8,310	9,451	8,838	9,668	9,462	13,162
Total general fund	<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>	<u>14,989</u>
All other governmental funds:										
Nonspendable	1,134	1,072	1,084	1,005	989	929	104	101	66	272
Restricted	4,005	3,514	24,706	5,681	2,861	3,293	3,497	8,587	6,649	5,803
Committed	335	279	214	1,690	986	1,108	1,945	3,730	3,643	3,311
Assigned	1,512	5,210	379	51	291	270	100	74	63	66
Unassigned (deficit)	-	-	-	-	(2)	-	-	(11,995)	(12,350)	(13,495)
Total all other governmental funds	<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>	<u>(4,043)</u>
Total fund balance for governmental funds	<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>	<u>\$ 10,946</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 27,033	\$ 27,327	\$ 28,295	\$ 28,309	\$ 27,253	\$ 28,554	\$ 30,574	\$ 31,399	\$ 31,578	\$ 33,101
Operating grants and contributions	33,313	31,894	29,187	30,660	25,615	27,182	28,839	38,066	32,873	33,247
Charges for services	84,981	87,758	67,555	65,530	66,228	72,067	72,842	66,802	72,172	77,422
Other	7,248	7,040	6,653	3,898	3,956	3,581	3,623	3,799	3,418	5,042
Total revenues	152,575	154,019	131,690	128,397	123,052	131,384	135,878	140,066	140,041	148,812
Expenditures										
General government	11,851	13,025	14,027	16,875	16,399	10,246	9,519	8,739	9,546	9,064
Judicial	10,663	10,469	10,803	10,886	11,329	16,725	17,384	17,815	17,412	18,367
Public safety	12,416	14,572	14,853	14,629	14,958	15,750	16,442	16,036	15,909	15,867
Public works	245	270	274	326	251	283	368	253	517	512
Health and welfare	112,007	113,332	89,064	83,271	76,133	83,591	88,704	92,033	88,603	94,188
Community and economic development	707	669	680	822	1,041	880	884	776	763	783
Other	4,063	1,251	1,296	1,285	1,243	1,167	2,561	43,017	7,379	2,865
Capital outlay	2,079	3,306	21,817	16,893	3,188	338	503	409	380	432
Debt service:										
Principal	1,375	1,690	1,745	1,800	1,840	695	720	1,685	3,179	3,772
Interest	669	625	1,490	2,386	2,330	2,265	1,178	2,004	4,082	3,507
Bond issuance costs	-	-	-	-	-	-	330	292	67	-
Total expenditures	156,075	159,209	156,049	149,173	128,712	131,940	138,593	183,059	147,837	149,357
Excess of revenues under expenditures	(3,500)	(5,190)	(24,359)	(20,776)	(5,660)	(556)	(2,715)	(42,993)	(7,796)	(545)
Other financing sources (uses)										
Issuance of long-term debt	-	-	38,870	981	-	-	-	41,179	5,220	-
Issuance of refunding debt	-	-	-	-	-	-	48,220	-	-	-
Premium on issuance of refunding	-	-	-	-	-	-	150	-	-	-
Payments to escrow agents	-	-	-	-	-	-	(48,031)	-	-	-
Discount on issuance of bonds	-	-	-	-	-	-	-	(146)	-	-
Transfers in	13,092	17,640	15,374	10,713	12,026	15,370	56,401	18,352	16,634	16,102
Transfers out	(11,567)	(10,302)	(13,701)	(9,174)	(8,888)	(14,217)	(54,182)	(16,803)	(15,379)	(14,344)
Proceeds from sale of capital assets	15	-	39	168	6	156	306	27	520	91
Total other financing sources (uses)	1,540	7,338	40,582	2,688	3,144	1,309	2,864	42,609	6,995	1,849
Special item	-	-	-	-	-	-	(1,673)	-	-	-
Net change in fund balances	\$ (1,960)	\$ 2,148	\$ 16,223	\$ (18,088)	\$ (2,516)	\$ 753	\$ (1,524)	\$ (384)	\$ (801)	\$ 1,304
Debt service as a percentage of noncapital expenditures	1.33%	1.48%	3.13%	3.15%	3.33%	2.25%	1.38%	2.02%	4.92%	4.89%

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
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
2021	30,510	1,558	871	32,939
Change 2012-2021	24.1%	71.2%	-20.5%	23.8%

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		
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
2021	5,981	345	6,326	4,630	345	4,975	6.8940	78.64

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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 109,697	1	2.19 %	\$ 143,138	1	3.30 %
DTE Energy	69,044	2	1.38	29,954	3	0.69
Michigan Electric Transmission Co	21,689	3	0.43	—		—
Arconic FKA Howmet/Alcoa Corp	18,877	4	0.38	50,279	2	1.16
Meijer Inc	16,555	5	0.33	19,248	6	0.44
THF Fruitport Development LP	15,779	6	0.31	16,054	9	0.37
MIMG	12,585	7	0.25	—		—
Comcast of Muskegon	11,547	8	0.23	—		—
James Street Capital Holdings	10,214	9	0.20	—		—
Cedar Fair LLC/Michigan's Adventure	10,203	10	0.20	—		—
Sun Chemical of Michigan LLC	—		—	21,664	4	0.50
L3 Communications Corp	—		—	18,022	8	0.42
Bayer Cropsience	—		—	18,662	7	0.43
Diversified Machine Montague Inc	—		—	19,906	5	0.46
Lakes Mall realty LLC	—		—	14,378	10	0.33
Total	\$ 296,190		5.90 %	\$ 351,305		8.10 %

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County direct rates										
Operating ^a	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6978	5.6601
Veterans Affairs	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0751	0.0746
Museum Operating	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3220	0.3198
911 Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.2999	0.2979
Quality of Life Bond	0.3000	0.3000	0.2600	0.2400	—	—	—	—	—	—
Senior Services	—	—	—	—	0.5000	0.5000	0.5000	0.5000	0.4999	0.4966
Total direct rate	6.6957	6.6957	6.6557	6.6357	6.8957	6.8957	6.8957	6.8957	6.8947	6.8490
Overlapping rates ^a										
Muskegon Community College	2.2037	2.2037	2.5437	2.5437	2.5437	2.5437	2.5437	2.5437	2.5434	2.5288
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	3.0-13	3.50-13	3.50-13	2.65-13	1.3-13	1.3-13	1.3-13
Non-Homestead	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	19.3-30.8
City Rates:										
Montague	14.7500	16.7500	16.7500	16.7500	16.7500	16.7500	16.7500	16.5000	16.5000	16.4000
Muskegon	12.0789	12.0865	13.0875	13.0869	13.0905	13.0908	13.0899	13.0865	13.0733	12.9722
Muskegon Heights	18.8500	18.8500	18.8500	18.8500	18.8500	18.8500	22.8396	22.8396	22.8396	22.8104
North Muskegon	12.1849	12.1849	12.1849	12.1849	12.1379	12.8850	12.0883	12.0511	13.0263	12.9818
Norton Shores	9.9500	10.5500	10.5500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Roosevelt Park	11.6000	11.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000
Whitehall	12.7764	12.7764	15.7700	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	12.0000	12.0000
Fruitport	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	7.0000	7.0000	7.0000
Lakewood Club	8.1908	8.1908	8.1908	8.1539	8.0984	8.0773	8.0142	7.8787	7.7234	7.4886
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	0.79-7.61	0.78-7.61	0.77-9.11	0.76-9.11	0.76-9.26	0.75-9.11	.75-9.05
Libraries:										
Fruitport District Library	—	—	—	—	—	—	—	0.7500	0.7500	0.7466
Hackley Public Library	2.4000	2.4000	2.4000	2.9611	2.8962	2.8999	2.8866	2.8522	2.8529	2.4256
Muskegon Area District Library	0.7490	0.7490	0.7490	0.7490	1.2490	1.2490	1.2490	1.2490	1.2448	1.2363
White Lake Community Library	0.9627	0.9572	0.9516	0.9387	0.9597	0.7023	0.8888	0.8713	0.9297	0.9228
Fire/Ambulance:										
Montague Fire District	1.9000	1.9000	1.9000	1.9000	1.8985	1.8934	1.8934	1.8794	1.8337	1.6500
White Lake Ambulance Authority	0.5500	0.5500	0.5500	1.0000	1.9000	1.9000	1.8988	1.8988	1.8000	1.8000
White Lake Fire Authority	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	3.0767

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 2021 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
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	26,734,233	25,837,279	96.64	896,954	26,734,233	100.0
2021	27,338,747	26,481,447	96.86	N/A	26,481,447	96.9

Source: Muskegon County Treasurer's Office
 2021 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)
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
2021	53,472	1,364	44,953	54,969	4,843	14,862	12,300	186,763	2.44	1,074.07

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				
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	
2021	58,315	44,953	14,862	118,130	2.37	679.36	

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
		(1)	
Overlapping debt:			
School Districts (K-12)	\$ 705,376,086	72.406%	\$ 510,733,140
Cities, Villages, and Townships	115,802,906	100.000%	115,802,906
Muskegon Community College	30,230,000	100.000%	30,230,000
Hackley Public Library	1,960,000	100.000%	1,960,000
Newaygo Area Intermediate School District	450,000	3.290%	14,805
Subtotal, overlapping debt			<u>658,740,851</u>
County direct debt, governmental activities			<u>99,789,201</u>
Total direct and overlapping debt			<u><u>\$ 758,530,052</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 2021

Assessed value (000s)	\$ 6,325,783
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 632,578</u>
Debt applicable to limit:	
General obligation bonds (1)	58,315
Other debt	1,364
Building authority bonds (2)	44,953
Revenue bonds	54,969
Local Govt Public Works Finance	14,862
Delinquent tax notes	<u>12,300</u>
Total net debt applicable to limit	<u>186,763</u>
Legal debt margin	<u>\$ 445,815</u>

		Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	(a)	\$ 474,649	\$ 461,026	\$ 470,692	\$ 486,642	\$ 492,865	\$ 513,973	\$ 527,792	\$ 560,087	\$ 595,585	\$ 632,578
Total net debt applicable to limit	(b)	<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>	<u>186,763</u>
Legal debt margin available	(a-b)	<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>	<u>\$ 445,815</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	31.96%	31.17%	38.54%	37.10%	34.91%	31.20%	29.85%	34.64%	31.51%	29.52%
County net debt limit as a percentage of total State Equalized Value (1)		3.20%	3.12%	3.85%	3.71%	3.49%	3.12%	2.98%	3.46%	3.15%	2.95%

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)			
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
2021	15,370	2,427	202	163	-	18,162	9,210	8,952	4,415	961	167

(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	2021			2012		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (2)
Mercy Health Partners	4,000	1	5.8 %	3,657	1	5.2 %
Alcoa Howmet	2,700	2	3.9	2,100	2	3.0
ADAC Automotive	1,033	3	1.5	500	8	0.7
County of Muskegon	1,021	4	1.5	1,108	3	1.6
Meijer	870	5	1.3	866	5	1.2
GE Aviation	634	6	0.9	553	7	0.8
Wesco	573	7	0.8	395	10	0.6
Structural Concepts	500	8	0.7	—		—
Pace	500	9	0.7	—		—
Muskegon Area Inter. School District	500	10	0.7	—		—
Port City Group	—		—	493	9	0.7
Muskegon Public Schools	—		—	915	4	1.3
Knoll Furniture	—		—	573	6	0.8
Total	12,331		17.8 %	11,160		15.9 %

(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 2012 Annual Comprehensive 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)
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
2020	173,883	7,650,887	44,000	39.8	25,768	11.4

- 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legislative										
Board of Commissioners	11	11	9	9	9	9	9	9	9	9
General Government										
Administration	6	7	8	9	7	7	4	4	4	4
Economic Development	-	-	-	-	-	1	1	-	-	-
County Clerk/Circuit Court Records	14	14	14	17	15	15	17	16	16	16
Prosecutor's Office	32	27	27	28	28	27	28	30	33	34
Treasurer's Office	9	9	9	10	9	13	12	12	12	12
Equalization	20	20	19	21	20	20	21	20	20	21
Register of Deeds	8	8	9	9	8	8	8	8	8	8
Water Resources Commissioner	6	11	11	11	9	7	7	7	7	7
Accounting/Budget	7	8	9	9	8	8	9	9	8	8
Human Resources	3	3	2	3	3	2	2	3	3	2
Purchasing	3	2	-	-	-	-	-	-	-	-
Office Services	2	2	2	2	2	2	2	2	2	2
Information Systems	7	5	5	5	6	8	10	11	12	13
Risk Management	8	10	9	10	10	10	10	10	11	10
Facilities Management	15	13	13	13	13	12	13	14	14	13
Judicial										
Circuit Court	23	23	24	23	24	25	36	38	40	42
District Court	64	63	63	65	64	61	61	60	62	64
Family Court	66	66	69	77	74	76	76	74	74	66
Probate Court	7	7	7	7	7	7	7	7	7	7
Public Defender	-	-	16	16	16	16	16	22	23	30
Public Safety										
Sheriff	125	122	119	122	117	118	127	127	129	128
Animal Licensing	-	4	4	4	3	2	1	1	1	1
Courtroom Security	8	9	9	9	10	10	10	10	10	10
Community Corrections	6	4	4	4	4	4	4	4	4	4
Emergency Services	2	1	2	2	2	1	1	1	1	1
Health										
Public Health	83	72	75	65	59	58	60	62	62	65
Mental Health	350	370	402	400	359	409	446	465	498	634
Brookhaven Medical Care	269	270	207	170	174	194	-	-	-	-
Water system	3	3	3	3	3	3	3	3	3	3
Wastewater	52	54	55	53	46	46	48	47	48	49
Solid Waste	14	15	15	15	15	16	15	15	16	16

continued...

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Welfare										
Veterans' Affairs	-	-	-	-	-	-	2	2	2	3
Child Haven	16	16	16	16	16	-	-	-	-	-
Juvenile Detention Center	36	37	37	37	35	40	40	43	43	44
Workforce Development	14	14	70	65	-	-	-	-	-	-
Cultural										
MSU Cooperative Extension	1	1	1	1	-	-	-	-	-	-
Recreation										
County Parks	22	22	22	23	22	22	31	31	31	31
Convention/Visitor's Bureau	6	6	7	8	6	7	6	6	6	4
Airport	13	12	12	11	11	10	8	7	9	10
Transit	55	58	65	73	73	73	73	71	73	67
Total	1,383	1,413	1,472	1,408	1,288	1,370	1,231	1,259	1,298	1,436

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety Police										
Bookings	8,654	8,149	7,981	7,889	9,038	8,213	8,580	8,180	6,003	3,326
Traffic Stops	3,160	3,512	2,543	2,677	3,278	2,030	1,921	3,044	1,910	2,011
Verbal Warnings	2,788	2,823	1,874	1,997	2,393	1,477	1,207	1,545	1,088	522
Citations	1,299	1,693	1,336	1,069	1,137	1,056	1,072	1,499	822	1,489
Public Safety-Corrections										
Average Daily Jail Population	407	405	403	407	453	532	513	498	388	278
Avg Population as Pct of Capacity	110%	109%	109%	110%	81%	98%	95%	92%	72%	51%
Sanitation										
Refuse collected (tons)	102,729	109,580	115,089	142,467	174,385	148,295	152,909	191,921	153,546	171,954
Recyclables collected (tons)	63	44	76	101	95	99	82	106	98	89
Water										
New connections	60	48	46	57	61	45	56	50	41	71
Average daily consumption (thousands of gallons)	1,216	1,159	1,112	1,122	1,111	1,117	1,124	1,075	1,310	1,081
Wastewater										
Average daily sewer treatment (million gallons)	12	12	12	12	12	12	12	12	12	12
District Court										
Cases filed	36,868	36,656	37,588	36,304	33,017	32,583	35,193	34,845	22,678	24,194
Cases disposed	40,789	39,152	38,399	42,049	38,422	37,621	39,794	41,055	25,144	27,680
Cases pending	5,210	4,717	4,532	6,147	4,758	4,729	5,235	4,452	5,671	6,129
Airport										
Total landings / take-offs	34,599	31,383	32,675	31,518	25,659	27,050	23,647	24,699	24,057	22,596
Passengers	37,724	36,634	35,641	36,484	39,512	38,528	39,240	43,816	18,838	21,996
Transit										
Total Vehicle Miles	790,430	784,796	786,389	919,108	934,391	957,154	789,068	766,422	484,989	384,511
Total Revenue Miles	713,705	707,842	731,656	849,739	867,714	853,670	784,396	730,711	454,278	360,191
Total passengers	719,908	731,633	708,461	652,037	581,742	557,281	488,167	480,253	311,496	156,249

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety-Sheriff										
Patrol Units	27	29	29	29	29	29	29	29	26	26
Public Safety-Corrections										
Jail Capacity	370	370	370	558	558	542	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)	73	73	73	71	70	67	71	72	61	72
Transit										
Number of Buses	24	37	37	37	36	36	36	34	34	27
Solid Waste										
Total Capacity (thousand cubic yards)	3,778	3,778	3,819	3,819	4,685	4,685	4,685	4,685	4,211	4,716
Remaining Capacity (thousand cubic yards)	1,517	1,388	1,231	1,114	1,114	802	659	439	230	506
Remaining Capacity (percent of total)	40.2%	36.7%	32.2%	29.2%	23.8%	17.1%	14.1%	9.4%	5.5%	10.7%

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, 2021

	Urban		Nonurban	Total
	Linehaul	Demand Response	Linehaul	
Passenger fares	\$ 79,872	\$ 19,674	\$ -	\$ 99,546
Concessions	353	-	-	353
Advertising	38,898	-	-	38,898
Building rental	200	-	-	200
Alternative fuel reimbursement	12,212	-	-	12,212
Local operating assistance	222,762	31,561	-	254,323
Interest income	503	-	-	503
Total	\$ 354,800	\$ 51,235	\$ -	\$ 406,035
Financial statement revenue				
Total operating revenues				\$ 151,209
Nonoperating revenue				
Local grants				254,323
Investment income				503
Total				\$ 406,035

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, 2021

Federal and State Grantor/Pass-Through Grantor/Program Title	Assistance Listing 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	\$ 70,678	\$ 70,678	\$ -	\$ -	\$ 1,653,771	\$ 415,098
Capital Assistance - Section 5307 - CARES Act	20.507	MI-2020-014-00	5,404,286	2,149,976	2,149,976	-	-	1,752,299	1,502,011
Capital Assistance - Section 5307	20.507	MI-2020-023-00	1,910,355	-	-	-	-	378,147	1,532,208
Capital Assistance - Section 5339 - Support Equipment	20.526	MI-2019-028-00	99,129	10,450	10,450	-	-	33,695	54,984
Passed through Michigan Department of Transportation:									
Section 5310 - New Freedom - Enhanced Mobility	20.513	2017-0104/P21	140,000	118,217	118,217	-	-	-	21,783
Total U.S. Department of Transportation				<u>2,349,321</u>	<u>2,349,321</u>	<u>-</u>	<u>-</u>	<u>3,817,912</u>	<u>3,526,084</u>
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY21	1,039,073	1,039,073	-	1,039,073	-	-	-
Operating Assistance - prior years	N/A	Prior to 2021	172,781	172,781	-	172,781	-	-	-
Section 5339 Match - Mobility Management and Marketing	N/A	2017-0104/P21	35,000	29,554	-	29,554	-	-	5,446
Section 5339 Match - Equipment / Section 5307 Match - Bus & Outreach	N/A	17-0104/P13	338,532	2,613	-	2,613	-	8,424	327,495
Specialized Services	N/A	17-0104/P15-R1	153,358	76,409	-	76,409	-	56,706	20,243
Section 5307 Match	N/A	17-0104/P03	306,896	17,670	-	17,670	-	185,452	103,774
Total Michigan Department of Transportation				<u>1,338,100</u>	<u>-</u>	<u>1,338,100</u>	<u>-</u>	<u>250,582</u>	<u>456,958</u>
Total Expenditures of Federal and State Awards				<u>\$ 3,687,421</u>	<u>\$ 2,349,321</u>	<u>\$ 1,338,100</u>	<u>\$ -</u>	<u>\$ 4,068,494</u>	<u>\$ 3,983,042</u>

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2021

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,097,974	\$ -	\$ -	\$ 1,097,974
Salaries and wages - other	354,190	-	-	354,190
Fringe benefits	511,574	-	-	511,574
OPEB - defined benefit	(462,677)	-	-	(462,677)
OPEB - defined contribution	5,324	-	-	5,324
Pension - defined benefit	560,890	-	-	560,890
Pension - defined contribution	6,072	-	-	6,072
Services				
Advertising	81,487	-	-	81,487
Audit	6,897	-	-	6,897
Other services	73,737	-	-	73,737
Purchased transportation services	221,803	-	-	221,803
Materials and supplies				
Fuel	156,920	-	-	156,920
Tires and tubes	18,822	-	-	18,822
Other materials and supplies	519,291	-	-	519,291
Casualty and liability costs				
Liability insurance	150,820	-	-	150,820
Other insurance	11,711	-	-	11,711
Utilities				
	84,483	-	-	84,483
Miscellaneous				
Travel, meetings and training	1,665	-	-	1,665
Association dues and subscriptions	14,858	-	-	14,858
Loss on disposal of assets	82,297	-	-	82,297
Equipment leases				
	3,625	-	-	3,625
Depreciation				
	684,745	-	-	684,745
Total operating expenses before expenses excluded	4,186,508	-	-	4,186,508

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2021

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
Expenses excluded from OAR				
State grant funds				
2017-0104-P15-R1 / Specialized Services	\$ -	\$ -	\$ 76,409	76,409
2017-0104/P13	-	2,613	-	2,613
Federal grant funded				
MI-2019-028-00	-	10,450	-	10,450
Total expenses excluded from OAR	<u>-</u>	<u>13,063</u>	<u>76,409</u>	<u>89,472</u>
Total operating expenses	<u>\$ 4,186,508</u>	<u>\$ 13,063</u>	<u>\$ 76,409</u>	4,275,980
Principal payments on pension debt included as expense above				(45,861)
				<u>\$ 4,230,119</u>
Financial statement expenses				
Total operating expenses				\$ 4,099,726
Nonoperating interest expense				48,096
Nonoperating loss on sale of capital assets				82,297
Total				<u>\$ 4,230,119</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E & 5

Urban Regular Service Expense Report & Urban Operating Assistance Calculation

For the Year Ended September 30, 2021

	Total System
Operating expenses	
Labor	
Salaries and wages - operators	\$ 1,097,974
Salaries and wages - other	354,190
Fringe benefits	511,574
OPEB - defined benefit	(462,677)
OPEB - defined contribution	5,324
Pension - defined benefit	560,890
Pension - defined contribution	6,072
Services	
Advertising	81,487
Audit	6,897
Other services	73,737
Purchased transportation services	221,803
Materials and supplies	
Fuel	156,920
Tires and tubes	18,822
Other materials and supplies	519,291
Casualty and liability costs	
Liability insurance	150,820
Other insurance	11,711
Utilities	
	84,483
Miscellaneous	
Travel, meetings and training	1,665
Association dues and subscriptions	14,858
Loss on disposal of assets	82,297
Equipment leases	
	3,625
Depreciation ⁽²⁾	
	<u>684,745</u>
Total operating expenses	<u>4,186,508</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E & 5

Urban Regular Service Expense Report & Urban Operating Assistance Calculation

For the Year Ended September 30, 2021

	Total System
Ineligible expenses	
Ineligible depreciation ⁽²⁾	\$ 684,685
Ineligible loss on disposal of assets	82,297
Ineligible portion of association dues	1,182
Ineligible pension - DB actually paid ⁽¹⁾	368,281
Ineligible OPEB - DB actually paid ⁽¹⁾	(461,477)
Ineligible increase in compensated absences	(13,846)
Ineligible expense with advertising ⁽⁴⁾	1,070
Expenses paid by capital contracts ⁽³⁾	
State grant funded	
2017-0104/P21	29,554
2017-0104/P03	17,670
Federal grant funded	
MI-2017-022-01	70,678
2017-0104/P21	118,217
Total ineligible expenses	<u>898,311</u>
Total eligible expenses	<u>\$ 3,288,197</u>
State operating assistance - 31.6001%	<u>\$ 1,039,073</u>

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

2021 Central Service Cost Allocation Plan

⁽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. DB pension bond principal payments paid are included as eligible operating expense.

⁽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 \$236,119 were subtracted out as ineligible / 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 \$1,070 paid for production of advertising material which is excluded as ineligible operating expense.

concluded

Muskegon Area Transit System Fund

Schedule 4N

Urban Regular Service Nonfinancial Report

For the Year Ended September 30, 2021

	Miles	Hours
Linehaul		
First Quarter	69,010	5,208
Second Quarter	70,160	5,295
Third Quarter	73,610	5,555
Fourth Quarter	73,610	5,555
	286,390	21,613
Demand response		
First Quarter	7,847	869
Second Quarter	8,802	907
Third Quarter	10,118	1,108
Fourth Quarter	47,032	3,474
	73,799	6,358
Total operations	360,189	27,971

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, 2021

	Linehaul	Demand Response	Total
Passenger fares	\$ 79,872	\$ 19,674	\$ 99,546
Concessions	353	-	353
Advertising	38,898	-	38,898
Building rental	200	-	200
Alternative fuel reimbursement	12,212	-	12,212
Local operating assistance	222,762	31,561	254,323
Urban Regular Service Local Revenues - OAR Revenues	<u>354,297</u>	<u>51,235</u>	<u>405,532</u>
State Cash Grants/Reimbursements - OAR Revenues			
FY2021 Formula Funding	976,338	62,735	1,039,073
2017-0104/P21	29,554	-	29,554
2017-0104/P03	17,670	-	17,670
State Cash Grants/Reimbursements - OAR Revenues	<u>1,023,562</u>	<u>62,735</u>	<u>1,086,297</u>
Plus OAR Excluded State Revenues (excluded Prior Year/Capital/Sp Svcs)			
Prior years formula funding	172,781	-	172,781
2017-0104-P15-R1 / Specialized Services	76,409	-	76,409
2012-0138/P13	2,613	-	2,613
State Revenue	<u>1,275,365</u>	<u>62,735</u>	<u>1,338,100</u>

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COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2021

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements - OAR Revenues			
MI-2020-014-00 CARES Act	\$ 1,784,054	\$ 102,386	\$ 1,886,440
MI-2020-014-00 CARES Act - lost revenue	233,812	29,724	263,536
2017-0104/P21	118,217	-	118,217
2017-022-01	70,678	-	70,678
Federal Cash Grants/Reimbursements - OAR Revenues	<u>2,206,761</u>	<u>132,110</u>	<u>2,338,871</u>
Plus OAR Excluded Federal Revenues (excluded Capital)			
MI-2019-028-00	10,450	-	10,450
Federal Revenue	<u>2,217,211</u>	<u>132,110</u>	<u>2,349,321</u>
Other revenue - OAR Revenues			
Interest income - OAR Revenues	<u>503</u>	<u>-</u>	<u>503</u>
Total revenues - OAR Revenues and OAR Excluded Revenues	<u><u>\$ 3,847,376</u></u>	<u><u>\$ 246,080</u></u>	<u><u>\$ 4,093,456</u></u>

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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, 2021

	2012	2013	2014	2015
Annual required contribution	\$ 163,222	\$ 167,997	\$ 169,920	\$ 215,781
Interest on the prior year's net OPEB obligation	-	-	-	-
Adjustment to annual required contribution	-	-	-	-
Annual OPEB cost	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>	<u>215,781</u>
Amount contributed:				
Payment of current premiums	163,222	167,997	169,920	90,507
Payment of prior year expenses	-	-	-	-
Payment of future expenses	-	-	-	-
Total amount contributed	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>	<u>90,507</u>
Increase in OPEB obligation	-	-	-	125,274
OPEB obligation, beginning of year	-	-	-	-
Restatement	-	-	-	<u>189,458</u>
OPEB obligation, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,732</u>



2016		2017	
\$	291,469	\$	238,123
	25,179		41,040
	<u>(29,093)</u>		<u>(53,486)</u>
	<u>287,555</u>		<u>225,677</u>
	89,291		111,539
	-		-
	-		-
	<u>89,291</u>		<u>111,539</u>
	198,264		114,138
	314,732		512,996
	-		-
	<u>-</u>		<u>-</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, 2021

	2018	2019	2020	2021
Annual financial statement OPEB expense	\$ 364,355	\$ (784,461)	\$ (496,789)	\$ (462,677)
Change in net OPEB liability (asset)	(726,515)	4,554,237	(504,930)	(710,560)
Change in deferred inflow	-	(3,661,962)	1,077,048	1,549,850
Change in deferred outflow	466,843	(500)	(1,347)	(377,813)
OPEB payments	<u>\$ 104,683</u>	<u>\$ 107,314</u>	<u>\$ 73,982</u>	<u>\$ (1,200)</u>
Net OPEB asset (liability), beginning of year	\$ (627,134)	\$ (3,708,524)	\$ 845,713	\$ 340,783
Restatement	(2,354,875)	-	-	-
Change in net OPEB liability	(726,515)	4,554,237	(504,930)	(710,560)
Net OPEB asset (liability), end of year	<u>\$ (3,708,524)</u>	<u>\$ 845,713</u>	<u>\$ 340,783</u>	<u>\$ (369,777)</u>
Beginning deferred inflows	\$ -	\$ -	\$ (3,661,962)	\$ (2,584,914)
Change in deferred inflows	-	(3,661,962)	1,077,048	1,549,850
Ending deferred inflows	<u>\$ -</u>	<u>\$ (3,661,962)</u>	<u>\$ (2,584,914)</u>	<u>\$ (1,035,064)</u>
Beginning deferred outflows	\$ -	\$ 466,843	\$ 466,343	\$ 464,996
Change in deferred outflows	466,843	(500)	(1,347)	(377,813)
Ending deferred outflows	<u>\$ 466,843</u>	<u>\$ 466,343</u>	<u>\$ 464,996</u>	<u>\$ 87,183</u>
Change in net OPEB (asset) liability	\$ (726,515)	\$ 4,554,237	\$ (504,930)	\$ (710,560)
Change in deferred inflow	-	(3,661,962)	1,077,048	1,549,850
Change in deferred outflow	466,843	(500)	(1,347)	(377,813)
Net OPEB expense paid (not paid)	<u>\$ (259,672)</u>	<u>\$ 891,775</u>	<u>\$ 570,771</u>	<u>\$ 461,477</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, 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Annual financial statement pension expense	\$ 172,812	\$ 262,966	\$ 551,813	\$ 606,622	\$ 540,516	\$ (152,463)	\$ 470,602	\$ 466,928
Change in net pension liability	-	(285,237)	(1,128,968)	133,222	239,234	1,081,691	(110,166)	31,317
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432	45,861
Change in discount on pension fund bonds	-	-	-	-	-	4,369	(221)	(171)
Interest/fees paid on pension funding bonds	-	-	-	-	-	-	49,560	48,105
Change in deferred inflow	-	-	-	(55,600)	(154,716)	188,359	(4,443)	(235,269)
Change in deferred outflow	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)	(164,329)
Pension payments	\$ 172,812	\$ 188,701	\$ 204,153	\$ 244,424	\$ 295,469	\$ 157,160	\$ 191,021	\$ 192,442
Net pension liability, beginning of year	\$ -	\$ -	\$ (1,844,990)	\$ (2,973,958)	\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)	\$ (1,629,977)
Restatement	-	(1,559,753)	-	-	-	-	-	-
Change in net pension liability	-	(285,237)	(1,128,968)	133,222	239,234	1,081,691	(110,166)	31,317
Net pension liability, end of year	\$ -	\$ (1,844,990)	\$ (2,973,958)	\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)	\$ (1,629,977)	\$ (1,598,660)
Beginning pension funding bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,232,960)	\$ (1,194,528)
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432	45,861
Ending pension funding bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,232,960)	\$ (1,194,528)	\$ (1,148,667)
Beginning discount on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,369	\$ 4,148
Change in discount on pension funding bonds	-	-	-	-	-	4,369	(221)	(171)
Ending discount on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,369	\$ 4,148	\$ 3,977
Interest/fees paid on pension funding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,560	\$ 48,105
Beginning deferred inflows	\$ -	\$ -	\$ -	\$ -	\$ (55,600)	\$ (210,316)	\$ (21,957)	\$ (26,400)
Change in deferred inflows	-	-	-	(55,600)	(154,716)	188,359	(4,443)	(235,269)
Ending deferred inflows	\$ -	\$ -	\$ -	\$ (55,600)	\$ (210,316)	\$ (21,957)	\$ (26,400)	\$ (261,669)
Beginning deferred outflows	\$ -	\$ -	\$ 210,972	\$ 992,280	\$ 552,460	\$ 222,895	\$ 491,059	\$ 238,316
Change in deferred outflows	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)	(164,329)
Ending deferred outflows	\$ -	\$ 210,972	\$ 992,280	\$ 552,460	\$ 222,895	\$ 491,059	\$ 238,316	\$ 73,987
Change in net pension liability	\$ -	\$ (285,237)	\$ (1,128,968)	\$ 133,222	\$ 239,234	\$ 1,081,691	\$ (110,166)	\$ 31,317
Change in pension funding bonds payable	-	-	-	-	-	(1,232,960)	38,432	45,861
Change on discount on pension funding bonds	-	-	-	-	-	4,369	(221)	(171)
Interest/fees paid on pension funding bonds	-	-	-	-	-	-	49,560	48,105
Bond issuance costs	-	-	-	-	-	8,910	-	-
Change in deferred inflow	-	-	-	(55,600)	(154,716)	188,359	(4,443)	(235,269)
Change in deferred outflow	-	210,972	781,308	(439,820)	(329,565)	268,164	(252,743)	(164,329)
Net pension expense paid (not paid)	\$ -	\$ (74,265)	\$ (347,660)	\$ (362,198)	\$ (245,047)	\$ 318,533	\$ (279,581)	\$ (274,486)

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