

County of
Muskegon,
Michigan



Year Ended
September 30,
2022

Annual
Comprehensive
Financial Report

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County of Muskegon, Michigan

Annual Comprehensive Financial Report
For the Year Ended September 30, 2022

Prepared by
Department of Finance and Management Services/Accounting

Angela Gasiewski, CPA
Director of Finance

Carson Lehigh
General Accounting/Budget Supervisor

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COUNTY OF MUSKEGON, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

Principal Officials

As of March 28, 2023

BOARD OF COMMISSIONERS

Charles Nash, Chair (District 5)
Marcia Hovey-Wright, Vice-Chair (District 4)
Kim Cyr (District 1)
Zach Lahring (District 2)
Michelle Hazekamp (District 3)
Jessica Cook (District 6)
Darrell Paige (District 7)

JUDICIARY

14th Circuit Court Judges

Kenneth S. Hoopes, Pro Tem
Matthew R. Kacel
Kathy L. Hoogstra*
Jenny L McNeill*
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
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

Matthew Farrar
Deputy County Administrator

Angela J. Gasiewski
Director of Finance

MUSKEGON COUNTY

MICHIGAN

March 28, 2023

**Board of
Commissioners**

Charles Nash
Chair, District 5

Marcia Hovey-Wright
Vice Chair, District 4

Kim Cyr
District 1

Zach Lahring
District 2

Michelle Hazekamp
District 3

Jessica Cook
District 6

Darrell L. Paige
District 7

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, 2022.

Management Responsibility

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

Independent Audit

The County of Muskegon financial statements have been audited by Rehmann Robson 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, 2022, 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 ("clean") opinion that the County of Muskegon financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Administration | 1903 Marquette Avenue, Muskegon, MI 49442 | Ph 231.724.6520 | Fax 231.724.6673

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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 176,000 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.

Reporting Entity and Services

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

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

Local Economy

Muskegon County has a diverse economy with several major industries, including manufacturing, healthcare, tourism, and agriculture. The manufacturing sector is the largest in the county, employing 21% of the workforce. Healthcare is also a significant industry in Muskegon representing 18% of the County's economic base. Additionally, the county's location on Lake Michigan makes it a popular tourist destination, with opportunities for outdoor recreation, including boating, fishing, and camping. Agriculture also plays a role in the local economy, with farms producing fruits, vegetables, and livestock. In recent years, the county has seen increased interest in the renewable energy sector with companies beginning to invest in solar energy production. The medical and recreational marijuana industry has also emerged in Muskegon, with several dispensaries and cultivation facilities opening in the area. However, the Muskegon Heights area has struggled with disinvestment and job loss, leading to a higher unemployment rate than the county average.

The economic environment in Muskegon County affects the resources of the government, as tax revenues from businesses and individuals fund public services like schools, infrastructure, and public safety. A strong economy with thriving industries increases population and raises property values generating more tax revenue. This allows the government to provide more resources for the community. On the other hand, a weak economy with struggling industries can limit the resources available to the government, which can affect the quality of public services provided.

Muskegon County continues to experience economic growth. Significant growth in business and real estate in 2022 have contributed to both population growth in Muskegon County, as well as an increase in per capita income of nearly 18% since 2020. The total assessed property value in Muskegon County increased 6.69% in 2022 to \$5.3 billion. This more than doubled the property value increase experienced in 2021 (3.15%).

As a top tourist destination, Muskegon has seen an increase in Accommodations tax of nearly 30% over the last three years. The VanDyke Mortgage Convention Center located in downtown Muskegon, a \$22 million facility built in partnership with the City of Muskegon and Parkland Properties, opened in April 2021 and began accepting events of up to 1,000 attendees in July 2021. The facility offers 20,000 square feet of meeting space located within walking distance of dozens of restaurants, 340 hotel rooms, the historic Frauenthal Center for the Performing Arts, the Mercy Health Arena and much more. Additionally, Muskegon serves as a port of call for Great Lakes cruise ships which brought an additional 4,300 tourists to the County in FY2022. Muskegon County is now caretaker to 1,348 acres of parks and recreational properties, with the newest Dune Harbor Park (phase 1), opening to the public in March of 2022. Phase 2 of Dune Harbor Park is scheduled to open in March 2023. The addition of Dune Harbor Park added 376 acres to the County parks system.

Unemployment has stabilized in Muskegon County. Fiscal year 2022 saw an average unemployment rate of 5.3% compared to the average unemployment rate of 8.1% for FY2021 and 10.7% for FY2020. The highest monthly rate for FY2022 was in January 2022 at 5.9% compared to the highest monthly rate for FY2021, which was 9.0% in January 2021.

LONG-RANGE PLANNING AND FINANCIAL POLICIES

Budgeting and Forecasting

Annually, the Board of Commissioners adopts a budget through an appropriation ordinance by September 30th for the subsequent fiscal year for all Governmental funds. This budget serves as the foundation for the County's financial planning and control. The budget is prepared by fund, function (e.g. public safety) and department (e.g. Sheriff). Department heads may transfer resources within the activities they manage. Transfers between departmental budgets and above administrative amounts set by the Board need special approval from the governing body. 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. A narrative of the budget process is presented in the notes to financial statements section of this report.

Fund Equity

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.

Cash Management

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).

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.

Risk Management

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).

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 7 major goal areas identified to achieve the vision and examples of accomplishments toward those goals:

1. Connect with other municipalities through coordinated infrastructure including transportation, energy, water, sewer and internet.
 - Dalton Township connected Michigan's Adventure to send flow to Muskegon County Resource Recovery Center.
 - The Channel Crossing water project, to create redundancy to the Northside water system, was completed in September of 2022.
 - Continued implementation of transit system realignments, including the introduction of a technology-enabled micro transit program and a study to consider alternative governance and organizational models for the MATS program.
2. Be a vibrant high-tech manufacturing center focusing on workforce development and technology education.
 - Supported economic development of over \$1 billion in investments county-wide.
3. Increase activity from tourism, shipping, retail and housing.
 - Served as a port for Great Lakes cruise ships for 16 ports of call in 2022. Ports of call for 2020 and 2021 were suspended due to COVID-19 but resumed in 2022.
 - New housing construction has increased from 277 in 2018 to 325 in 2021.
4. Increase services to senior citizens
 - Upon approval of the senior millage in 2016, created the Senior Activities Committee that has distributed \$13.6 million in funds for services to seniors.
5. Support a mobile and changing workforce with staff sustainability
 - Implemented several wage and benefit changes through union contract negotiations.
 - Approved a remote work policy.
 - Kicked off a County-wide compensation study to be completed in the spring of 2023.
6. Improve interaction and collaboration with other local and regional governments to increase participation in the regional economy
 - 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.

- Collaborated with municipality leadership and private stakeholders to reorganize and create Muskegon Area First 2.0.
- Collaborated with the Michigan Economic Development Commission (MEDC) and several area businesses and municipalities to secure \$60 million dollars of funding to build a forcemain from Coopersville to the Muskegon County Resource Recovery Center.

7. Improve financial stability

- Restructured bond and pension debt to reduce the annual payments and reduce interest costs.
- Maintained AA bond rating.
- Increased funding for Other Post-Employment Benefits (OPEB) from 40.7% in FY2018 to 114.0% at fiscal year-end 2022.
- Raised the General Fund unassigned fund balance from 16.5% in 2015 to 26.0% in 2022.

AWARDS AND ACKNOWLEDGEMENTS

The 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, 2021. This was the 46th 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 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,

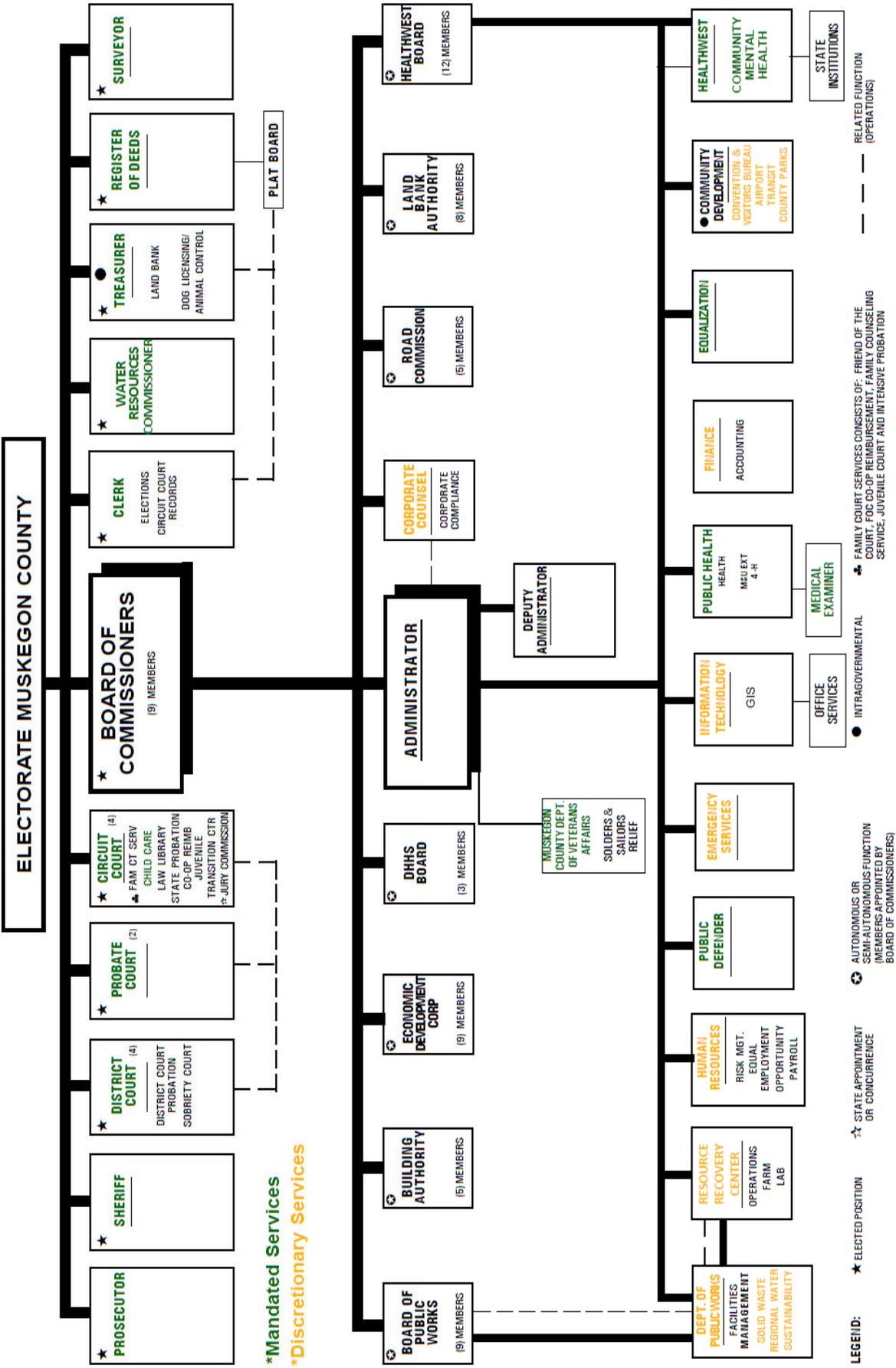


Angela J. Gasiewski, CPA
Director of Finance



Carson Lehigh
General Accounting/Budget Supervisor

2022 ORGANIZATIONAL CHART



*Mandated Services
*Discretionary Services

LEGEND:
 ★ ELECTED POSITION
 ☆ STATE APPOINTMENT OR CONCURRENCE
 ⊕ SEMI-AUTONOMOUS FUNCTION (MEMBERS APPOINTED BY BOARD OF COMMISSIONERS)
 ● INTRAGOVERNMENTAL
 ⚙️ FAMILY COURT SERVICES CONSISTS OF: FRIEND OF THE COURT, FOC CO-OP REIMBURSEMENT, FAMILY COUNSELING SERVICE, JUVENILE COURT AND INTENSIVE PROBATION
 --- RELATED FUNCTION (OPERATIONS)
 ⊖ STATE INSTITUTIONS



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, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 28, 2023

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Muskegon County Road Commission	71.2%	87.1%	80.7%

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



Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Muskegon County Road Commission were not audited in accordance with *Government Auditing Standards*.

Restatement of Beginning Net Position/Fund Balance

As discussed in Note 25 to the financial statements, beginning net position of governmental activities and beginning fund balance of the HealthWest major special revenue fund were restated to correct an error in prior reported receivable balances. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the schedules for the Muskegon Area Transit System (excluding Schedule 4N) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedules 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections and Muskegon Area Transit System Schedule 4N, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 28, 2023, 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.



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, 2022. 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, 2022; the difference representing net position of \$94.4 million reported by the primary government. Of this amount, a negative \$75.0 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 \$48.0 million on the government-wide financial statements. *Restricted net position* of \$10.9 million may be used for the County's ongoing obligations related to programs with external restrictions. The County's *net investment in capital assets* was \$158.5 million.
- The County's *net position* increased by \$33.0 million as a result of the current year's operations. Net position of governmental activities increased by approximately \$32.4 million and net position of business-type activities increased by approximately \$0.6 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 \$7.6 million, a decrease of \$2.3 million from the prior year ending fund balance of \$9.9 million. Approximately \$12.9 million (169.2%) 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, resource recover center, 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.

- **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, resource recover center, 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The County utilizes *internal service funds* to account for its office services, south campus facilities management, sheriff garage, energy improvements, Marquette campus, 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 resource recover center 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 \$94.4 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 87.3	\$ 88.2	\$ 78.3	\$ 94.3	\$ 165.6	\$ 182.5
Capital assets, net	83.5	68.2	177.9	162.3	261.4	230.5
Total assets	170.8	156.4	256.2	256.6	427.0	413.0
Deferred outflows of resources	13.9	8.9	1.3	0.8	15.2	9.7
Liabilities						
Long-term liabilities	102.3	107.0	107.6	108.2	209.9	215.2
Other liabilities	88.9	82.1	11.3	10.1	100.2	92.2
Total liabilities	191.2	189.1	118.9	118.3	310.1	307.4
Deferred inflows of resources	34.1	48.2	3.6	4.7	37.7	52.9
Net position						
Net investment in capital assets	32.3	13.7	126.2	114.9	158.5	128.6
Restricted	10.9	6.6	-	-	10.9	6.6
Unrestricted (deficit)	(83.8)	(92.3)	8.8	19.5	(75.0)	(72.8)
Total net position	\$ (40.6)	\$ (72.0)	\$ 135.0	\$ 134.4	\$ 94.4	\$ 62.4

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 \$75.0 million.

Statement of Activities. The County's total revenue for the fiscal year ended September 30, 2022, was approximately \$221.2 million while total cost of all programs and services was \$188.2 million. The fiscal year's operations result in an increase in the primary government's net position of \$33.0 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	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 91.7	\$ 79.1	\$ 31.3	\$ 31.9	\$ 123.0	\$ 111.0
Operating grants	37.8	29.4	5.9	5.8	43.7	35.2
Capital grants	0.4	0.6	3.3	0.2	3.7	0.8
General revenues:						
Property taxes	32.4	30.5	-	-	32.4	30.5
Other taxes	2.8	2.4	-	-	2.8	2.4
State shared revenue	3.8	3.8	-	-	3.8	3.8
CSLFR revenue	11.2	-	-	-	11.2	-
Other	0.6	4.3	-	-	0.6	4.3
Total revenues	180.7	150.1	40.5	37.9	221.2	188.0
Program expenses						
General government	9.4	9.5	-	-	9.4	9.5
Legislative	0.4	0.3	-	-	0.4	0.3
Judicial	18.7	17.6	-	-	18.7	17.6
Public safety	17.1	17.0	-	-	17.1	17.0
Public works	0.6	0.5	-	-	0.6	0.5
Health and welfare	95.6	92.4	-	-	95.6	92.4
Recreation and culture	2.2	2.8	-	-	2.2	2.8
Community and economic development	0.6	0.7	-	-	0.6	0.7
Interest	3.9	4.0	-	-	3.9	4.0
Delinquent tax revolving	-	-	1.0	1.0	1.0	1.0
Local govt public works financing	-	-	0.5	0.8	0.5	0.8
Solid waste	-	-	7.3	1.6	7.3	1.6
Airport operations	-	-	3.0	2.8	3.0	2.8
Regional water	-	-	3.2	3.3	3.2	3.3
Resource recover center	-	-	20.0	16.9	20.0	16.9
Other enterprise funds	-	-	4.7	4.2	4.7	4.2
Total program expenses	148.5	144.8	39.7	30.6	188.2	175.4
Income before transfers	32.2	5.3	0.8	7.3	33.0	12.6
Transfers	0.2	1.7	(0.2)	(1.7)	-	-
Change in net position	32.4	7.0	0.6	5.6	33.0	12.6
Net position, beginning of year	(72.0)	(79.0)	134.4	128.8	62.4	49.8
Restatement	(1.0)	-	-	-	(1.0)	-
Net position, end of year	\$ (40.6)	\$ (72.0)	\$ 135.0	\$ 134.4	\$ 94.4	\$ 62.4

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- **Governmental Activities.** Revenues for the County's governmental activities increased by 20.4% (\$30.6 million), while total expenses increased by 2.6% (\$3.7 million). The increase in net position for governmental activities was \$32.4 million in 2022. This compares to a \$7.0 million increase in net position in 2021.

Governmental activities experienced a significant increase in net position in FY2022. This increase is primarily due to increases in governmental activities revenues in the following categories; charges for services revenue (\$12.6 million), Coronavirus State and Local Fiscal Recovery (CSLFR) revenue (\$11.2 million), and operating grants revenue (\$8.4 million). Charges for services revenue increased approximately 15.9% from FY2021, which is primarily attributable to an increase in revenues received for services provided to meet demand by HealthWest. As the COVID-19 pandemic continues to have impact, HealthWest has seen an increase in demand in Healthy Michigan and Medicaid services as well as an increase in the need for substance use disorder services. CSLFR revenue is a new revenue category as the County began to use these grant funds as intended, with approximately \$11 million going toward the purchase of the new Marquette campus that will centralize most County functions. Operating grants increased 28.6% from FY2021 due primarily to a \$5 million Michigan Department of Natural Resources (MDNR) grant received by the County for the development of Dune Harbor Park. Additionally HealthWest received approximately \$2 million in additional federal grants for substance abuse and COVID-19 related uses. Property tax revenue increased as a result of an increase in the Consumer Price Index (CPI) of 3.3% and an overall increase in taxable base valuation of 3.39%, driven by increased local real estate market values. Other tax revenues also increased 16.7% due primarily to an increase in the number of recreational marijuana dispensaries that have opened since the approval of Proposition 18-1.

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 \$9.4 million with 59% of that increase in personnel costs and 41% in operating costs. As was the case with revenues, these expenses have increased primarily due to an increase in demand for mental health and substance use disorder services in Muskegon County presumably due to the lasting effects of the COVID-19 pandemic. These increases were offset by reductions in other health expenses as there were fewer COVID-19 grant expenses in FY2022 as compared to FY2021.

- **Business-type Activities.** Business-type activities increased the County's net position by approximately \$0.6 million during the year.

Business-type activities had an increase in capital grants of \$3.1 million. This increase is attributable to an increase of capital grants for the Muskegon Area Transit System (MATS). MATS received federal funding to add five buses to the transit fleet.

This increase in revenue was offset by increases in expense in Solid Waste and the Resource Recovery Center due to construction projects. Solid waste expense has increased \$5.7 million due to the landfill expansion that is currently underway. Similarly the Resource Recovery Center has several construction and maintenance projects underway.

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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$7.6 million, a decrease of \$2.3 million from the prior year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12.9 million while total fund balance amounted to \$15.4 million. The General Fund's total fund balance increased from the prior year by \$0.4 million. At September 30, 2022, General Fund unassigned fund balance approximated 26.0% of reported prior year General Fund expenditures plus transfers out, which compares with approximately 27.3% at the end of the prior year. This increase in fund balance was primarily the result of various expenditures coming in less than budgeted resulting in revenues exceeding expenditures and therefore increasing unassigned fund balance. Expenditures were under budget overall due to many position vacancies county-wide and less than expected inflationary increases in miscellaneous operating expenditures. Filling positions and maintaining workforce continues to be a challenge county-wide as is the case in the current economic environment. It should also be noted that the overall General Fund expenditures plus transfers out have increase from FY2021 to FY2022 as the County comes back up to full capacity from the COVID-19 pandemic. This results in a slight decrease in the overall ratio of fund balance to General Fund expenditures plus transfers out. 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 \$2.4 million, resulting in ending fund balance deficit of \$16.8 million, accounting for a \$1.0 million restatement. This decrease in fund balance was primarily due to deferred inflows of resources from Michigan Department of Health and Human Services (MDHHS) funding through the Lakeshore Regional Entity (LRE) that was not received prior to the period of availability. Additional details can be located in its separately issued financial statements of the HealthWest fund as well as under Governmental Activities above.

The American Rescue Plan Act special revenue fund had an increase in fund balance of \$0.2 million primarily due to interest earnings.

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 County enterprise funds provide service to most residents and businesses of the County and reported an increase in net position of \$0.5 million. The composition of the net position of the County's enterprise funds as September 30, 2022, 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	\$ 4,984	\$ -	\$ 4,437	\$ 9,421
Delinquent tax revolving	-	-	6,053	6,053
Solid waste	10,690	-	(3,914)	6,776
Airport	29,456	-	(1,215)	28,241
Resource recover center	72,384	-	5,697	78,081
Nonmajor enterprise funds	8,667	-	(2,265)	6,403
Total net position	\$ 126,182	\$ -	\$ 8,792	\$ 134,974

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

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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, 2022, the Board approved several project-oriented budget amendments and revised the full General Fund budget one time.

Significant revisions from the Original Budget included the following:

- Tax revenues were projected to increase \$1.47M. Most notably, there was an increase in property taxable values. Values increased by 6.69% compared to the budgeted 4.0%. This was projected to result in an increase in budgeted property tax revenues of \$926K. Additionally, the County received \$537K that was not originally budgeted for distribution of taxes collected from recreational marijuana businesses within the County as required under MCL 333.27964 the Michigan Regulation and Taxation of Marihuana Act.
- State grants and contributions were projected to increase by \$271K 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 \$1.75M for the Energy Efficiency Assessment program revenue due to increased reach of the program. A corresponding increase in welfare expense of \$1.69M was also projected for this same program.
- Charges for services revenue was projected to decrease \$111K due primarily to the lingering effects of the COVID-19 pandemic on Jail and Court collections.
- General county government expenditures were projected to increase \$554K. Approximately 79% of this projected increase was due to an increase in the cost of property and liability insurance coverage. The remaining 21% was attributable to a projected inflationary increases in salaries and fringe benefit expenditures of 17% and miscellaneous operating expenditures of 4%.
- Judicial expenditures were projected to increase \$382K due to an adjustment to the budget for restitutions paid. Restitutions is a new expenditure in the General Fund that was budgeted for the first time in FY2021. Previously these expenditures were included in a separate fund called Trust & Agency Fund (fund 7010) which has the purpose of holding monies for later distribution to other agencies or persons. Due to the Government Accounting Standards Board (GASB) issuing a new accounting standard effective with FY2021, restitutions that are collected in the District and Circuit Courts must be shown in the General Fund.
- Public safety expenditures were projected to increase \$758K. Approximately 5% of this increase was due to projected inflationary variances in salaries and fringe benefits, while 95% of this increase were attributable to increases in the projected operating expenditures. These operating expenditure increases consisted of: an increase of contractual services in the Jail as a new medical service provider was approved by the County Board mid-year (35%), planned use of departmental reserves set aside at the close of fiscal year 2021 to purchase Sheriff's vehicles and equipment (38%), and a projected inflationary increase of miscellaneous operating expenditures (22%).
- Public works expenditures were projected to increase \$116K. Approximately 52% of this increase was due to projected increases in drain assessments, while 48% of this projected increase were attributable to miscellaneous operating expenses (43%) and salaries and fringe benefits (5%). These increases are a result of several large ongoing drainage district projects.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- Transfers out to other funds were projected to decrease by \$481K. This is primarily due to decreases in projections of appropriations to Family Court of \$336K and the Child Care Fund of \$930K as a result of increased grant funding. Offsetting these decreases is an increase in projection of appropriation to the Equipment Revolving Fund of \$750K to fund vehicle and equipment financing for County departments.

Significant Final Budget to Actual fluctuations included the following:

- State grants and contributions were \$479K under budget. This is primarily due to the Personal Property Tax Replacement revenue coming in less than originally anticipated.
- Charges for services were \$172K over budget. Restitutions collected, charges for services in the Circuit Court, District Court and Jail, transfer taxes and recording fees in the Register of Deeds office, certified copies in the County Clerks office, and Elections reimbursements all contributed to this revenue category being over budget.
- Taxes were \$23K over budget. Primarily, payment in Lieu of taxes (PILT) contributed to this revenue category being over budget.
- Local grants and contributions were \$955K under budget. This is largely due to the Energy Efficiency Assessment program, which provides household energy improvements to low income families, project revenues coming in less than anticipated. This is a calendar year program and projects planned in FY2022 that did not materialize in the last quarter of FY2022 will likely materialize in the first quarter of FY2023. This reduction in revenues is offset with a reduction in expenditures to this program as well.
- Sale proceeds revenues were \$74K under budget. This is due to the planned sale of Sheriff vehicles not materializing in FY2022 that will likely materialize in FY2023.
- Transfers out in total were \$1.13M under budget. This was primarily due to transfers to Child Care fund, Friend of the Court, and Public Health which were \$1.03M under budget as a result of grant expenditures being less than anticipated as well as reductions in salaries and fringes due to position vacancies.
- Public safety expenditures were \$441K under budget. Approximately 26% of this variance was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies primarily within the Sheriff operations and jail budgets. The remaining 74% was attributable to operating costs coming in less than expected as well as planned capital purchases not materializing as anticipated.
- General county government expenditures were \$628K under budget. Approximately 48% of this variance was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies in several departments, including Elections, Clerk, Accounting, Equalization, Human Resources, and Facilities Management. The remaining 52% was attributable to costs for State inpatient care and corporate counsel attorney fees coming in less than anticipated and other reductions in operating expenditures across multiple departments.
- Community and economic development expenditures were \$98K under budget. Approximately 85% of this variance was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies in the Register of Deeds office. The remaining 15% is attributable to miscellaneous general operating expenditures coming in less than anticipated in the Register of Deeds office.
- Judicial expenditures were \$719K under budget. Approximately 57% of this variance was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies in most of the court related departments with the remaining 43% due to restitutions activity being less than anticipated as well as other reductions in general operating costs within the function.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- Welfare expenditures were \$852K under budget. This is due to the Energy Efficiency Assessment program, which provides household energy improvements to low income families, project expenditures coming in less than anticipated. This is a calendar year program and projects planned in FY2022 that did not materialize in the last quarter of FY2022 will likely materialize in the first quarter of FY2023. This reduction in expenditures is offset with a reduction in revenues to this program as well.

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	
	2022	2021	2022	2021	2022	2021
Land	\$ 13.5	\$ 4.7	\$ 20.6	\$ 20.6	\$ 34.1	\$ 25.3
Construction in progress	0.3	-	13.9	13.3	14.2	13.3
Depreciable/amortizable capital assets	142.0	131.7	327.2	306.9	469.2	438.6
Accumulated depreciation/amortization	(72.3)	(68.2)	(183.8)	(178.5)	(256.1)	(246.7)
Total capital assets, net	\$ 83.5	\$ 68.2	\$ 177.9	\$ 162.3	\$ 261.4	\$ 230.5

As of September 30, 2022, net capital assets used in the primary government's governmental and business-type activities increased by \$30.9 million, or 13.4%, over the prior year. This year-to-year change represents about \$45.7 million in capital additions less \$14.5 million in depreciation/amortization 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	
	2022	2021	2022	2021	2022	2021
Bonds	\$ 94.2	\$ 98.5	\$ 66.7	\$ 72.5	\$ 160.9	\$ 171.0
Delinquent tax notes	-	-	11.3	12.3	11.3	12.3
Other debt	0.7	1.4	-	-	0.7	1.4
Total installment debt	94.9	99.9	78.0	84.8	172.9	184.7
Deferred premium and discount	-	-	1.8	2.2	1.8	2.2
Closure and sludge liability	-	-	26.7	20.1	26.7	20.1
Compensated absences	7.4	7.1	1.1	1.1	8.5	8.2
Totals	\$ 102.3	\$ 107.0	\$ 107.6	\$ 108.2	\$ 209.9	\$ 215.2

Overall outstanding debt decreased by \$5.3 million primarily due to annual principal payments. New debt issues within business-type activities included \$9.0 million for the issuance of delinquent tax notes. Closure and sludge liabilities also increased by \$6.6 million.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

State statutes limit the amount of general obligation debt a local government may incur up to 10 percent of its total assessed property valuation. The current debt limitation for the County is approximately \$690.9 million, which is significantly in excess of the County's approximately \$174.6 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.

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 2023 budget.

	General Fund Changes in Fund Balance Fiscal 2021 & 2022 with 2023 Budget (dollars in thousands)		
	2023 Budget	2022	2021
Revenues	\$ 56,500	\$ 53,500	\$ 51,536
Expenditures			
Current:			
General government/legislative	10,803	9,574	9,100
Judicial	12,825	10,907	9,709
Public safety	16,702	15,390	14,209
Public works	729	658	512
Welfare	4,096	3,211	2,878
Cultural	66	36	88
Community and economic development	749	464	493
Debt service:			
Principal and interest	432	430	432
Total expenditures	46,402	40,670	37,421
Revenues over expenditures	10,098	12,830	14,115
Other financing sources/(uses)			
Transfers in	1,114	-	1,540
Transfers out	(13,486)	(12,418)	(12,264)
Other	-	-	27
Total other financing sources/(uses)	(12,372)	(12,418)	(10,697)
Change in fund balance	(2,274)	412	3,418
Fund balance, beginning	15,401	14,989	11,571
Fund balance, ending	\$ 13,127	\$ 15,401	\$ 14,989

The following economic factors were considered in preparing the County's budget for the 2023 fiscal year:

- After experiencing a 6.69% increase in taxable values for fiscal 2022, General Fund property tax revenues for fiscal 2023 are budgeted assuming a taxable value increase of 5.0%. This equates to an increase of \$992K in current property tax revenues compared to fiscal 2022. This increase is based on projected inflationary increases, new housing construction, home sales and business expansions.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

- Personal Property Tax Replacement revenue is budgeted to increase 25% to \$2.038 million due to anticipated increases based on historical trends.
- State revenue sharing is budgeted to increase 6.00% to \$4.071 million based on the State's budget allocation.
- Marihuana tax revenue is budgeted to increase 48% to \$1 million based on data from the Cannabis Regulatory Agency and an increase in the number of recreational marihuana dispensaries that have opened since the approval of Proposition 18-1.
- Revenues for the Energy Efficiency Assessment program are budgeted to increase by \$993K to \$4.4 million due to an anticipated increase in activity for fiscal 2023 compared to fiscal 2022. This is offset by a corresponding increase in the welfare expenditures of \$884K.
- Revenue transfers are expected to increase by \$1.114 million in 2023 due to a planned delinquent tax fund transfer that did not occur in 2022.
- General expenditures across several functions are budgeted to increase by \$1.479 million due to the planned use of departmental reserves set aside at the close of fiscal 2022.
- The remainder of the increases in the various expenditure functions are primarily due to board approved wage and step increases, the assumption that the majority of positions will be filled for the entire fiscal year, and expected general inflationary increases in operating expenditures.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 12,725,063	\$ 44,237,643	\$ 56,962,706	\$ 15,585,381
Receivables, net	41,161,471	31,091,199	72,252,670	22,474,933
Internal balances	389,619	(389,619)	-	-
Other assets	1,542,686	84,210	1,626,896	3,470,438
Restricted assets	22,729,594	3,074,486	25,804,080	-
Advances to component units	100,000	-	100,000	-
Capital assets not being depreciated	13,771,822	34,577,297	48,349,119	42,309,157
Capital assets being depreciated/amortized, net	69,688,115	143,350,440	213,038,555	78,372,489
Net pension asset	-	241,981	241,981	421,103
Net OPEB asset	8,695,645	-	8,695,645	864,466
Total assets	170,804,015	256,267,637	427,071,652	163,497,967
Deferred outflows of resources				
Deferred charge on bond refunding	2,635,112	307,100	2,942,212	-
Deferred pension amounts	3,633,922	211,055	3,844,977	2,833,390
Deferred OPEB amounts	7,609,593	679,404	8,288,997	775,638
Total deferred outflows of resources	13,878,627	1,197,559	15,076,186	3,609,028
Liabilities				
Payables	21,324,490	5,538,585	26,863,075	1,804,863
Advances from primary government	-	-	-	100,000
Unearned revenue	22,774,365	14,577	22,788,942	196,572
Leases payable:				
Due within one year	297,583	-	297,583	-
Due in more than one year	446,732	-	446,732	-
Long-term debt:				
Due within one year	5,441,024	15,621,056	21,062,080	1,653,361
Due in more than one year	96,860,626	91,990,686	188,851,312	18,949,306
Net pension liability (due in more than one year)	44,084,014	3,910,471	47,994,485	-
Net OPEB liability (due in more than one year)	-	1,856,582	1,856,582	-
Total liabilities	191,228,834	118,931,957	310,160,791	22,704,102
Deferred inflows of resources				
Deferred lease amounts	1,746,869	1,237,001	2,983,870	42,419
Deferred pension amounts	18,091,479	1,051,002	19,142,481	2,235,918
Deferred OPEB amounts	14,233,866	1,270,837	15,504,703	1,158,634
Total deferred inflows of resources	34,072,214	3,558,840	37,631,054	3,436,971
Net position				
Net investment in capital assets	32,261,744	126,182,211	158,443,955	103,340,209
Restricted for:				
Grant programs and other activities	8,782,042	-	8,782,042	-
Debt service	-	-	-	1,493,608
Nonexpendable endowments	36,466	-	36,466	-
Pension	-	-	-	1,018,575
OPEB	2,071,372	-	2,071,372	481,470
County roads	-	-	-	12,802,803
Unrestricted (deficit)	(83,770,030)	8,792,188	(74,977,842)	21,829,257
Total net position	\$ (40,618,406)	\$ 134,974,399	\$ 94,355,993	\$ 140,965,922

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, 2022

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 9,351,069	\$ 4,522,981	\$ 3,348,328	\$ 422,446
Legislative	356,029	-	-	-
Judicial	18,707,443	4,001,451	7,221,866	-
Public safety	17,072,433	1,357,919	1,304,044	-
Public works	634,234	-	-	7,456
Health	88,196,074	78,156,295	17,087,124	-
Welfare	7,461,773	-	3,804,588	-
Culture	85,961	-	73,575	-
Recreation	2,096,214	1,033,611	5,000,000	-
Community and economic development	619,306	2,278,049	-	-
Interest on long-term debt	3,924,747	365,006	-	-
Total governmental activities	<u>148,505,283</u>	<u>91,715,312</u>	<u>37,839,525</u>	<u>429,902</u>
Business-type activities:				
Regional water	3,237,954	3,799,479	96,077	-
Delinquent tax revolving	1,013,904	2,759,108	63,391	-
Local government public works financing	520,425	520,425	-	-
Solid waste	7,266,299	5,054,386	144,544	-
Airport operations	2,962,913	1,115,260	1,007,546	276,688
Resource recover center	20,044,405	17,712,529	219,764	-
Other enterprise funds	4,638,907	306,074	4,353,227	3,026,857
Total business-type activities	<u>39,684,807</u>	<u>31,267,261</u>	<u>5,884,549</u>	<u>3,303,545</u>
Total primary government	<u>\$ 188,190,090</u>	<u>\$ 122,982,573</u>	<u>\$ 43,724,074</u>	<u>\$ 3,733,447</u>
Component units				
Road Commission	\$ 18,362,251	\$ 4,303,470	\$ 18,453,807	\$ 4,805,110
Water Resources Commissioner	984,374	572,328	-	2,343,062
Land Bank Authority	898,363	737,766	-	-
Total component units	<u>\$ 20,244,988</u>	<u>\$ 5,613,564</u>	<u>\$ 18,453,807</u>	<u>\$ 7,148,172</u>
Net (expense) revenue				
General revenues:				
Taxes:				
Property taxes				
Liquor control taxes				
Lodging excise taxes				
State shared revenue, not restricted to a specific program				
Coronavirus State and Local Fiscal Recovery funds, not restricted to a specific program				
Unrestricted investment earnings (loss)				
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, as restated				
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			
Governmental Activities	Business-type Activities	Total	Component Units

\$ (1,057,314)	\$ -	\$ (1,057,314)	\$ -
(356,029)	-	(356,029)	-
(7,484,126)	-	(7,484,126)	-
(14,410,470)	-	(14,410,470)	-
(626,778)	-	(626,778)	-
7,047,345	-	7,047,345	-
(3,657,185)	-	(3,657,185)	-
(12,386)	-	(12,386)	-
3,937,397	-	3,937,397	-
1,658,743	-	1,658,743	-
(3,559,741)	-	(3,559,741)	-
<u>(18,520,544)</u>	<u>-</u>	<u>(18,520,544)</u>	<u>-</u>

-	657,602	657,602	-
-	1,808,595	1,808,595	-
-	-	-	-
-	(2,067,369)	(2,067,369)	-
-	(563,419)	(563,419)	-
-	(2,112,112)	(2,112,112)	-
-	<u>3,047,251</u>	<u>3,047,251</u>	-
<u>-</u>	<u>770,548</u>	<u>770,548</u>	<u>-</u>
<u>(18,520,544)</u>	<u>770,548</u>	<u>(17,749,996)</u>	<u>-</u>

-	-	-	9,200,136
-	-	-	1,931,016
-	-	-	(160,597)
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,970,555</u>
<u>(18,520,544)</u>	<u>770,548</u>	<u>(17,749,996)</u>	<u>10,970,555</u>

32,404,194	-	32,404,194	-
870,853	-	870,853	-
1,881,115	-	1,881,115	-
3,840,328	-	3,840,328	-
11,180,412	-	11,180,412	-
(4,844,696)	-	(4,844,696)	80,508
232,513	-	232,513	25,800
5,114,929	-	5,114,929	318,626
230,019	(230,019)	-	-

<u>50,909,667</u>	<u>(230,019)</u>	<u>50,679,648</u>	<u>424,934</u>
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32,389,123	540,529	32,929,652	11,395,489
<u>(73,007,529)</u>	<u>134,433,870</u>	<u>61,426,341</u>	<u>129,570,433</u>

<u>\$ (40,618,406)</u>	<u>\$ 134,974,399</u>	<u>\$ 94,355,993</u>	<u>\$ 140,965,922</u>
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COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet

Governmental Funds
September 30, 2022

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 8,011,858	\$ 2,700	\$ -	\$ 10,240,707	\$ 18,255,265
Restricted cash and investments	-	-	22,729,594	-	22,729,594
Receivables, net:					
Accounts	280,539	189,297	-	221,517	691,353
Due from other governments	1,259,842	26,850,873	-	2,487,095	30,597,810
Accrued interest	-	-	-	208	208
Special assessments	-	-	-	74,047	74,047
Property taxes	7,554,776	-	-	-	7,554,776
Leases	187,188	-	-	-	187,188
Prepays and other items	16,196	319,982	12,912	1,604	350,694
Inventories	-	-	-	21,881	21,881
Advances to component units	100,000	-	-	-	100,000
Total assets	<u>\$ 17,410,399</u>	<u>\$ 27,362,852</u>	<u>\$ 22,742,506</u>	<u>\$ 13,047,059</u>	<u>\$ 80,562,816</u>
Liabilities					
Negative equity in pooled cash	\$ -	\$ 11,280,720	\$ -	\$ 1,647,732	\$ 12,928,452
Payables:					
Accounts payable	647,960	7,119,720	50,009	926,034	8,743,723
Due to other governments	342,850	4,768,280	-	1,018,072	6,129,202
Accrued liabilities	779,036	775,782	-	460,996	2,015,814
Advances from other funds	2,500	-	-	-	2,500
Unearned revenue	-	119,740	22,532,748	87,970	22,740,458
Total liabilities	<u>1,772,346</u>	<u>24,064,242</u>	<u>22,582,757</u>	<u>4,140,804</u>	<u>52,560,149</u>
Deferred inflows of resources					
Deferred lease amounts	187,188	-	-	-	187,188
Unavailable revenues - special assessments	-	-	-	73,041	73,041
Unavailable revenues - grants	50,000	-	-	-	50,000
Unavailable revenues - Medicaid fee for service and capitation	-	20,051,869	-	-	20,051,869
Total deferred inflows of resources	<u>237,188</u>	<u>20,051,869</u>	<u>-</u>	<u>73,041</u>	<u>20,362,098</u>
Fund balances					
Nonspendable	116,196	319,982	12,912	59,951	509,041
Restricted	54,119	-	146,837	5,323,279	5,524,235
Committed	-	-	-	3,381,880	3,381,880
Assigned	2,302,977	-	-	68,104	2,371,081
Unassigned (deficit)	12,927,573	(17,073,241)	-	-	(4,145,668)
Total fund balances	<u>15,400,865</u>	<u>(16,753,259)</u>	<u>159,749</u>	<u>8,833,214</u>	<u>7,640,569</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,410,399</u>	<u>\$ 27,362,852</u>	<u>\$ 22,742,506</u>	<u>\$ 13,047,059</u>	<u>\$ 80,562,816</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, 2022

Fund balances - total governmental funds	\$ 7,640,569
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	13,349,822
Capital assets being depreciated/amortized, net	62,175,169
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	4,868,996
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	73,041
Deferred inflows for unavailable revenues - grants	50,000
Deferred inflows for unavailable revenues - Medicaid fee for service and capitation	20,051,869
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	(44,084,014)
Deferred outflows related to the net pension liability	3,633,922
Deferred inflows related to the net pension liability	(18,091,479)
Net OPEB asset	8,695,645
Deferred outflows related to the net OPEB asset	7,609,593
Deferred inflows related to the net OPEB asset	(14,233,866)
Certain liabilities, such as bonds and leases payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and installment purchase agreements, and related premium/discount	(85,467,760)
Leases payable	(744,315)
Unamortized deferred charge on bond refunding	2,573,114
Compensated absences	(7,259,589)
Accrued interest on long-term debt	(1,459,123)
Net position of governmental activities	<u>\$ (40,618,406)</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, 2022

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 31,160,586	\$ -	\$ -	\$ 4,692,623	\$ 35,853,209
Special assessment	-	-	-	18,019	18,019
Grants and contributions:					
Federal	119,659	7,109,031	11,180,412	7,363,351	25,772,453
State	6,725,223	1,754,795	-	14,206,648	22,686,666
Local	3,396,897	-	-	3,613,959	7,010,856
Charges for services	10,749,316	71,495,122	-	2,671,810	84,916,248
Fines and forfeitures	399,760	-	-	133	399,893
Investment income	87,891	-	159,749	65,552	313,192
Rentals	125,043	-	-	578,543	703,586
Other	735,867	185,887	-	517,311	1,439,065
Total revenues	<u>53,500,242</u>	<u>80,544,835</u>	<u>11,340,161</u>	<u>33,727,949</u>	<u>179,113,187</u>
Expenditures					
Current:					
General government	9,177,983	-	11,179,788	291,323	20,649,094
Legislative	397,013	-	-	-	397,013
Judicial	10,906,552	-	-	10,246,941	21,153,493
Public safety	15,389,628	-	-	1,862,710	17,252,338
Public works	657,752	-	-	-	657,752
Health	-	81,550,201	-	12,922,118	94,472,319
Welfare	3,211,067	-	-	4,261,598	7,472,665
Cultural	35,647	-	-	42,273	77,920
Recreation	-	-	-	2,041,446	2,041,446
Community and economic development	463,757	-	-	224,578	688,335
Debt service:					
Principal	290,000	-	-	3,068,848	3,358,848
Lease principal	-	200,398	-	-	200,398
Interest and fiscal charges	140,363	45,468	-	3,268,660	3,454,491
Capital outlay	-	808,515	-	8,778,353	9,586,868
Total expenditures	<u>40,669,762</u>	<u>82,604,582</u>	<u>11,179,788</u>	<u>47,008,848</u>	<u>181,462,980</u>
Revenues over (under) expenditures	<u>12,830,480</u>	<u>(2,059,747)</u>	<u>160,373</u>	<u>(13,280,899)</u>	<u>(2,349,793)</u>
Other financing sources (uses)					
Transfers in	6	706,819	-	13,526,379	14,233,204
Transfers out	(12,419,166)	(1,317,005)	(624)	(926,486)	(14,663,281)
Issuance of long-term leases	-	246,432	-	-	246,432
Proceeds from sale of capital assets	400	-	-	253,110	253,510
Total other financing sources (uses)	<u>(12,418,760)</u>	<u>(363,754)</u>	<u>(624)</u>	<u>12,853,003</u>	<u>69,865</u>
Net change in fund balances	411,720	(2,423,501)	159,749	(427,896)	(2,279,928)
Fund balances, beginning of year, as restated	<u>14,989,145</u>	<u>(14,329,758)</u>	<u>-</u>	<u>9,261,110</u>	<u>9,920,497</u>
Fund balances, end of year	<u>\$ 15,400,865</u>	<u>\$ (16,753,259)</u>	<u>\$ 159,749</u>	<u>\$ 8,833,214</u>	<u>\$ 7,640,569</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, 2022

Net change in fund balances - total governmental funds \$ (2,279,928)

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

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

Purchase and construction of capital assets	20,464,634
Depreciation/amortization expense	(3,458,721)
Proceeds from sale of capital assets	(253,510)
Gain on sale of capital assets	232,513

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	(10,563)
Net change in deferred inflows for unavailable revenues - grants	50,000
Net change in deferred inflows for unavailable revenues - Medicaid fee for service and capitation	6,014,692

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

Issuance of long-term leases	(246,432)
Principal payments on long-term liabilities	3,358,848
Principal payments on leases payable	200,398

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	49,518
Amortization of deferred charge on refunding	(216,945)
Amortization of bond premiums/discount	11,754
Change in the accrual for compensated absences	(262,309)
Change in net pension liability and related deferred amounts	(4,877,816)
Change in net OPEB asset and related deferred amounts	18,136,808

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.

Operating loss from governmental activities in internal service funds	(133,889)
Investment loss from internal service funds	(5,157,888)
Interest expense from internal service funds	(314,583)
Capital contributions to internal service funds	422,446
Net transfers from internal service funds	660,096

Change in net position of governmental activities \$ 32,389,123

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 29,666,757	\$ 31,137,198	\$ 31,160,586	\$ 23,388
Grants and contributions:				
Federal	150,561	151,175	119,659	(31,516)
State	6,933,764	7,204,540	6,725,223	(479,317)
Local	2,600,316	4,351,596	3,396,897	(954,699)
Charges for services	10,688,281	10,577,068	10,749,316	172,248
Fines and forfeitures	450,000	455,000	399,760	(55,240)
Investment income	45,425	45,425	87,891	42,466
Rentals	134,547	131,632	125,043	(6,589)
Other	830,728	725,827	735,867	10,040
Total revenues	<u>51,500,379</u>	<u>54,779,461</u>	<u>53,500,242</u>	<u>(1,279,219)</u>
Expenditures				
Current:				
General government	9,251,639	9,805,721	9,177,983	(627,738)
Legislative	418,093	430,119	397,013	(33,106)
Judicial	11,243,362	11,625,511	10,906,552	(718,959)
Public safety	15,072,181	15,830,563	15,389,628	(440,935)
Public works	554,318	670,787	657,752	(13,035)
Welfare	2,372,714	4,062,621	3,211,067	(851,554)
Cultural	67,460	51,170	35,647	(15,523)
Community and economic development	548,447	561,433	463,757	(97,676)
Debt service:				
Principal	290,000	290,000	290,000	-
Interest and fiscal charges	140,663	140,663	140,363	(300)
Total expenditures	<u>39,958,877</u>	<u>43,468,588</u>	<u>40,669,762</u>	<u>(2,798,826)</u>
Revenues over expenditures	<u>11,541,502</u>	<u>11,310,873</u>	<u>12,830,480</u>	<u>1,519,607</u>
Other financing sources (uses)				
Transfers in:				
Delinquent tax fund	1,550,000	-	-	-
Other funds	-	6	6	-
Total transfers in	<u>1,550,000</u>	<u>6</u>	<u>6</u>	<u>-</u>
Transfers out:				
Child care fund	(3,832,157)	(2,901,876)	(2,492,574)	(409,302)
Public health fund	(1,774,392)	(1,774,392)	(1,424,207)	(350,185)
Other funds	(8,428,154)	(8,877,526)	(8,502,385)	(375,141)
Total transfers out	<u>(14,034,703)</u>	<u>(13,553,794)</u>	<u>(12,419,166)</u>	<u>(1,134,628)</u>
Proceeds from sale of capital assets	-	74,019	400	(73,619)
Total other financing sources (uses)	<u>(12,484,703)</u>	<u>(13,479,769)</u>	<u>(12,418,760)</u>	<u>(1,061,009)</u>
Net change in fund balances	(943,201)	(2,168,896)	411,720	2,580,616
Fund balances, beginning of year	<u>14,989,145</u>	<u>14,989,145</u>	<u>14,989,145</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,045,944</u>	<u>\$ 12,820,249</u>	<u>\$ 15,400,865</u>	<u>\$ 2,580,616</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 Balance

Budget and Actual - HealthWest Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Grants and contributions:				
Federal	\$ 6,862,205	\$ 9,159,938	\$ 7,109,031	\$ (2,050,907)
State	2,135,506	2,199,095	1,754,795	(444,300)
Charges for services:				
Medicaid fee for service and capitation	67,468,731	74,195,896	70,198,031	(3,997,865)
Other insurance	3,873,723	1,556,816	1,297,091	(259,725)
Other	169,377	166,995	185,887	18,892
Total revenues	<u>80,509,542</u>	<u>87,278,740</u>	<u>80,544,835</u>	<u>(6,733,905)</u>
Expenditures				
Current - Health	79,056,396	85,629,436	81,550,201	(4,079,235)
Debt service:				
Lease principal	200,398	200,398	200,398	-
Interest and fiscal charges	-	-	45,468	45,468
Capital outlay	550,049	593,949	808,515	214,566
Total expenditures	<u>79,806,843</u>	<u>86,423,783</u>	<u>82,604,582</u>	<u>(3,819,201)</u>
Revenues over (under) expenditures	<u>702,699</u>	<u>854,957</u>	<u>(2,059,747)</u>	<u>(2,914,704)</u>
Other financing sources (uses)				
Transfers in	706,819	706,819	706,819	-
Transfers out	(1,409,518)	(1,561,776)	(1,317,005)	244,771
Issuance of long-term leases	-	-	246,432	246,432
Total other financing sources (uses)	<u>(702,699)</u>	<u>(854,957)</u>	<u>(363,754)</u>	<u>491,203</u>
Net change in fund balances	-	-	(2,423,501)	(2,423,501)
Fund balances, beginning of year, as restated	<u>(14,329,758)</u>	<u>(14,329,758)</u>	<u>(14,329,758)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (14,329,758)</u>	<u>\$ (14,329,758)</u>	<u>\$ (16,753,259)</u>	<u>\$ (2,423,501)</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 Balance
 Budget and Actual - American Rescue Plan Act Fund
 For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Grants and contributions:				
Federal	\$ -	\$ 22,189,146	\$ 11,180,412	\$ (11,008,734)
Investment income	-	40,000	159,749	119,749
Total revenues	-	22,229,146	11,340,161	(10,888,985)
Expenditures				
Current - General government	-	22,228,117	11,179,788	(11,048,329)
Revenues over expenditures	-	1,029	160,373	159,344
Other financing uses				
Transfers out	-	(1,029)	(624)	(405)
Net change in fund balances	-	-	159,749	159,749
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 159,749	\$ 159,749

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

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2022

	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	\$ 6,016,681	\$ 9,864,521	\$ -	\$ 14,737,450
Receivables:				
Accounts, net	914,340	138,250	-	515,387
Due from other governments	-	-	-	10,917
Accrued interest	-	-	-	-
Taxes	-	8,546,086	-	-
Installment sales agreements	-	-	934,066	-
Special assessments	56,497	-	-	-
Leases	32,271	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	11,605
Total current assets	7,019,789	18,548,857	934,066	15,275,359
Noncurrent assets:				
Advances to other funds	-	-	-	10,965
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	2,947,161
Receivables:				
Installment sales agreements	-	-	13,129,093	-
Special assessments	242,831	-	-	-
Leases	921,261	-	-	-
Capital assets not being depreciated	41,851	-	-	5,842,615
Capital assets being depreciated, net	26,416,186	-	-	5,045,096
Net pension asset	-	-	-	-
Total noncurrent assets	27,622,129	-	13,129,093	13,845,837
Total assets	34,641,918	18,548,857	14,063,159	29,121,196
Deferred outflows of resources				
Deferred charge on bond refunding	85,685	-	221,415	-
Deferred pension amounts	13,056	-	-	52,688
Deferred OPEB amounts	27,369	-	-	109,788
Total deferred outflows of resources	126,110	-	221,415	162,476

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Resource Recover Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ 13,080,368	\$ 1,027,214	\$ 44,726,234	\$ 7,490,831
74,575	1,155,797	26,478	2,824,827	163,049
1,075,326	1,809,050	1,225,505	4,120,798	30,190
-	-	-	-	303,169
-	-	-	8,546,086	-
-	-	-	934,066	-
-	-	-	56,497	-
-	4,558	-	36,829	499,752
27,668	-	-	27,668	579,713
-	44,937	-	56,542	-
<u>1,177,569</u>	<u>16,094,710</u>	<u>2,279,197</u>	<u>61,329,547</u>	<u>9,066,704</u>
-	-	-	10,965	403,084
-	-	-	-	590,398
-	-	127,325	3,074,486	-
-	-	-	13,129,093	-
-	-	-	242,831	-
-	278,911	-	1,200,172	1,059,929
11,608,090	16,358,522	726,219	34,577,297	422,000
17,847,890	86,100,334	7,940,934	143,350,440	7,512,946
-	241,981	-	241,981	-
<u>29,455,980</u>	<u>102,979,748</u>	<u>8,794,478</u>	<u>195,827,265</u>	<u>9,988,357</u>
<u>30,633,549</u>	<u>119,074,458</u>	<u>11,073,675</u>	<u>257,156,812</u>	<u>19,055,061</u>
-	-	-	307,100	61,998
657	66,151	78,503	211,055	-
1,323	376,825	164,099	679,404	-
<u>1,980</u>	<u>442,976</u>	<u>242,602</u>	<u>1,197,559</u>	<u>61,998</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2022

	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	\$ -	\$ -	\$ 2,758	\$ -
Payables:				
Accounts payable	244,518	5,035	-	927,202
Due to other governments	481,150	-	-	-
Accrued liabilities	73,596	1,106,050	-	144,753
Accrued interest	183,611	85,178	214,743	4,882
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	333,704
Current portion of compensated absences	7,064	-	-	20,025
Current portion of long-term debt	922,314	8,800,000	731,835	9,228
Total current liabilities	1,912,253	9,996,263	949,336	1,439,794
Noncurrent liabilities, net of current portion:				
Advances from other funds	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	18,387,261
Compensated absences	53,104	-	-	150,548
Long-term debt	22,100,168	2,500,000	13,335,238	268,642
Net pension liability	165,740	-	-	1,625,622
Net OPEB liability	45,676	-	-	167,897
Total noncurrent liabilities	22,364,688	2,500,000	13,335,238	20,599,970
Total liabilities	24,276,941	12,496,263	14,284,574	22,039,764
Deferred inflows of resources				
Deferred lease amounts	953,532	-	-	-
Deferred pension amounts	65,000	-	-	262,305
Deferred OPEB amounts	51,194	-	-	205,361
Total deferred inflows of resources	1,069,726	-	-	467,666
Net position				
Net investment in capital assets	4,984,421	-	-	10,690,351
Unrestricted (deficit)	4,436,940	6,052,594	-	(3,914,109)
Total net position	\$ 9,421,361	\$ 6,052,594	\$ -	\$ 6,776,242

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Resource Recover Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 485,833	\$ -	\$ -	\$ 488,591	\$ 92,581
388,442	1,053,427	130,964	2,749,588	231,750
25,503	-	-	506,653	9,505
2,032	99,893	50,555	1,476,879	2,620,128
4,098	293,399	19,554	805,465	115,245
14,577	-	-	14,577	33,907
-	-	23,820	357,524	-
-	73,287	34,104	134,480	17,900
7,744	4,620,974	36,957	15,129,052	1,506,605
<u>928,229</u>	<u>6,140,980</u>	<u>295,954</u>	<u>21,662,809</u>	<u>4,627,621</u>
400,584	-	-	400,584	10,965
-	7,740,449	223,562	26,351,272	-
-	550,962	256,392	1,011,006	134,569
225,471	25,122,977	1,075,912	64,628,408	7,915,227
540,051	-	1,579,058	3,910,471	-
294,383	563,531	785,095	1,856,582	-
<u>1,460,489</u>	<u>33,977,919</u>	<u>3,920,019</u>	<u>98,158,323</u>	<u>8,060,761</u>
<u>2,388,718</u>	<u>40,118,899</u>	<u>4,215,973</u>	<u>119,821,132</u>	<u>12,688,382</u>
-	283,469	-	1,237,001	1,559,681
3,538	329,332	390,827	1,051,002	-
2,475	704,858	306,949	1,270,837	-
<u>6,013</u>	<u>1,317,659</u>	<u>697,776</u>	<u>3,558,840</u>	<u>1,559,681</u>
29,455,980	72,384,306	8,667,153	126,182,211	(1,424,888)
(1,215,182)	5,696,570	(2,264,625)	8,792,188	6,293,884
<u>\$ 28,240,798</u>	<u>\$ 78,080,876</u>	<u>\$ 6,402,528</u>	<u>\$ 134,974,399</u>	<u>\$ 4,868,996</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2022

	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	\$ 3,734,635	\$ 1,014,142	\$ -	\$ 5,037,189
Farm sales	-	-	-	-
Interest and penalties	-	1,744,966	-	-
Rentals	59,817	-	-	-
Installment agreement	-	-	520,319	-
Other	5,027	-	106	17,197
Total operating revenues	<u>3,799,479</u>	<u>2,759,108</u>	<u>520,425</u>	<u>5,054,386</u>
Operating expenses				
Salaries and fringes	247,439	357,621	-	1,075,967
Supplies and other operating	2,297,703	546,442	1,931	5,575,557
Insurance benefits and claims	-	-	-	-
Insurance premiums	-	-	-	-
Depreciation	415,019	-	-	603,076
Total operating expenses	<u>2,960,161</u>	<u>904,063</u>	<u>1,931</u>	<u>7,254,600</u>
Operating income (loss)	<u>839,318</u>	<u>1,855,045</u>	<u>518,494</u>	<u>(2,200,214)</u>
Nonoperating revenues (expenses)				
Grants and contributions:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Investment income (loss)	96,077	63,391	-	144,544
Interest expense	(277,793)	(109,841)	(518,494)	(11,739)
Loss on sale of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>(181,716)</u>	<u>(46,450)</u>	<u>(518,494)</u>	<u>132,805</u>
Income (loss) before capital contributions and transfers	657,602	1,808,595	-	(2,067,409)
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Transfers				
Transfers in	-	-	-	-
Transfers out	-	(230,019)	-	-
Change in net position	<u>657,602</u>	<u>1,578,576</u>	<u>-</u>	<u>(2,067,409)</u>
Net position, beginning of year	<u>8,763,759</u>	<u>4,474,018</u>	<u>-</u>	<u>8,843,651</u>
Net position, end of year	<u>\$ 9,421,361</u>	<u>\$ 6,052,594</u>	<u>\$ -</u>	<u>\$ 6,776,242</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Resource Recover Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,025,803	\$ 15,524,011	\$ 303,889	\$ 26,639,669	\$ 20,673,245
-	2,115,792	-	2,115,792	-
-	-	-	1,744,966	-
87,080	-	-	146,897	1,141,263
-	-	-	520,319	-
2,377	72,726	2,185	99,618	6,971,511
<u>1,115,260</u>	<u>17,712,529</u>	<u>306,074</u>	<u>31,267,261</u>	<u>28,786,019</u>
24,768	3,348,955	1,613,785	6,668,535	2,597,571
1,700,002	9,664,425	2,321,548	22,107,608	2,460,497
-	-	-	-	656,412
-	-	-	-	21,396,151
1,228,290	6,351,869	612,034	9,210,288	1,809,277
<u>2,953,060</u>	<u>19,365,249</u>	<u>4,547,367</u>	<u>37,986,431</u>	<u>28,919,908</u>
<u>(1,837,800)</u>	<u>(1,652,720)</u>	<u>(4,241,293)</u>	<u>(6,719,170)</u>	<u>(133,889)</u>
1,006,730	-	2,529,962	3,536,692	-
-	-	1,469,006	1,469,006	-
-	4,263	347,748	352,011	-
816	215,501	6,511	526,840	(5,157,888)
(9,853)	(648,270)	(47,015)	(1,623,005)	(314,583)
-	(30,886)	(44,485)	(75,371)	-
<u>997,693</u>	<u>(459,392)</u>	<u>4,261,727</u>	<u>4,186,173</u>	<u>(5,472,471)</u>
(840,107)	(2,112,112)	20,434	(2,532,997)	(5,606,360)
276,222	-	2,450,526	2,726,748	422,446
466	-	576,331	576,797	-
-	-	-	-	792,828
-	-	-	(230,019)	(132,732)
<u>(563,419)</u>	<u>(2,112,112)</u>	<u>3,047,291</u>	<u>540,529</u>	<u>(4,523,818)</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>
<u>\$ 28,240,798</u>	<u>\$ 78,080,876</u>	<u>\$ 6,402,528</u>	<u>\$ 134,974,399</u>	<u>\$ 4,868,996</u>

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2022

	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	\$ 4,101,517	\$ 14,800,731	\$ 1,311,510	\$ 4,997,969
Payments to vendors	(4,121,754)	(554,084)	(3,025)	(588,116)
Payments for personnel services	(230,479)	(578,043)	-	(1,298,821)
Delinquent taxes purchased	-	(11,430,813)	-	-
Net cash provided by (used in) operating activities	<u>(250,716)</u>	<u>2,237,791</u>	<u>1,308,485</u>	<u>3,111,032</u>
Cash flows from noncapital financing activities				
Intergovernmental receipts	-	-	-	10,615
Intergovernmental payments	-	(230,019)	-	-
Issuance of tax notes	-	9,000,000	-	-
Principal paid on pension bonds	(4,451)	-	-	(7,991)
Interest paid on pension bonds	(6,574)	-	-	(11,803)
Principal paid on tax notes	-	(10,000,000)	-	-
Interest paid on tax notes	-	(53,680)	-	-
Federal, state and/or local grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(11,025)</u>	<u>(1,283,699)</u>	<u>-</u>	<u>(9,179)</u>
Cash flows from capital and related financing activities				
Principal paid on long-term debt	(700,000)	-	(665,000)	-
Interest paid on long-term debt	(327,958)	-	(643,485)	-
Capital contributions received	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(9,068,744)	-	-	(4,552,275)
Net cash provided by (used in) capital and related financing activities	<u>(10,096,702)</u>	<u>-</u>	<u>(1,308,485)</u>	<u>(4,552,275)</u>
Cash flows from investing activities				
Investment income (loss)	96,077	63,391	-	144,544
Net change in cash and investments	<u>(10,262,366)</u>	<u>1,017,483</u>	<u>-</u>	<u>(1,305,878)</u>
Cash and investments, beginning of year	16,279,047	8,847,038	-	16,043,328
Cash and investments, end of year	<u>\$ 6,016,681</u>	<u>\$ 9,864,521</u>	<u>\$ -</u>	<u>\$ 14,737,450</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Resource Recover Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 2,021,812	\$ 18,156,904	\$ 298,549	\$ 45,688,992	\$ 29,119,471
(1,618,598)	(7,482,561)	(2,292,808)	(16,660,946)	(23,318,129)
(28,357)	(4,208,361)	(1,960,373)	(8,304,434)	(2,644,266)
-	-	-	(11,430,813)	-
374,857	6,465,982	(3,954,632)	9,292,799	3,157,076
-	-	-	10,615	706,469
(50,000)	-	-	(280,019)	(6,988)
-	-	-	9,000,000	-
(6,707)	-	(32,003)	(51,152)	-
(9,907)	-	(47,331)	(75,615)	-
-	-	-	(10,000,000)	-
-	-	-	(53,680)	-
400	4,263	3,852,570	3,857,233	-
(66,214)	4,263	3,773,236	2,407,382	699,481
-	(4,440,000)	-	(5,805,000)	(1,515,945)
-	(827,422)	-	(1,798,865)	(325,338)
-	-	3,026,857	3,026,857	422,446
-	161,951	-	161,951	-
(309,459)	(8,062,639)	(2,843,966)	(24,837,083)	(97,536)
(309,459)	(13,168,110)	182,891	(29,252,140)	(1,516,373)
816	215,501	6,511	526,840	(5,157,888)
-	(6,482,364)	8,006	(17,025,119)	(2,817,704)
-	19,562,732	1,019,208	61,751,353	10,308,535
\$ -	\$ 13,080,368	\$ 1,027,214	\$ 44,726,234	\$ 7,490,831

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2022

	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)	\$ 839,318	\$ 1,855,045	\$ 518,494	\$ (2,200,214)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	415,019	-	-	603,076
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(179,094)	(100,447)	-	(54,499)
Due from other governments	392,996	-	-	(1,918)
Accrued interest receivable	-	-	-	-
Taxes receivable	-	(373,575)	-	-
Notes receivable	2,521	-	-	-
Installment sales agreements receivable	-	-	791,085	-
Special assessments receivable	85,615	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	(8,571)
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	(124,638)
Negative equity in pooled cash	-	-	(1,094)	-
Accounts payable	(1,943,912)	(7,642)	-	832,491
Due to other governments	119,861	-	-	-
Accrued liabilities	58,996	864,410	-	(6,886)
Unearned revenue	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	4,288,159
Compensated absences	5,664	-	-	(25,043)
Net pension asset	-	-	-	-
Net pension liability	(7,397)	-	-	(24,668)
Deferred outflows - pension amounts	(2,404)	-	-	(7,661)
Deferred inflows - pension amounts	27,328	-	-	103,057
Net OPEB asset	3,619	-	-	59,445
Net OPEB liability	45,676	-	-	167,897
Deferred outflows - OPEB amounts	(14,644)	-	-	(56,021)
Deferred inflows - OPEB amounts	(99,878)	-	-	(432,974)
Net cash provided by (used in) operating activities	<u>\$ (250,716)</u>	<u>\$ 2,237,791</u>	<u>\$ 1,308,485</u>	<u>\$ 3,111,032</u>

Noncash transactions

The Airport fund received noncash capital contributions of \$276,688 for the year ended September 30, 2022.

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

Business-type Activities - Enterprise Funds				Governmental Activities
Airport (5810)	Resource Recover Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ (1,837,800)	\$ (1,652,720)	\$ (4,241,293)	\$ (6,719,170)	\$ (133,889)
1,228,290	6,351,869	612,034	9,210,288	1,809,277
904,202	260,346	(7,525)	822,983	442,056
-	184,029	-	575,107	(23,326)
-	-	-	-	(104,874)
-	-	-	(373,575)	-
-	-	-	2,521	-
-	-	-	791,085	-
-	-	-	85,615	-
(4,283)	-	-	(4,283)	1,067,178
-	(4,771)	-	(13,342)	-
-	-	-	-	(130,067)
-	-	524	(124,114)	-
(145,151)	-	-	(146,245)	92,581
230,838	(163,699)	25,454	(1,026,470)	165,239
-	-	-	119,861	(6,499)
(1,318)	(90,947)	(47,614)	776,641	(45,958)
2,350	-	-	2,350	19,597
-	2,350,334	2,762	6,641,255	-
-	40,804	(14,301)	7,124	5,761
-	2,247	-	2,247	-
28,712	-	(19,602)	(22,955)	-
11,450	3,477	(4,516)	346	-
(39,280)	83,078	129,158	303,341	-
-	15,683	-	78,747	-
138,960	563,531	415,318	1,331,382	-
11,854	(210,778)	(76,916)	(346,505)	-
(153,967)	(1,266,501)	(728,115)	(2,681,435)	-
<u>\$ 374,857</u>	<u>\$ 6,465,982</u>	<u>\$ (3,954,632)</u>	<u>\$ 9,292,799</u>	<u>\$ 3,157,076</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2022

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
Assets		
Cash and investments	\$ 18,976,045	\$ -
MERS total market portfolio	-	55,812,925
Total assets	<u>18,976,045</u>	<u>55,812,925</u>
Liabilities		
Accounts payable	5,738	-
Due to other governments	974,126	-
Undistributed current and delinquent taxes	16,233,085	-
Trust deposits	84,472	-
Unallocated receipts	740,854	-
Total liabilities	<u>18,038,275</u>	<u>-</u>
Net position restricted for		
Individuals, organizations and other governments	937,770	-
Other postemployment benefits	-	55,812,925
Total net position	<u><u>\$ 937,770</u></u>	<u><u>\$ 55,812,925</u></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, 2022

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
Additions		
Contributions	\$ 647	\$ -
Investment earnings (loss)	804	(8,788,534)
Collections:		
Property and other taxes	97,341,472	-
Road Commission Act 51	16,995,781	-
Court and other fees	2,063,734	-
Library penal	315,001	-
HealthWest consumer	3,537,631	-
Inmate	1,521,096	-
Bonds and restitution	286,029	-
Other	1,113,111	-
Total additions (net of investment loss)	<u>123,175,306</u>	<u>(8,788,534)</u>
Deductions		
Benefit payments	-	2,005,173
Administrative expenses	-	115,659
Distributions:		
Property and other taxes	97,341,472	-
Road Commission Act 51	16,995,781	-
Court and other fees	2,063,734	-
Library penal	315,001	-
HealthWest consumer	3,630,674	-
Inmate	1,536,087	-
Bonds and restitution	286,029	-
Other	1,113,111	-
Total deductions	<u>123,281,889</u>	<u>2,120,832</u>
Change in net position	(106,583)	(10,909,366)
Net position, beginning of year	<u>1,044,353</u>	<u>66,722,291</u>
Net position, end of year	<u>\$ 937,770</u>	<u>\$ 55,812,925</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, 2022

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
Assets				
Cash and investments	\$ 7,664,838	\$ 6,398,684	\$ 1,521,859	\$ 15,585,381
Receivables:				
Accounts	-	-	323,001	323,001
Assessments	-	17,544,560	-	17,544,560
Due from other governments	4,329,406	18,600	-	4,348,006
Leases	-	-	42,419	42,419
Other	216,947	-	-	216,947
Prepays and other assets	132,106	-	-	132,106
Inventories	2,420,834	-	-	2,420,834
Assets held for resale	-	-	917,498	917,498
Capital assets not being depreciated	32,017,318	10,291,839	-	42,309,157
Capital assets being depreciated, net	67,372,855	10,975,559	24,075	78,372,489
Net pension asset	421,103	-	-	421,103
Net OPEB asset	864,466	-	-	864,466
Total assets	115,439,873	45,229,242	2,828,852	163,497,967
Deferred outflows of resources				
Deferred pension amounts	2,833,390	-	-	2,833,390
Deferred OPEB amounts	775,638	-	-	775,638
Total deferred outflows of resources	3,609,028	-	-	3,609,028
Liabilities				
Accounts payable	566,122	181,767	29,318	777,207
Accrued liabilities	824,220	-	(4,337)	819,883
Accrued interest	-	207,773	-	207,773
Advances from primary government	-	100,000	-	100,000
Unearned revenue	161,141	-	35,431	196,572
Long-term debt:				
Due within one year	265,000	1,388,361	-	1,653,361
Due in more than one year	144,845	18,804,461	-	18,949,306
Total liabilities	1,961,328	20,682,362	60,412	22,704,102
Deferred inflows of resources				
Deferred lease amounts	-	-	42,419	42,419
Deferred pension amounts	2,235,918	-	-	2,235,918
Deferred OPEB amounts	1,158,634	-	-	1,158,634
Total deferred inflows of resources	3,394,552	-	42,419	3,436,971
Net position				
Net investment in capital assets	99,390,173	3,925,961	24,075	103,340,209
Restricted for debt service	-	1,493,608	-	1,493,608
Restricted for pension	1,018,575	-	-	1,018,575
Restricted for OPEB	481,470	-	-	481,470
Restricted for county roads	12,802,803	-	-	12,802,803
Unrestricted	-	19,127,311	2,701,946	21,829,257
Total net position	\$ 113,693,021	\$ 24,546,880	\$ 2,726,021	\$ 140,965,922

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, 2022

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
Expenses				
Road Commission	\$ 18,362,251	\$ -	\$ -	\$ 18,362,251
Water Resources	-	984,374	-	984,374
Land Bank Authority	-	-	898,363	898,363
Total expenses	<u>18,362,251</u>	<u>984,374</u>	<u>898,363</u>	<u>20,244,988</u>
Revenues				
Program revenues:				
Charges for services	4,303,470	572,328	737,766	5,613,564
Operating grants and contributions	18,453,807	-	-	18,453,807
Capital grants and contributions	4,805,110	2,343,062	-	7,148,172
General revenues:				
Unrestricted investment earnings (loss)	(13,992)	63,578	30,922	80,508
Gain on sale of capital assets	25,800	-	-	25,800
Other revenue	-	1,999	316,627	318,626
Total revenues	<u>27,574,195</u>	<u>2,980,967</u>	<u>1,085,315</u>	<u>31,640,477</u>
Change in net position	9,211,944	1,996,593	186,952	11,395,489
Net position, beginning of year	<u>104,481,077</u>	<u>22,550,287</u>	<u>2,539,069</u>	<u>129,570,433</u>
Net position, end of year	<u>\$ 113,693,021</u>	<u>\$ 24,546,880</u>	<u>\$ 2,726,021</u>	<u>\$ 140,965,922</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 (7 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 County has entered into installment sales agreements with the local municipalities and the 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.

Resource Recover Center 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".

Leases

Lessee. The County is a lessee for noncancellable leases of building and improvements and machinery and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$25,000 or more.

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

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

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

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

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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

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 American Rescue Plan Act fund's restricted assets consist of unspent State and Local Fiscal Recovery Funds (CSLFRF) received. 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 \$25,000 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
Resource recover center 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 assets 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 and proprietary fund statements 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 assets 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 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. Finally, the statements of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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

Interfund Transactions

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

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.

During the year ended September 30, 2022, 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:			
Juror Showcase	\$ 17,900	\$ 19,458	\$ 1,558
Building D - Health Department	-	423	423
Central Services Building G	9,365	10,797	1,432
Judicial:			
District Court Restitution	700,000	824,055	124,055
DHHS Legal Representation Grant	308,470	312,754	4,284
Indigent Defense Fund	3,801,030	3,966,566	165,536

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

3. DEFICIT FUND EQUITY

At September 30, 2022, 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 & Related Deferred Amounts
Solid Waste	\$ (3,914,109)	\$ 6,776,242	\$ 14,198,522	\$ 2,098,709
Airport	(1,215,182)	28,240,798	249,340	838,467
Muskegon Area Transit System	(2,898,608)	5,646,318	1,253,023	2,819,327
Energy Improvements	2,001,863	(45,281)	1,576,863	-

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 \$17,073,241 at September 30, 2022, while the total fund deficit was \$16,753,259. HealthWest's fund balance deficit resulted from payment on \$20,051,869 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, 2022:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 56,962,706	\$ 15,585,381	\$ 72,548,087
Restricted assets	25,804,080	-	25,804,080
	<u>82,766,786</u>	<u>15,585,381</u>	<u>98,352,167</u>
Statement of Fiduciary Net Position			
Custodial funds:			
Cash and investments	18,976,045	-	18,976,045
Other postemployment benefit trust fund:			
MERS total market portfolio	55,812,925	-	55,812,925
	<u>74,788,970</u>	<u>-</u>	<u>74,788,970</u>
Total	<u>\$ 157,555,756</u>	<u>\$ 15,585,381</u>	<u>\$ 173,141,137</u>
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 84,183,713
Certificates of deposits, due within one year			<u>5,020,000</u>
Total bank deposits			<u>89,203,713</u>
Investments:			
MERS total market portfolio			55,812,925
Money market accounts			3,074,486
Municipal bonds			17,247,858
Government securities			7,312,585
Non-cash commodity			<u>324,746</u>
Total investments			<u>83,772,600</u>
Cash on hand			<u>164,824</u>
Total			<u>\$ 173,141,137</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, \$89,031,403 of the County’s bank balance of \$89,900,277 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, 2022, 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 Resource Recover Center 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	\$ 2,436,501
Moody AA2	3,592,647
Moody AA3	1,580,840
Moody AAA	7,312,585
Moody A1	2,447,820
S&P AA	5,927,854
S&P AA-	1,262,196
Unrated	<u>59,212,157</u>
Total	<u>\$ 83,772,600</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	\$ 634,759
Due in 1-5 years	536,438
Due in 6-10 years	8,746,937
Due in 11-15 years	11,445,553
Due in 26-30 years	3,196,756
No maturity	<u>59,212,157</u>
Total	<u>\$ 83,772,600</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, 2022:

	Fair Value Measurements Using		
	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total			
Investments			
MERS total market portfolio	\$ 55,812,925	\$ 55,812,925	\$ -
Money market accounts	3,074,486	3,074,486	-
Municipal bonds	17,247,858	-	17,247,858
Government securities	7,312,585	-	7,312,585
Non-cash commodity	324,746	324,746	-
Total investments	<u>\$ 83,772,600</u>	<u>\$ 59,212,157</u>	<u>\$ 24,560,443</u>

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,101,546	\$ 3,311,568	\$ 323,001
Less: allowance for uncollectibles	(247,144)	(486,741)	-
Due from other governments	30,628,000	4,120,798	4,348,006
Accrued interest	303,377	-	-
Taxes (current)	7,554,776	-	-
Taxes (delinquent)	-	8,546,086	-
Installment sales agreements	-	14,063,159	-
Special assessments	74,047	299,328	17,544,560
Leases	1,746,869	1,237,001	42,419
Other	-	-	216,947
	<u>\$ 41,161,471</u>	<u>\$ 31,091,199</u>	<u>\$ 22,474,933</u>

Of the amounts reported for receivables above, special assessments receivable in the amount of \$16,402,819, installment sales agreements receivable in the amount of \$13,129,093, leases receivable of \$2,370,068 and accounts receivable of \$260,195 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	\$ 8,975,473	\$ 2,749,588	\$ 777,207
Due to other governments	6,138,707	506,653	-
Accrued liabilities	4,635,942	1,476,879	819,883
Accrued interest payable	1,574,368	805,465	207,773
	<u>\$ 21,324,490</u>	<u>\$ 5,538,585</u>	<u>\$ 1,804,863</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	\$ 930,407	\$ 27,668	\$ 132,106
Inventories	21,881	56,542	2,420,834
Deposits held with others	590,398	-	-
Assets held for resale	-	-	917,498
	<u>\$ 1,542,686</u>	<u>\$ 84,210</u>	<u>\$ 3,470,438</u>

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2022, was as follows:

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ -	\$ 2,500
Solid Waste	10,965	-
Airport	-	400,584
Internal Service Funds	403,084	10,965
	<u>\$ 414,049</u>	<u>\$ 414,049</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, 2022, interfund transfers consisted of the following:

Transfers Out	Transfers In				Totals
	General Fund	HealthWest	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 706,819	\$ 10,919,519	\$ 792,828	\$ 12,419,166
HealthWest	-	-	1,317,005	-	1,317,005
American Rescue Plan Act	-	-	624	-	624
Nonmajor Governmental Funds	6	-	926,480	-	926,486
Delinquent Tax Revolving	-	-	230,019	-	230,019
Internal Service Funds	-	-	132,732	-	132,732
Totals	<u>\$ 6</u>	<u>\$ 706,819</u>	<u>\$ 13,526,379</u>	<u>\$ 792,828</u>	<u>\$ 15,026,032</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the General Fund are often necessary to cover local match requirements for grant programs that require them or to cover expenditures not covered by the grants or other funding sources. These include funding for Child Care fund services for youth in the County of Muskegon’s youth home, Public Health services, Community Mental Health services (HealthWest), Indigent Defense funding, IV-D Cooperative Reimbursement (child support) funding, Emergency Management funding, various law enforcement grants, such as Highway Safety and Marine Safety programs, and judicial grants such as Sobriety Court and Adult Drug Treatment Court funding. In addition, transfers are made from the General Fund to the Equipment Revolving fund, an internal service fund that serves as a capital equipment pool that finances big ticket purchase for various County departments, for reimbursement for capital projects related to the Convention & Visitors Bureau and cruise ship port. A one-time transfer from the General Fund to the Equipment Revolving fund was made in fiscal year 2022 to improve cash flow for the Equipment Revolving fund. Other transfers from the General Fund and other funds are necessary to move receipts to debt services funds as debt service payments become due, such as for pension obligation bonds issued in 2018, capital obligation bonds issued in 2015, Building Authority bonds issued in 2018 for the construction of the County jail complex, and for refunding bonds that were issued in 2018 to refinance bonds originally issued for the construction of the HealthWest facility.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

Primary Government

	Beginning Balance*	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,704,262	\$ 8,721,919	\$ -	\$ 19,349	\$ 13,445,530
Construction-in-progress	19,349	326,292	-	(19,349)	326,292
	<u>4,723,611</u>	<u>9,048,211</u>	<u>-</u>	<u>-</u>	<u>13,771,822</u>
Capital assets being depreciated/amortized:					
Land improvements	8,055,848	-	(104,030)	-	7,951,818
Building and improvements	92,884,984	7,731,321	-	(68,435)	100,547,870
Machinery and equipment	30,024,808	3,536,206	(1,046,949)	68,435	32,582,500
Leased buildings and improvements	698,281	141,558	-	-	839,839
Leased machinery and equipment	-	104,874	-	-	104,874
	<u>131,663,921</u>	<u>11,513,959</u>	<u>(1,150,979)</u>	<u>-</u>	<u>142,026,901</u>
Less accumulated depreciation/amortization for:					
Land improvements	(5,130,275)	(245,246)	97,095	-	(5,278,426)
Building and improvements	(40,675,871)	(3,020,675)	-	13,779	(43,682,767)
Machinery and equipment	(22,394,624)	(1,797,760)	1,032,887	(13,779)	(23,173,276)
Leased buildings and improvements	-	(204,317)	-	-	(204,317)
Leased machinery and equipment	-	-	-	-	-
	<u>(68,200,770)</u>	<u>(5,267,998)</u>	<u>1,129,982</u>	<u>-</u>	<u>(72,338,786)</u>
Total capital assets being depreciated/ amortized, net	<u>63,463,151</u>	<u>6,245,961</u>	<u>(20,997)</u>	<u>-</u>	<u>69,688,115</u>
Governmental activities- capital assets, net	<u>\$ 68,186,762</u>	<u>\$ 15,294,172</u>	<u>\$ (20,997)</u>	<u>\$ -</u>	<u>\$ 83,459,937</u>

* The County implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leased assets have been added to the beginning balances shown above and a corresponding lease payable has been recorded for the same amount.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Depreciation/amortization of governmental activities by function	
General government	\$ 725,550
Judicial	33,850
Public safety	1,519,722
Health	864,938
Welfare	1,700
Culture	8,256
Recreation	304,705
Internal service funds	<u>1,809,277</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,267,998</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 20,639,468	\$ -	\$ -	\$ -	\$ 20,639,468
Construction-in-progress	13,247,512	10,445,379	(14,453)	(9,740,609)	13,937,829
	<u>33,886,980</u>	<u>10,445,379</u>	<u>(14,453)</u>	<u>(9,740,609)</u>	<u>34,577,297</u>
Capital assets being depreciated:					
Land improvements	35,689,359	18,338	-	4,935,300	40,642,997
Buildings and improvements	29,754,923	63,815	-	183,950	30,002,688
Machinery and equipment	45,039,742	13,541,534	(3,568,438)	4,046,185	59,059,023
Lagoons	9,495,715	-	-	-	9,495,715
W/W collection and distribution	177,948,128	1,044,705	(507,371)	575,174	179,060,636
Capitalized interest and engineering	8,936,046	-	-	-	8,936,046
	<u>306,863,913</u>	<u>14,668,392</u>	<u>(4,075,809)</u>	<u>9,740,609</u>	<u>327,197,105</u>
Less accumulated depreciation for:					
Land improvements	(21,036,294)	(992,503)	-	-	(22,028,797)
Building and improvements	(19,579,651)	(766,405)	-	(27,593)	(20,373,649)
Machinery and equipment	(25,193,118)	(2,199,329)	3,494,483	27,593	(23,870,371)
Lagoons	(4,575,078)	(95,085)	-	-	(4,670,163)
W/W collection and distribution	(100,452,920)	(5,051,097)	358,520	-	(105,145,497)
Capitalized interest and engineering	(7,652,319)	(105,869)	-	-	(7,758,188)
	<u>(178,489,380)</u>	<u>(9,210,288)</u>	<u>3,853,003</u>	<u>-</u>	<u>(183,846,665)</u>
Total capital assets being depreciated, net	<u>128,374,533</u>	<u>5,458,104</u>	<u>(222,806)</u>	<u>9,740,609</u>	<u>143,350,440</u>
Business-type activities					
capital assets, net	<u>\$ 162,261,513</u>	<u>\$ 15,903,483</u>	<u>\$ (237,259)</u>	<u>\$ -</u>	<u>\$ 177,927,737</u>

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	\$ 415,019
Solid Waste	603,076
Airport	1,228,290
Resource Recover Center	6,351,869
Nonmajor enterprise funds	<u>612,034</u>

Total depreciation expense - business-type activities \$ 9,210,288

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	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	(4,815)	(4,815)	-	-	(9,630)
Land Bank Authority capital assets, net	<u>\$ 28,890</u>	<u>\$ (4,815)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,075</u>

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Public placement:					
General obligation bonds	\$ 88,289,061	\$ -	\$ (3,003,848)	\$ 85,285,213	\$ 3,235,629
Direct placement:					
General obligation bonds	10,145,000	-	(1,235,000)	8,910,000	725,000
Installment purchase agreements	1,363,996	-	(635,945)	728,051	593,192
Total direct placement	11,508,996	-	(1,870,945)	9,638,051	1,318,192
Total installment debt	99,798,057	-	(4,874,793)	94,923,264	4,553,821
Premium on bonds payable	123,942	-	(28,003)	95,939	23,612
Discount on bonds payable	(132,798)	-	3,187	(129,611)	(6,585)
Compensated absences	7,143,988	1,293,750	(1,025,680)	7,412,058	870,176
Total governmental activities	<u>\$ 106,933,189</u>	<u>\$ 1,293,750</u>	<u>\$ (5,925,289)</u>	<u>\$ 102,301,650</u>	<u>\$ 5,441,024</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Public placement:					
General obligation bonds	\$ 18,630,939	\$ -	\$ (886,152)	\$ 17,744,787	\$ 844,371
Revenue bonds	26,580,000	-	(1,445,000)	25,135,000	1,570,000
Total public placement	<u>45,210,939</u>	<u>-</u>	<u>(2,331,152)</u>	<u>42,879,787</u>	<u>2,414,371</u>
Direct placement:					
Revenue bonds	27,308,365	-	(3,525,000)	23,783,365	3,600,000
Notes payable	12,300,000	9,000,000	(10,000,000)	11,300,000	8,800,000
Total direct placement	<u>39,608,365</u>	<u>9,000,000</u>	<u>(13,525,000)</u>	<u>35,083,365</u>	<u>12,400,000</u>
Total installment debt	84,819,304	9,000,000	(15,856,152)	77,963,152	14,814,371
Premium on bonds payable	2,161,177	-	(347,678)	1,813,499	316,202
Discount on bonds payable	(6,356)	(13,124)	289	(19,191)	(1,521)
Closure and sludge cost	20,067,541	6,641,255	-	26,708,796	357,524
Compensated absences	1,138,362	99,772	(92,648)	1,145,486	134,480
Total business-type activities	<u>\$ 108,180,028</u>	<u>\$ 15,727,903</u>	<u>\$ (16,296,189)</u>	<u>\$ 107,611,742</u>	<u>\$ 15,621,056</u>

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. \$ 3,745,000

\$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. 39,160,000

\$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. 37,295,213

\$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. 3,560,000

\$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. 1,525,000

Total governmental activities public placement installment debt \$ 85,285,213

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental Activities (Concluded)

Direct placement

General obligation bonds

\$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. \$ 4,275,000

\$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. 4,635,000

Installment purchase agreements

\$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. 464,183

Various vehicle purchase agreements, due in various monthly installments plus interest maturing at various dates through October 21, 2025. 263,868

Total governmental activities direct placement installment debt \$ 9,638,051

Business-type Activities

Public placement

General obligation bonds

\$16,185,000 Muskegon County Resource Recovery Center 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. \$ 13,130,000

\$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. 2,830,000

\$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. 1,784,787

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. 5,105,000

\$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. 3,650,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Revenue bonds (concluded)

\$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 Resource Recovery Center 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. 2,880,000

Total business-type activities public placement installment debt \$ 42,879,787

Direct placement

Revenue bonds

**\$17,386,586 2005 Resource Recovery Center 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. \$ 4,881,560

**\$14,000,000 2006 Resource Recovery Center 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. 4,685,000

**\$1,800,000 2007 Resource Recovery Center 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. 510,000

**\$898,316 2008 Resource Recovery Center 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. 328,316

**\$15,154,830 2008B Resource Recovery Center 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. 6,119,830

**\$16,132,676 2008C Resource Recovery Center 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. 6,502,676

**\$1,664,983 2010 Resource Recovery Center 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. 755,983

Notes payable

\$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. 2,300,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Notes payable (concluded)

\$9,000,000 2021 General Obligation Tax Note, due in installments

of \$2,500,000 to \$3,500,000 plus interest at 2.63%, payable semi-annually,
through December 1, 2023.

\$ 9,000,000

Total business-type activities direct placement installment debt

\$ 35,083,365

In addition to the long-term debt items noted above, the County has been apportioned a percentage of various drain bonds and notes. At September 30, 2022, the total amount outstanding on the various bond and drain notes that will be assessed to the County in subsequent years is approximately \$3.6 million. The amounts will be assessed annually through 2051.

Pledged Revenues

**The County has pledged future resource recover center total revenues, net of specified operating expenses, to repay approximately \$67.0 million in certain resource recover center system revenue bonds issued between September 2005 and January 2010. Proceeds from these bonds provided financing for improvements to the resource recover center system. These particular bonds are payable solely from resource recover center 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 \$25,726,054. For the current year, principal and interest paid was \$4,103,322 and net revenues were \$4,914,650.

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
2023	\$ 3,235,629	\$ 3,321,544	\$ 1,318,192	\$ 253,830
2024	3,410,834	3,212,441	831,455	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	3,520,858	2,853,754	810,000	153,035
2028-2032	21,964,432	12,066,778	3,850,000	436,384
2033-2037	24,127,640	7,204,073	1,225,000	70,533
2038-2042	17,055,248	2,471,551	-	-
2043-2044	5,115,000	209,749	-	-
	<u>\$ 85,285,213</u>	<u>\$ 37,412,100</u>	<u>\$ 9,638,051</u>	<u>\$ 1,499,794</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Year Ended September 30,	Business-type Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2023	\$ 2,414,371	\$ 1,509,359	\$ 12,400,000	\$ 704,048
2024	2,469,166	1,415,200	6,180,000	464,226
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	1,959,142	1,110,055	3,891,560	198,130
2028-2032	10,665,568	4,430,414	5,016,805	174,651
2033-2037	12,227,360	2,203,360	-	-
2038-2042	3,934,752	709,789	-	-
2043-2047	4,115,000	281,808	-	-
	<u>\$ 42,879,787</u>	<u>\$ 14,185,512</u>	<u>\$ 35,083,365</u>	<u>\$ 2,174,011</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 Resource Recover Center 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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 29% of the governmental activities expense for fiscal 2022, 47% was from the HealthWest major special revenue fund and the remainder 24% from nonmajor governmental funds.

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
2021	\$ 2,390,831	\$ 1,388,243	\$ (1,218,517)	\$ 2,560,557
2022	2,560,557	1,609,784	(1,600,103)	2,570,238

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, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,156
Inactive employees entitled to but not yet receiving benefits	547
Active employees	<u>311</u>
Total membership	<u><u>2,014</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, 2022:

Division/Bargaining Unit	Employer Contribution	Employee Contribution
01 - Public Works	\$ 4,215	4.51%
04 - MCF Union	8,030	8.57%
10 - Gnrl Local214	92,471	3.84%
11 - Gnrl NonUnion	241,311	5.41%
12 - District Court	15,657	1.50%
13 - Health Dpt Nrses	9,585	4.05%
14 - Mntl Hlth Wrks	14,697	3.86%
15 - Judges	138	4.13%
17 - Comm/E.O./Adm Dir	34,432	5.20%
19 - Mental Hlth Workers af 9/1/10	-	5.86%
20 - Corrections	23,109	2.69%
22 - Shrf Dpty Lcl214	26,492	5.00%
23 - Shrf Cmnd Unit	18,177	7.33%
24 - Correction Ofr hired af 9/1/10	4,494	5.69%
25 - Sheriff Deputy after 10/01/10	2,036	6.50%
41 - AFSCME#570	24,450	5.58%
42 - MCF Union hired after 3/1/10	-	4.00%
90 - Public Works after 02/01/11	2,356	6.50%
91 - Gnrl Local 214 after 11/1/10	<u>4,517</u>	6.00%
	<u><u>\$ 526,167</u></u>	

Net Pension Liability. The County's net pension liability was measured as of December 31, 2021, 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, 2021 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	7.00%, 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, 2021 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%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	100.0%		
Inflation			2.50%
Administrative expenses netted above			0.25%
Investment rate of return			7.25%

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25% (down from 7.60% at December 31, 2020). 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, 2020	\$ 289,376,763	\$ 238,880,588	\$ 50,496,175
Changes for the year:			
Service cost	1,886,994	-	1,886,994
Interest	21,249,161	-	21,249,161
Differences between expected and actual experience	561,550	-	561,550
Changes in assumptions	9,846,165	-	9,846,165
Employer contributions	-	4,200,230	(4,200,230)
Employee contributions	-	1,181,217	(1,181,217)
Net investment income	-	31,276,982	(31,276,982)
Benefit payments, including refunds of employee contributions	(21,061,741)	(21,061,741)	-
Administrative expense	-	(370,888)	370,888
Net changes	<u>12,482,129</u>	<u>15,225,800</u>	<u>(2,743,671)</u>
Balances at December 31, 2021	<u><u>\$ 301,858,892</u></u>	<u><u>\$ 254,106,388</u></u>	<u><u>\$ 47,752,504</u></u>

Following is a reconciliation of the County's net pension liability (asset) as of September 30, 2022:

	Net Pension Liability	Net Pension Asset	Net Pension Liability (Asset)
Governmental activities	\$ 44,084,014	\$ -	\$ 44,084,014
Business-type activities	3,910,471	(241,981)	3,668,490
	<u>\$ 47,994,485</u>	<u>\$ (241,981)</u>	<u>\$ 47,752,504</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 79,213,310	\$ 47,752,504	\$ 21,012,067

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, 2022, the County recognized pension expense of \$10,291,280. 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	\$ -	\$ 19,142,481	\$ (19,142,481)
Contributions subsequent to the measurement date	3,844,977	-	3,844,977
Total	<u>\$ 3,844,977</u>	<u>\$ 19,142,481</u>	<u>\$ (15,297,504)</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, 2023. 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
2023	\$ (3,162,817)
2024	(7,797,814)
2025	(5,432,191)
2026	<u>(2,749,659)</u>
Total	<u>\$ (19,142,481)</u>

Payable to the Pension Plan. At September 30, 2022, 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 30% of pension contributions by governmental activities for fiscal 2022, 46% was from the HealthWest major special revenue fund and the remainder 24% from nonmajor governmental funds.

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 \$1,269,865 and \$1,879,611 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
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>338</u>
Total	<u><u>955</u></u>

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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, 2022, 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, 2022 was comprised of 100% total market portfolio funds.

Rate of Return. For the year ended September 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (13.3) 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, 2022, were as follows:

Total OPEB liability	\$ 48,973,862
Plan fiduciary net position	<u>(55,812,925)</u>
County's net OPEB asset	<u><u>\$ (6,839,063)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	114.0%

Following is a reconciliation of the County's net OPEB liability (asset) as of September 30, 2022:

	Net OPEB Liability	Net OPEB Asset	Net OPEB Liability (Asset)
Governmental activities	\$ -	\$ (8,695,645)	\$ (8,695,645)
Business-type activities	<u>1,856,582</u>	<u>-</u>	<u>1,856,582</u>
	<u><u>\$ 1,856,582</u></u>	<u><u>\$ (8,695,645)</u></u>	<u><u>\$ (6,839,063)</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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	7.0%, net of OPEB Plan investment expense, including inflation of return
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%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private assets	20.0%	7.00%	1.40%
	<u>100.0%</u>		4.50%
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>7.00%</u></u>

Discount Rate. The discount rate used to measure the total OPEB liability was 7.00% (down from 7.35% at September 30, 2021). 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, 2021	\$ 47,891,006	\$ 66,722,291	\$ (18,831,285)
Changes for the year:			
Service cost	408,564	-	408,564
Interest	3,461,311	-	3,461,311
Differences between expected and actual experience	(2,340,113)	-	(2,340,113)
Changes of assumptions	1,558,267	-	1,558,267
Net investment loss	-	(8,788,534)	8,788,534
Benefit payments	(2,005,173)	(2,005,173)	-
Administrative expense	-	(115,659)	115,659
Net changes	<u>1,082,856</u>	<u>(10,909,366)</u>	<u>11,992,222</u>
Balances at September 30, 2022	<u>\$ 48,973,862</u>	<u>\$ 55,812,925</u>	<u>\$ (6,839,063)</u>

Change in assumptions. The expected return on plan assets (and the corresponding discount rate) was lowered from 7.35% to 7.00%. The assumed trend for per capita costs and retiree contribution premiums was revised taking into account the January 1, 2022 renewal.

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB asset	\$ (1,843,700)	\$ (6,839,063)	\$ (11,065,544)

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	\$ (12,012,056)	\$ (6,839,063)	\$ (677,776)

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$(19,754,680). 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	\$ 6,508,252	\$ -	\$ 6,508,252
Changes in assumptions	1,780,745	11,308,173	(9,527,428)
Net difference between projected and actual earnings on OPEB plan investments	-	4,196,530	(4,196,530)
Total	<u>\$ 8,288,997</u>	<u>\$ 15,504,703</u>	<u>\$ (7,215,706)</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
2023	\$ (9,973,771)
2024	(1,002,205)
2025	1,037,329
2026	<u>2,722,941</u>
Total	<u>\$ (7,215,706)</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Payable to the OPEB Plan. At September 30, 2022, the County had no outstanding contribution amounts payable to the plan for the year ended September 30, 2022.

For the governmental activities, the net OPEB asset is generally liquidated among the various governmental funds by contributions in proportion to each fund's wages of benefits-eligible employees. The County did not make any OPEB contributions during fiscal year 2022 due to the Plan currently being overfunded.

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 \$1,226,886 for the year ended September 30, 2022.

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 \$19.0 million reported as landfill closure and post-closure care liability at September 30, 2022 represents the cumulative amount reported to date based on the use of 93 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 1.3 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$19.0 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2022. 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 \$3,074,486 held in trust as of September 30, 2022. 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	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Fund balances, governmental funds					
Nonspendable:					
Prepays	\$ 16,196	\$ 319,982	\$ 12,912	\$ 1,604	\$ 350,694
Inventories	-	-	-	21,881	21,881
Long-term advances	100,000	-	-	-	100,000
Permanent fund corpus	-	-	-	36,466	36,466
Total nonspendable	116,196	319,982	12,912	59,951	509,041
Restricted for:					
Training	54,119	-	-	-	54,119
Lake Pollution	-	-	-	910,276	910,276
Seniors	-	-	-	743,647	743,647
Public Health Local Stabilization	-	-	-	609,493	609,493
Convention Business and Tourism	-	-	-	1,989,615	1,989,615
Grant programs	-	-	146,837	156,516	303,353
Forfeited property	-	-	-	41,001	41,001
Deed Automation Fund	-	-	-	252,118	252,118
Veterans' Care & Trust	-	-	-	401,739	401,739
Mental Health Buildings	-	-	-	55,411	55,411
Victim Restitution	-	-	-	20,076	20,076
Lake level	-	-	-	15,551	15,551
Debt repayment	-	-	-	127,836	127,836
Total restricted	54,119	-	146,837	5,323,279	5,524,235

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	General Fund	HealthWest	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Fund balances, governmental funds					
Committed for:					
Parks	\$ -	\$ -	\$ -	\$ 562,260	\$ 562,260
District Court	-	-	-	12,416	12,416
Grant programs	-	-	-	173	173
Juvenile prosecution	-	-	-	828	828
Concealed permits	-	-	-	282,199	282,199
Pension bonds	-	-	-	1,828,839	1,828,839
Capital projects	-	-	-	695,165	695,165
Total committed	-	-	-	3,381,880	3,381,880
Assigned for:					
Juror Show Cause	37,299	-	-	-	37,299
Subsequent budget shortfall	2,029,374	-	-	-	2,029,374
Judgement Settlement	236,304	-	-	-	236,304
Marine Safety	-	-	-	10,503	10,503
Crime Victims' Rights	-	-	-	1,888	1,888
Drug Treatment Court	-	-	-	6,738	6,738
Capital projects	-	-	-	48,975	48,975
Total assigned	2,302,977	-	-	68,104	2,371,081
Unassigned (deficit)	12,927,573	(17,073,241)	-	-	(4,145,668)
Total fund balances, governmental funds	\$ 15,400,865	\$ (16,753,259)	\$ 159,749	\$ 8,833,214	\$ 7,640,569

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, 2022, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 13,771,822	\$ 34,577,297	\$ 42,309,157
Capital assets being depreciated/amortized, net	69,688,115	143,350,440	78,372,489
	<u>83,459,937</u>	<u>177,927,737</u>	<u>120,681,646</u>
Related debt:			
Total installment debt	94,923,264	77,963,152	20,192,822
Leases payable	744,315	-	-
Net bond premium	95,939	1,813,499	-
Net bond discount	(129,611)	(19,191)	-
Deferred charge on advance refunding	(2,635,112)	(307,100)	-
General obligation tax notes	-	(11,300,000)	-
Bonds payable related to installment sales agreements	-	(13,130,000)	-
Bonds payable related to pension liability	(37,295,213)	(1,784,787)	-
Net bond discount related to pension liability	129,611	6,067	-
Bond premium on installment sales agreement receivables	-	(937,073)	-
Deferred charge on advance refunding on installment sales agreements receivable	-	221,415	-
Bonds payable related to judgement bonds	(4,635,000)	-	-
Retainage payable	-	527,959	105,999
Unspent bond proceeds	-	(1,308,415)	(2,957,384)
	<u>51,198,193</u>	<u>51,745,526</u>	<u>17,341,437</u>
Net investment in capital assets	<u>\$ 32,261,744</u>	<u>\$ 126,182,211</u>	<u>\$ 103,340,209</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

18. COMMITMENTS

The County has active construction projects as of September 30, 2022. At year end the County's significant outstanding commitments are as follows:

Project	Remaining commitment
Governmental activities	
Court recording equipment for new courtroom	\$ 143,900
Asphalt paving and striping	79,530
Closing cost for Nugent North	627,897
Dune Harbor Lot - Seminole	86,057
Baker College Master Plan	92,449
Hall of Justice renovations	983,914
Hall of Justice chiller	87,240
Business-type activities	
Resource Recover Center:	
South Irrigation Pump Station Replacement	1,017,759
Pump Station J-Station Replacement/Upgrade	248,119
Dump/plow truck and equipment	169,534
Crane truck bodies and chassis	279,225
W Force Main Replacement	154,487
Police responder pickup	63,077
Southeast Regional Force Main	282,970
Solid Waste:	
Apple Avenue Ravenna	229,705
Engineering services Eastside Water System Improvements	292,533
Expansion area site fill	540,796
Construction Cell 6	8,216,909
Engineering services Cell 6	254,672
Construction of Gas System Expansion Cells 4 & 5	52,206
Landfill Gas Expansion Cell 4 and 5	139,345
Skid Steer loader	106,099
Loaders with guards	697,614
Dump truck	523,933
Leachate station 2 rebuild	216,787
	<u>\$ 15,586,757</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The Muskegon County Resource Recover Center (MCRRC) 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 2022, MCRRC 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, 2022, 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 \$156,000 under agreements entered into by local cities and townships pursuant to this program.

20. ACCOMMODATIONS TAX

Recreation expenditures (including transfers out) for the Accommodations Tax special revenue fund consist of the following for the year ended September 30, 2022:

Expenditure Type	PA 263	PA 59	Total
Marketing collaboration	\$ 206,701	\$ 285	\$ 206,986
Governance/public policy	3,093	984	4,077
Other	860,722	-	860,722
	<u>\$ 1,070,516</u>	<u>\$ 1,269</u>	<u>\$ 1,071,785</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

21. LEASES

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

Remaining Terms of Agreement

Asset Type

Buildings and improvements	1-3 years
Machinery and equipment	4 years

The assets acquired through the lease are summarized as follows:

	Governmental Activities
Buildings and improvements	\$ 839,839
Machinery and equipment	104,874
Less accumulated amortization	<u>(204,317)</u>
Net book value	<u><u>\$ 740,396</u></u>

The net present value of future minimum payments as of September 30, 2022, were as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 297,583	\$ 42,056
2024	265,785	25,621
2025	171,209	10,067
2026	9,738	130
	<u><u>\$ 744,315</u></u>	<u><u>\$ 77,874</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Lease liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Leases payable	\$ 698,281	\$ 246,432	\$ (200,398)	\$ 744,315	\$ 297,583

* The County implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

Lessor - The County is involved in ten agreements as a lessor that qualify as a long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the assets at the end of the term and the noncancelable term of the agreements surpasses one year. Total lease revenue for the year ended September 30, 2022 was \$385,476.

Remaining Terms of Agreement

Asset Type	
Buildings and improvements	1-22 years
Land	24 years

Lease receivable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Leases receivable	\$ 689,239	\$ 1,344,043	\$ (286,413)	\$ 1,746,869
Business-type Activities				
Leases receivable	\$ 1,317,353	\$ -	\$ (80,352)	\$ 1,237,001
Land Bank Authority				
Discretely Presented Component Unit				
Leases receivable	\$ 61,130	\$ -	\$ (18,711)	\$ 42,419

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Regulated lease agreements - In accordance with GASB No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and aeronautical users. The leasing operations of the Airport consist principally of the leasing of land, hangars, and office space. The Airport has 11 lease agreements that consist of noncancelable agreements and permit the Airport to periodically adjust rents and maximize operational flexibility. Leased land and building and improvements are leased on an exclusive basis.

Remaining Terms of Agreement

Asset Type	
Buildings and improvements	1-23 years
Land	6 years

Minimum future rentals under such noncancelable lease agreements as of September 30, 2022 are as follows:

Year Ended September 30,	Amount
2023	\$ 305,961
2024	303,640
2025	307,375
2026	299,194
2027	280,598
2028-2032	1,309,033
2033-2037	936,583
2038-2042	124,698
2043-2045	<u>26,543</u>
	<u>\$ 3,893,625</u>

The Airport recognized \$420,239 of rental income for the year ended September 30, 2022.

22. SUBSEQUENT EVENTS

On December 15, 2022, the County issued \$16,000,000 of 2022 Capital Improvement Bonds, due in annual installments of \$505,000 to \$1,115,000 plus interest at 4.0% payable semi-annually through September 1, 2043. The proceeds of these bonds are to be used for landfill expansion construction cost.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

23. OPIOID SETTLEMENT

The County is part of a \$26 billion nationwide settlement reached in July 2021 to resolve all opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. The term of the settlement varies by entity; however, the County expects to receive payments over 18 years from the distributors. As of September 30, 2022, the amount to be allocated to and collected by the County was not able to be determined, and as such no amounts have been reported related to the settlement in the financial statements.

24. 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 expended approximately \$15.8 million during fiscal year 2022 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the American Rescue Plan Act and other funding sources.

25. RESTATEMENT

The beginning fund balance of the HealthWest special revenue fund and beginning net position of governmental activities were decreased by \$1,025,875 to correct for PA 423 receivable amounts that were uncollectable for services rendered in fiscal year 2021.



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				
	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 1,886,994	\$ 2,023,535	\$ 2,389,449	\$ 2,641,636	\$ 2,906,291
Interest	21,249,161	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	561,550	364,771	1,529,070	(1,215,805)	(1,111,674)
Changes in assumptions	9,846,165	10,662,443	9,358,648	-	-
Benefit payments, including refunds of employee contributions	(21,061,741)	(20,445,370)	(19,999,524)	(19,542,529)	(18,560,904)
Other changes	-	-	-	877	(876)
Net change in total pension liability	12,482,129	12,912,764	13,602,185	(11,781,999)	4,239,036
Total pension liability, beginning of year	289,376,763	276,463,999	262,861,814	274,643,813	270,404,777
Total pension liability, end of year	301,858,892	289,376,763	276,463,999	262,861,814	274,643,813
Plan fiduciary net position					
Employer contributions	4,200,230	3,579,954	3,695,616	57,731,046	7,177,037
Employee contributions	1,181,217	1,108,008	1,214,543	1,380,205	1,417,126
Net investment income (loss)	31,276,982	29,907,776	28,208,200	(7,167,381)	21,849,796
Benefit payments, including refunds of employee contributions	(21,061,741)	(20,445,370)	(19,999,524)	(19,542,529)	(18,560,904)
Administrative expense	(370,888)	(441,652)	(485,566)	(347,089)	(346,767)
Net change in plan fiduciary net position	15,225,800	13,708,716	12,633,269	32,054,252	11,536,288
Plan fiduciary net position, beginning of year	238,880,588	225,171,872	212,538,603	180,484,351	168,948,063
Plan fiduciary net position, end of year	254,106,388	238,880,588	225,171,872	212,538,603	180,484,351
County's net pension liability	<u>\$ 47,752,504</u>	<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	84.2%	82.6%	81.4%	80.9%	65.7%
Covered payroll	\$ 19,666,929	\$ 20,954,572	\$ 23,217,125	\$ 23,625,834	\$ 26,131,809
County's net pension liability as a percentage of covered payroll	242.8%	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 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
2022	\$ 5,130,767	\$ 5,130,767	\$ -	\$ 21,233,641	24.2%
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					
	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 408,564	\$ 592,166	\$ 512,080	\$ 2,081,923	\$ 1,659,119	\$ 790,107
Interest	3,461,311	4,402,809	3,980,166	7,070,293	6,944,748	6,630,852
Differences between expected and actual experience	(2,340,113)	(3,049,402)	-	(15,188,991)	-	-
Changes of assumptions	1,558,267	(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	(2,005,173)	(2,245,778)	(2,340,702)	(2,646,706)	(3,879,487)	(4,215,210)
Net change in total OPEB liability	1,082,856	(12,837,968)	8,457,676	(80,166,095)	15,581,404	(4,287,821)
Total OPEB liability, beginning of year	47,891,006	60,728,974	52,271,298	132,437,393	116,855,989	121,143,810
Total OPEB liability, end of year	48,973,862	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 (loss)	(8,788,534)	12,498,774	3,859,600	1,310,202	2,792,252	5,716,799
Benefit payments, including refunds of employee contributions	(2,005,173)	(2,245,778)	(2,340,702)	(2,646,706)	(3,879,487)	(3,646,698)
Administrative expense	(115,659)	(115,413)	(98,533)	(103,550)	(129,731)	(163,989)
Net change in plan fiduciary net position	(10,909,366)	10,177,294	2,548,376	149,235	653,536	3,873,849
Plan fiduciary net position, beginning of year	66,722,291	56,544,997	53,996,621	53,847,386	53,193,850	49,320,001
Plan fiduciary net position, end of year	55,812,925	66,722,291	56,544,997	53,996,621	53,847,386	53,193,850
County's net OPEB liability (asset)	\$ (6,839,063)	\$ (18,831,285)	\$ 4,183,977	\$ (1,725,323)	\$ 78,590,007	\$ 63,662,139
Plan fiduciary net position as a percentage of total OPEB liability	114.0%	139.3%	93.1%	103.3%	40.7%	45.5%
Covered payroll	\$ 19,666,929	\$ 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	-34.8%	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 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
2022	\$ -	\$ -	\$ -	\$ 19,666,929	0.0%
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
2022	-13.30%
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

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.

Change in assumptions. 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%.

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 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 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 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 2022, the expected return on plan assets (and the corresponding discount rate) was lowered from 7.35% to 7.00%. The assumed trend for per capita costs and retiree contribution premiums was revised taking into account the January 1, 2022 renewal.

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.

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 inflation
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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government				
Brookhaven Plant O&M	\$ 78,787	\$ 78,787	\$ 78,520	\$ (267)
Administration	720,385	643,647	594,494	(49,153)
Elections	246,040	224,587	191,839	(32,748)
Accounting	981,270	1,050,332	1,012,019	(38,313)
Corporate Counsel	300,000	350,000	239,390	(110,610)
County Clerk	439,855	408,627	371,732	(36,895)
Juror Showcause	6,219	17,900	19,458	1,558
Equalization	1,839,069	1,845,726	1,769,797	(75,929)
Human Resources	346,384	341,113	321,750	(19,363)
Johnny O. Harris Building	25,220	13,356	11,078	(2,278)
Training Center	152,883	45,002	40,158	(4,844)
Building D - Health Department	-	-	423	423
Central Services Building G	10,581	9,365	10,797	1,432
Treasurer	397,219	443,179	421,133	(22,046)
Shady Grove Cemetery	4,927	7,047	3,684	(3,363)
Cordova Site O&M	1,209	450	440	(10)
Courthouse and Grounds	859,487	958,970	806,786	(152,184)
Oak Ave. Building	159,562	156,150	143,600	(12,550)
County Jail Building	67,139	80,621	77,545	(3,076)
Vector Control Building	7,835	4,326	3,023	(1,303)
Plat Board	700	700	-	(700)
Gypsy Moth	31,566	25,000	-	(25,000)
State Institutions	310,000	360,000	319,609	(40,391)
Misc Contingency	2,265,302	2,740,836	2,740,708	(128)
Total general government	9,251,639	9,805,721	9,177,983	(627,738)
Legislative				
Board of Commissioners	418,093	430,119	397,013	(33,106)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Judicial				
Circuit Court	\$ 1,610,235	\$ 1,706,663	\$ 1,538,262	\$ (168,401)
Circuit Court Collections	95,853	78,632	67,001	(11,631)
Circuit Court Restitution	600,000	600,000	383,210	(216,790)
District Court	4,035,739	4,102,624	3,885,350	(217,274)
District Court Collections	227,074	235,633	216,640	(18,993)
District Court Restitution	300,000	700,000	824,055	124,055
Law Library	6,075	5,850	4,407	(1,443)
Jury Commission	63,526	65,013	62,381	(2,632)
Probate Court	922,561	995,180	957,910	(37,270)
State Probation	64,067	63,560	45,319	(18,241)
Circuit Court Records	627,556	485,686	400,335	(85,351)
Prosecutor	2,390,807	2,278,200	2,208,928	(69,272)
DHHS Legal Representation Grant	299,869	308,470	312,754	4,284
Total judicial	11,243,362	11,625,511	10,906,552	(718,959)
Public safety				
Designated & Pass-thru Revenues	425,151	435,427	435,427	-
Facility Security Services	130,010	127,760	111,360	(16,400)
County Jail Building 2015	643,673	685,090	641,081	(44,009)
Sheriff Operations	4,144,861	4,450,015	4,269,497	(180,518)
Sheriff Administration	478,146	506,584	494,922	(11,662)
Emergency Response Team	9,100	7,750	2,879	(4,871)
Officer Training Act 320	10,000	16,916	12,729	(4,187)
Correction Officer Training	60,000	41,449	35,672	(5,777)
Sheriff Jail	7,802,665	8,202,918	8,085,488	(117,430)
Courtroom Security	1,019,642	1,011,697	964,819	(46,878)
Vector Control	348,933	344,957	335,754	(9,203)
Total public safety	15,072,181	15,830,563	15,389,628	(440,935)
Public works				
Water Resources Commissioner	554,318	670,787	657,752	(13,035)
Welfare				
Residential Energy Efficiency Program	2,372,714	4,062,621	3,211,067	(851,554)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Cultural				
Fairgrounds Training Center	\$ 67,460	\$ 51,170	\$ 35,647	\$ (15,523)
Community and economic development				
Register of Deeds	548,447	561,433	463,757	(97,676)
Debt service				
Principal	290,000	290,000	290,000	-
Interest and fiscal charges	140,663	140,663	140,363	(300)
Total debt service	430,663	430,663	430,363	(300)
Total expenditures	\$ 39,958,877	\$ 43,468,588	\$ 40,669,762	\$ (2,798,826)

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Transfers Out by Function

Budget and Actual

General Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Transfers out				
Special revenue funds:				
Judicial:				
Sobriety Court	\$ -	\$ -	\$ (3,058)	\$ 3,058
Friend of Court	(1,893,948)	(1,557,793)	(1,285,757)	(272,036)
Other judicial	(3,055)	(3,155)	(2,947)	(208)
Public safety funds	(2,042,932)	(2,112,932)	(2,013,870)	(99,062)
Public works	-	(32,316)	(9,974)	(22,342)
Health, welfare and cultural funds:				
Child care fund	(3,832,157)	(2,901,876)	(2,492,574)	(409,302)
Public health fund	(1,774,392)	(1,774,392)	(1,424,207)	(350,185)
HealthWest fund	(706,819)	(706,819)	(706,819)	-
Other health, welfare and cultural funds	(7,357)	(7,357)	(1,777)	(5,580)
Internal service funds - Equipment revolving	(42,828)	(792,828)	(792,828)	-
Debt service funds	(3,731,215)	(3,664,326)	(3,685,355)	21,029
Total transfers out	<u>\$ (14,034,703)</u>	<u>\$ (13,553,794)</u>	<u>\$ (12,419,166)</u>	<u>\$ (1,134,628)</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.

Coronavirus Emergency Supplemental Funding (2115)--to account for federal grant monies passed through the state to provide assistance to courts in reducing case backlog as a result of the COVID-19 pandemic.

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.

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

Raise the Age (2160)--to account for monies granted by the state to the County to provide services to 17 year-olds in the juvenile justice system.

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 Environment, Great Lakes, and Energy (EGLE). 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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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

Social Welfare (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.

Lake Level - Wolf Lake (8411)--to account for monies used in determining and maintaining lake level for Wolf Lake.

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, 2022

	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	\$ 973,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,453	\$ -
Receivables, net:									
Accounts	-	-	-	3,839	-	-	-	2,431	-
Due from other governments	-	62,657	66,016	67,329	72,411	55,495	42,375	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 973,426</u>	<u>\$ 62,657</u>	<u>\$ 66,016</u>	<u>\$ 71,168</u>	<u>\$ 72,411</u>	<u>\$ 55,495</u>	<u>\$ 42,375</u>	<u>\$ 607,884</u>	<u>\$ -</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ 43,648	\$ 48,960	\$ 59,023	\$ 23,017	\$ 32,207	\$ 33,565	\$ -	\$ -
Payables:									
Accounts payable	229,779	16,167	7,403	9,724	35,193	19,511	125	45,593	-
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	2,842	2,915	2,421	3,698	3,777	6,171	12,482	-
Unearned revenue	-	-	-	-	-	-	2,514	-	-
Total liabilities	<u>229,779</u>	<u>62,657</u>	<u>59,278</u>	<u>71,168</u>	<u>61,908</u>	<u>55,495</u>	<u>42,375</u>	<u>58,075</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	743,647	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	549,809	-
Assigned	-	-	6,738	-	10,503	-	-	-	-
Total fund balances	<u>743,647</u>	<u>-</u>	<u>6,738</u>	<u>-</u>	<u>10,503</u>	<u>-</u>	<u>-</u>	<u>549,809</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 973,426</u>	<u>\$ 62,657</u>	<u>\$ 66,016</u>	<u>\$ 71,168</u>	<u>\$ 72,411</u>	<u>\$ 55,495</u>	<u>\$ 42,375</u>	<u>\$ 607,884</u>	<u>\$ -</u>

Special Revenue Funds											
Coronavirus Emergency Supplemental Funding (2115)	Family Court (2150)	SSSPP Grant (2153)	Raise the Age (2160)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Lake Pollution Control (2240)	Sustain- ability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommoda- tions Tax (2300)
\$ -	\$ -	\$ -	\$ -	\$ 12,416	\$ 1,186,383	\$ 609,493	\$ 45,015	\$ 910,276	\$ -	\$ -	\$ 1,841,170
-	2,871	-	-	-	11,791	-	12,993	-	-	-	173,199
21,888	347,319	74,615	148,712	-	178,228	-	-	-	6,000	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	21,881	-	-	-	-	-	-
<u>\$ 21,888</u>	<u>\$ 350,190</u>	<u>\$ 74,615</u>	<u>\$ 148,712</u>	<u>\$ 12,416</u>	<u>\$ 1,398,283</u>	<u>\$ 609,493</u>	<u>\$ 58,008</u>	<u>\$ 910,276</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 2,014,369</u>
\$ 21,888	\$ 240,148	\$ 61,695	\$ 141,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	21,286	11,255	5,570	-	170,070	-	58,008	-	6,000	-	15,683
-	-	-	-	-	1,013,226	-	-	-	-	-	-
-	88,756	1,665	1,301	-	174,020	-	-	-	-	-	9,071
-	-	-	-	-	19,086	-	-	-	-	-	-
<u>21,888</u>	<u>350,190</u>	<u>74,615</u>	<u>148,712</u>	<u>-</u>	<u>1,376,402</u>	<u>-</u>	<u>58,008</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>24,754</u>
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	21,881	-	-	-	-	-	-
-	-	-	-	-	-	609,493	-	910,276	-	-	1,989,615
-	-	-	-	12,416	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	12,416	21,881	609,493	-	910,276	-	-	1,989,615
<u>\$ 21,888</u>	<u>\$ 350,190</u>	<u>\$ 74,615</u>	<u>\$ 148,712</u>	<u>\$ 12,416</u>	<u>\$ 1,398,283</u>	<u>\$ 609,493</u>	<u>\$ 58,008</u>	<u>\$ 910,276</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 2,014,369</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2022

	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	\$ 12,641	\$ 156,516	\$ 173	\$ 4,846	\$ 256,392	\$ 46,078	\$ 7,770	\$ 284,685	\$ -
Receivables, net:									
Accounts	-	-	-	-	-	-	2,726	-	-
Due from other governments	-	-	-	-	-	-	176,172	-	33,166
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	1,080	524	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 12,641</u>	<u>\$ 156,516</u>	<u>\$ 173</u>	<u>\$ 4,846</u>	<u>\$ 256,392</u>	<u>\$ 46,078</u>	<u>\$ 187,748</u>	<u>\$ 285,209</u>	<u>\$ 33,166</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,376
Payables:									
Accounts payable	190	-	-	-	2,428	-	132,124	1,025	4,094
Due to other governments	-	-	-	4,846	-	-	-	-	-
Accrued liabilities	-	-	-	-	1,846	-	54,544	1,461	6,696
Unearned revenue	-	-	-	-	-	45,250	-	-	-
Total liabilities	<u>190</u>	<u>-</u>	<u>-</u>	<u>4,846</u>	<u>4,274</u>	<u>45,250</u>	<u>186,668</u>	<u>2,486</u>	<u>33,166</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	1,080	524	-
Restricted	-	156,516	-	-	252,118	-	-	-	-
Committed	12,451	-	173	-	-	828	-	282,199	-
Assigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>12,451</u>	<u>156,516</u>	<u>173</u>	<u>-</u>	<u>252,118</u>	<u>828</u>	<u>1,080</u>	<u>282,723</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,641</u>	<u>\$ 156,516</u>	<u>\$ 173</u>	<u>\$ 4,846</u>	<u>\$ 256,392</u>	<u>\$ 46,078</u>	<u>\$ 187,748</u>	<u>\$ 285,209</u>	<u>\$ 33,166</u>

Special Revenue Funds										
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)
\$ 39,703	\$ 1,298	\$ -	\$ -	\$ 7,105	\$ 21,120	\$ 17,891	\$ -	\$ 352,140	\$ 69,338	\$ 20,176
-	-	-	-	-	-	-	11,667	-	-	-
-	-	4,438	151,847	2,953	-	-	905,271	70,203	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 39,703</u>	<u>\$ 1,298</u>	<u>\$ 4,438</u>	<u>\$ 151,847</u>	<u>\$ 10,058</u>	<u>\$ 21,120</u>	<u>\$ 17,891</u>	<u>\$ 916,938</u>	<u>\$ 422,343</u>	<u>\$ 69,338</u>	<u>\$ 20,176</u>
\$ -	\$ -	\$ 4,438	\$ 137,597	\$ -	\$ -	\$ -	\$ 777,329	\$ -	\$ -	\$ -
-	-	-	821	10,058	-	17,891	68,245	16,295	13,811	100
-	-	-	-	-	-	-	-	-	-	-
-	-	-	11,541	-	-	-	71,364	4,309	116	-
-	-	-	-	-	21,120	-	-	-	-	-
-	-	4,438	149,959	10,058	21,120	17,891	916,938	20,604	13,927	100
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
39,703	1,298	-	-	-	-	-	-	401,739	55,411	20,076
-	-	-	1,888	-	-	-	-	-	-	-
<u>39,703</u>	<u>1,298</u>	<u>-</u>	<u>1,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,739</u>	<u>55,411</u>	<u>20,076</u>
<u>\$ 39,703</u>	<u>\$ 1,298</u>	<u>\$ 4,438</u>	<u>\$ 151,847</u>	<u>\$ 10,058</u>	<u>\$ 21,120</u>	<u>\$ 17,891</u>	<u>\$ 916,938</u>	<u>\$ 422,343</u>	<u>\$ 69,338</u>	<u>\$ 20,176</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
September 30, 2022

	Debt Service Funds						Capital Projects Funds		
	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)	Jail / JTC Building (4660)	Public Improve- ment (4930)
Assets									
Cash and investments	\$ -	\$ -	\$ -	\$ 127,836	\$ -	\$ 1,828,839	\$ 48,975	\$ 51,092	\$ 524,096
Receivables, net:									
Accounts	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,836</u>	<u>\$ -</u>	<u>\$ 1,828,839</u>	<u>\$ 48,975</u>	<u>\$ 51,092</u>	<u>\$ 524,096</u>
Liabilities, deferred inflows of resources and fund balances									
Liabilities:									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	-	-	-	-	-	-	-	-	3,466
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,466</u>
Deferred inflows of resources									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	127,836	-	-	-	-	-
Committed	-	-	-	-	-	1,828,839	-	51,092	520,630
Assigned	-	-	-	-	-	-	48,975	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,836</u>	<u>-</u>	<u>1,828,839</u>	<u>48,975</u>	<u>51,092</u>	<u>520,630</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,836</u>	<u>\$ -</u>	<u>\$ 1,828,839</u>	<u>\$ 48,975</u>	<u>\$ 51,092</u>	<u>\$ 524,096</u>

Capital Projects Funds			Permanent Fund	
Capital Improvement (4960)	Lake Level (8410)	Lake Level - Wolf Lake (8411)	Cemetery Trust (1500)	Total
\$ 127,187	\$ 14,712	\$ -	\$ 36,466	\$ 10,240,707
-	-	-	-	221,517
-	-	-	-	2,487,095
-	208	-	-	208
-	74,047	-	-	74,047
-	-	-	-	1,604
-	-	-	-	21,881
<u>\$ 127,187</u>	<u>\$ 88,967</u>	<u>\$ -</u>	<u>\$ 36,466</u>	<u>\$ 13,047,059</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,647,732
3,744	375	-	-	926,034
-	-	-	-	1,018,072
-	-	-	-	460,996
-	-	-	-	87,970
<u>3,744</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>4,140,804</u>
-	73,041	-	-	73,041
-	-	-	36,466	59,951
-	15,551	-	-	5,323,279
123,443	-	-	-	3,381,880
-	-	-	-	68,104
<u>123,443</u>	<u>15,551</u>	<u>-</u>	<u>36,466</u>	<u>8,833,214</u>
<u>\$ 127,187</u>	<u>\$ 88,967</u>	<u>\$ -</u>	<u>\$ 36,466</u>	<u>\$ 13,047,059</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, 2022

	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	\$ 2,443,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	202,575	233,670	-	128,441	-	-	16,814
State	188,920	269,581	-	-	80,042	181,785	-	-	-
Local	-	-	-	-	45	-	181,876	-	-
Charges for services	-	40,043	-	37,500	18,636	-	-	1,003,611	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	10,457	-	-	-	-	-	-	5,770	-
Rentals	-	-	-	-	-	-	-	-	-
Other	-	-	5,200	5,025	-	-	-	(1,013)	-
Total revenues	2,643,209	309,624	207,775	276,195	98,723	310,226	181,876	1,008,368	16,814
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	309,412	203,866	-	-	-	-	-	-
Public safety	-	-	-	278,386	261,417	387,299	353,523	-	16,814
Health	-	-	-	-	-	-	-	-	-
Welfare	2,876,003	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	905,959	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	139,532	31,717	-	-	11,984	-
Total expenditures	2,876,003	309,412	203,866	417,918	293,134	387,299	353,523	917,943	16,814
Revenues over (under) expenditures	(232,794)	212	3,909	(141,723)	(194,411)	(77,073)	(171,647)	90,425	-
Other financing sources (uses)									
Transfers in	-	3,058	2,946	143,734	197,897	84,670	181,876	-	-
Transfers out	-	(3,270)	(3,219)	(4,412)	(3,486)	(7,597)	(10,229)	(216,929)	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(212)	(273)	139,322	194,411	77,073	171,647	(216,929)	-
Net change in fund balances	(232,794)	-	3,636	(2,401)	-	-	-	(126,504)	-
Fund balances, beginning of year	976,441	-	3,102	2,401	10,503	-	-	676,313	-
Fund balances, end of year	\$ 743,647	\$ -	\$ 6,738	\$ -	\$ 10,503	\$ -	\$ -	\$ 549,809	\$ -

Special Revenue Funds											
Coronavirus Emergency Supplemental Funding (2115)	Family Court (2150)	SSSPP Grant (2153)	Raise the Age (2160)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Lake Pollution Control (2240)	Sustain- ability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommoda- tions Tax (2300)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	401,269
-	-	-	-	-	-	-	-	-	-	-	1,479,846
-	-	-	-	-	-	-	-	-	-	-	-
101,247	3,356,757	55,396	-	-	2,848,579	-	-	-	-	-	-
-	198,282	173,120	285,091	-	1,820,456	203,841	-	-	28,498	-	-
-	-	-	-	-	52	-	-	-	-	-	5,188
-	379,156	-	-	-	646,481	-	197,068	-	-	-	30,000
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	150	10,413	-	-	12,200
-	-	-	-	-	-	-	-	-	-	-	4,450
-	57,658	-	-	-	37,406	-	-	-	-	-	21,567
101,247	3,991,853	228,516	285,091	-	5,352,974	203,841	197,218	10,413	28,498	-	1,954,520
-	-	-	-	-	-	-	197,548	-	-	-	-
101,247	5,137,920	-	-	-	-	-	-	-	-	-	-
-	-	227,439	-	-	-	-	-	-	-	-	-
-	-	-	283,547	-	6,652,076	-	-	-	-	-	-
-	-	-	-	-	-	-	-	754,218	28,498	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	1,014,106
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	8,130	-	-	-	-	-	-	-	-	-	-
101,247	5,146,050	227,439	283,547	-	6,652,076	-	197,548	754,218	28,498	-	1,014,106
-	(1,154,197)	1,077	1,544	-	(1,299,102)	203,841	(330)	(743,805)	-	-	940,414
-	1,285,757	1,978	-	-	1,423,876	-	330	-	-	-	-
-	(131,560)	(3,055)	(1,544)	-	(144,344)	-	-	-	-	(6)	(57,679)
-	-	-	-	-	-	-	-	-	-	-	-
-	1,154,197	(1,077)	(1,544)	-	1,279,532	-	330	-	-	(6)	(57,679)
-	-	-	-	-	(19,570)	203,841	-	(743,805)	-	(6)	882,735
-	-	-	-	12,416	41,451	405,652	-	1,654,081	-	6	1,106,880
\$ -	\$ -	\$ -	\$ -	\$ 12,416	\$ 21,881	\$ 609,493	\$ -	\$ 910,276	\$ -	\$ -	\$ 1,989,615

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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, 2022

	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	-	-	-	4,846	-	-	129,943	-	-
State	5,000,000	-	-	-	-	3,750	1,988,180	-	197,877
Local	3,367,700	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	179,510	-	121,666	16,380	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	1,245	173	-	2,105	418	(8)	2,318	-
Rentals	-	-	-	-	-	-	-	-	-
Other	-	46,882	-	-	-	-	138	83,215	-
Total revenues	8,367,700	48,127	173	4,846	181,615	4,168	2,239,919	101,913	197,877
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	64,462	-
Judicial	-	-	-	-	-	3,750	3,875,402	-	-
Public safety	-	-	-	-	-	-	-	-	337,599
Health	-	-	-	-	-	-	-	-	-
Welfare	-	47,770	36,975	4,846	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	121,381	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	224,578	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	8,430,609	-	-	-	9,263	-	-	-	-
Total expenditures	8,551,990	47,770	36,975	4,846	233,841	3,750	3,875,402	64,462	337,599
Revenues over (under) expenditures	(184,290)	357	(36,802)	-	(52,226)	418	(1,635,483)	37,451	(139,722)
Other financing sources (uses)									
Transfers in	184,290	-	-	-	-	-	1,199,735	-	149,937
Transfers out	-	-	-	-	(2,203)	-	(91,164)	(929)	(10,215)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	184,290	-	-	-	(2,203)	-	1,108,571	(929)	139,722
Net change in fund balances	-	357	(36,802)	-	(54,429)	418	(526,912)	36,522	-
Fund balances, beginning of year	12,451	156,159	36,975	-	306,547	410	527,992	246,201	-
Fund balances, end of year	\$ 12,451	\$ 156,516	\$ 173	\$ -	\$ 252,118	\$ 828	\$ 1,080	\$ 282,723	\$ -

Special Revenue Funds										
TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Remonun- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,394	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	9,669	275,414	-	-	-	-	-	-	-
-	-	-	294,192	-	42,275	-	3,065,331	185,427	-	-
-	-	-	1,000	25,127	-	-	-	32,971	-	-
-	-	-	-	-	-	-	-	-	-	1,759
133	-	-	-	-	-	-	-	-	-	-
336	-	-	-	-	-	-	-	3,412	743	51
-	-	-	-	-	-	-	-	-	209,087	-
-	-	-	-	-	-	-	249,894	-	-	-
469	-	9,669	570,606	25,127	42,275	-	3,315,225	589,204	209,830	1,810
-	-	-	-	25,127	-	-	-	-	-	-
-	-	9,461	604,101	-	-	-	-	-	-	1,782
177	56	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,776	5,707,132	-	277,271	-
-	-	-	-	-	-	-	-	513,288	-	-
-	-	-	-	-	42,273	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	30,156	-	-
177	56	9,461	604,101	25,127	42,273	1,776	5,707,132	543,444	277,271	1,782
292	(56)	208	(33,495)	-	2	(1,776)	(2,391,907)	45,760	(67,441)	28
-	-	92	53,951	-	1	1,776	2,492,573	-	-	-
-	-	(300)	(19,457)	-	(3)	-	(100,666)	(6,965)	(364)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	(208)	34,494	-	(2)	1,776	2,391,907	(6,965)	(364)	-
292	(56)	-	999	-	-	-	-	38,795	(67,805)	28
39,411	1,354	-	889	-	-	-	-	362,944	123,216	20,048
\$ 39,703	\$ 1,298	\$ -	\$ 1,888	\$ -	\$ -	\$ -	\$ -	\$ 401,739	\$ 55,411	\$ 20,076

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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, 2022

	Debt Service Funds						Capital Projects Funds		
	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)	Jail / JTC Building (4660)	Public Improve- ment (4930)
Revenues									
Taxes									
Property taxes	\$ -	\$ 282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	1,168	-	10,497	-	-	2,867
Rentals	-	-	-	365,006	-	-	-	-	-
Other	-	-	-	-	-	10,987	-	352	-
Total revenues	-	282	-	366,174	-	21,484	-	352	2,867
Expenditures									
Current:									
General government	33	-	842	-	1,431	1,564	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	316	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	45,000	-	530,000	275,000	1,150,000	1,068,848	-	-	-
Interest and fiscal charges	23,548	-	14,893	140,654	1,510,319	1,579,246	-	-	-
Capital outlay	-	-	-	-	-	-	-	3,315	43,664
Total expenditures	68,581	-	545,735	415,970	2,661,750	2,649,658	-	3,315	43,664
Revenues over (under) expenditures	(68,581)	282	(545,735)	(49,796)	(2,661,750)	(2,628,174)	-	(2,963)	(40,797)
Other financing sources (uses)									
Transfers in	68,581	-	545,735	52,433	2,661,750	2,779,429	-	-	-
Transfers out	-	(282)	-	-	-	-	-	-	(106,592)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	253,110
Total other financing sources (uses)	68,581	(282)	545,735	52,433	2,661,750	2,779,429	-	-	146,518
Net change in fund balances	-	-	-	2,637	-	151,255	-	(2,963)	105,721
Fund balances, beginning of year	-	-	-	125,199	-	1,677,584	48,975	54,055	414,909
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 127,836	\$ -	\$ 1,828,839	\$ 48,975	\$ 51,092	\$ 520,630

Capital Projects Funds			Permanent Fund	
Capital Improvement (4960)	Lake Level (8410)	Lake Level - Wolf Lake (8411)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,811,508
-	-	-	-	401,269
-	-	-	-	1,479,846
-	18,019	-	-	18,019
-	-	-	-	7,363,351
-	-	-	-	14,206,648
-	-	-	-	3,613,959
-	-	-	-	2,671,810
-	-	-	-	133
1,198	-	-	39	65,552
-	-	-	-	578,543
-	-	-	-	517,311
<u>1,198</u>	<u>18,019</u>	<u>-</u>	<u>39</u>	<u>33,727,949</u>
-	-	-	316	291,323
-	-	-	-	10,246,941
-	-	-	-	1,862,710
-	-	-	-	12,922,118
-	-	-	-	4,261,598
-	-	-	-	42,273
-	-	-	-	2,041,446
-	-	-	-	224,578
-	-	-	-	3,068,848
-	-	-	-	3,268,660
57,557	2,457	9,969	-	8,778,353
<u>57,557</u>	<u>2,457</u>	<u>9,969</u>	<u>316</u>	<u>47,008,848</u>
<u>(56,359)</u>	<u>15,562</u>	<u>(9,969)</u>	<u>(277)</u>	<u>(13,280,899)</u>
-	-	9,974	-	13,526,379
-	(11)	(5)	-	(926,486)
-	-	-	-	253,110
-	(11)	9,969	-	12,853,003
(56,359)	15,551	-	(277)	(427,896)
<u>179,802</u>	<u>-</u>	<u>-</u>	<u>36,743</u>	<u>9,261,110</u>
<u>\$ 123,443</u>	<u>\$ 15,551</u>	<u>\$ -</u>	<u>\$ 36,466</u>	<u>\$ 8,833,214</u>

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, 2022

	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	\$ 2,440,000	\$ 2,443,832	\$ 3,832	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	80,072	188,920	108,848	430,776	269,581	(161,195)
Local	-	-	-	-	-	-
Charges for services	-	-	-	58,663	40,043	(18,620)
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	6,600	10,457	3,857	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	2,526,672	2,643,209	116,537	489,439	309,624	(179,815)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	487,236	309,412	(177,824)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	3,128,000	2,876,003	(251,997)	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	3,128,000	2,876,003	(251,997)	487,236	309,412	(177,824)
Revenues over (under) expenditures	(601,328)	(232,794)	368,534	2,203	212	(1,991)
Other financing sources (uses)						
Transfers in	-	-	-	-	3,058	3,058
Transfers out	-	-	-	(2,203)	(3,270)	1,067
Total other financing sources (uses)	-	-	-	(2,203)	(212)	4,125
Net change in fund balances	(601,328)	(232,794)	368,534	-	-	-
Fund balances, beginning of year	976,441	976,441	-	-	-	-
Fund balances, end of year	\$ 375,113	\$ 743,647	\$ 368,534	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
357,043	202,575	(154,468)	238,930	233,670	(5,260)	-	-	-
-	-	-	-	-	-	90,800	80,042	(10,758)
-	-	-	-	-	-	-	45	45
-	-	-	37,500	37,500	-	21,434	18,636	(2,798)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,800	5,200	400	4,482	5,025	543	-	-	-
361,843	207,775	(154,068)	280,912	276,195	(4,717)	112,234	98,723	(13,511)
-	-	-	-	-	-	-	-	-
358,854	203,866	(154,988)	-	-	-	-	-	-
-	-	-	313,986	278,386	(35,600)	303,644	261,417	(42,227)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	139,545	139,532	(13)	33,565	31,717	(1,848)
358,854	203,866	(154,988)	453,531	417,918	(35,613)	337,209	293,134	(44,075)
2,989	3,909	920	(172,619)	(141,723)	30,896	(224,975)	(194,411)	30,564
3,155	2,946	(209)	175,380	143,734	(31,646)	227,897	197,897	(30,000)
(3,344)	(3,219)	(125)	(4,417)	(4,412)	(5)	(2,922)	(3,486)	564
(189)	(273)	(334)	170,963	139,322	(31,651)	224,975	194,411	(29,436)
2,800	3,636	836	(1,656)	(2,401)	(745)	-	-	-
3,102	3,102	-	2,401	2,401	-	10,503	10,503	-
\$ 5,902	\$ 6,738	\$ 836	\$ 745	\$ -	\$ (745)	\$ 10,503	\$ 10,503	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2022

	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	142,971	128,441	(14,530)	-	-	-
State	181,785	181,785	-	-	-	-
Local	-	-	-	187,940	181,876	(6,064)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	324,756	310,226	(14,530)	187,940	181,876	(6,064)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	404,167	387,299	(16,868)	365,126	353,523	(11,603)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	404,167	387,299	(16,868)	365,126	353,523	(11,603)
Revenues over (under) expenditures	(79,411)	(77,073)	2,338	(177,186)	(171,647)	5,539
Other financing sources (uses)						
Transfers in	87,493	84,670	(2,823)	187,941	181,876	(6,065)
Transfers out	(8,082)	(7,597)	(485)	(10,755)	(10,229)	(526)
Total other financing sources (uses)	79,411	77,073	(3,308)	177,186	171,647	(6,591)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Parks (2080)			Coronavirus Public Safety (2110)			Coronavirus Emergency Supplemental Funding (2115)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	16,853	16,814	(39)	131,000	101,247	(29,753)
-	-	-	-	-	-	30,000	-	(30,000)
-	-	-	-	-	-	-	-	-
992,211	1,003,611	11,400	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,000	5,770	1,770	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
500	(1,013)	(1,513)	-	-	-	-	-	-
<u>996,711</u>	<u>1,008,368</u>	<u>11,657</u>	<u>16,853</u>	<u>16,814</u>	<u>(39)</u>	<u>161,000</u>	<u>101,247</u>	<u>(59,753)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	161,000	101,247	(59,753)
-	-	-	16,853	16,814	(39)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
972,055	905,959	(66,096)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
15,000	11,984	(3,016)	-	-	-	-	-	-
<u>987,055</u>	<u>917,943</u>	<u>(69,112)</u>	<u>16,853</u>	<u>16,814</u>	<u>(39)</u>	<u>161,000</u>	<u>101,247</u>	<u>(59,753)</u>
<u>9,656</u>	<u>90,425</u>	<u>80,769</u>	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(161,499)	(216,929)	55,430	-	-	-	-	-	-
<u>(161,499)</u>	<u>(216,929)</u>	<u>55,430</u>	-	-	-	-	-	-
(151,843)	(126,504)	25,339	-	-	-	-	-	-
<u>676,313</u>	<u>676,313</u>	-	-	-	-	-	-	-
<u>\$ 524,470</u>	<u>\$ 549,809</u>	<u>\$ 25,339</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, 2022

	Family Court (2150)			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	3,357,692	3,356,757	(935)	182,581	55,396	(127,185)
State	198,000	198,282	282	295,000	173,120	(121,880)
Local	-	-	-	-	-	-
Charges for services	360,963	379,156	18,193	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	49,049	57,658	8,609	-	-	-
Total revenues	3,965,704	3,991,853	26,149	477,581	228,516	(249,065)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	5,358,969	5,137,920	(221,049)	-	-	-
Public safety	-	-	-	476,503	227,439	(249,064)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	25,000	8,130	(16,870)	-	-	-
Total expenditures	5,383,969	5,146,050	(237,919)	476,503	227,439	(249,064)
Revenues over (under) expenditures	(1,418,265)	(1,154,197)	264,068	1,078	1,077	(1)
Other financing sources (uses)						
Transfers in	1,557,793	1,285,757	(272,036)	2,182	1,978	(204)
Transfers out	(139,528)	(131,560)	(7,968)	(3,260)	(3,055)	(205)
Total other financing sources (uses)	1,418,265	1,154,197	(280,004)	(1,078)	(1,077)	(409)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Raise the Age (2160)			District Court Eviction Prevention Docket (2171)			Health Department (2210)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,978,147	2,848,579	(1,129,568)
308,100	285,091	(23,009)	-	-	-	1,780,171	1,820,456	40,285
-	-	-	-	-	-	-	52	52
-	-	-	-	-	-	615,570	646,481	30,911
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	300	-	(300)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	69,428	37,406	(32,022)
308,100	285,091	(23,009)	-	-	-	6,443,616	5,352,974	(1,090,642)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
306,325	283,547	(22,778)	-	-	-	8,024,670	6,652,076	(1,372,594)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	30,000	-	(30,000)
306,325	283,547	(22,778)	-	-	-	8,054,670	6,652,076	(1,402,594)
1,775	1,544	(231)	-	-	-	(1,611,054)	(1,299,102)	311,952
-	-	-	-	-	-	1,774,392	1,423,876	(350,516)
(1,775)	(1,544)	(231)	-	-	-	(163,338)	(144,344)	(18,994)
(1,775)	(1,544)	(231)	-	-	-	1,611,054	1,279,532	(369,510)
-	-	-	-	-	-	-	(19,570)	(19,570)
-	-	-	12,416	12,416	-	41,451	41,451	-
\$ -	\$ -	\$ -	\$ 12,416	\$ 12,416	\$ -	\$ 41,451	\$ 21,881	\$ (19,570)

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, 2022

	Public Health Local Community Stabilization (2211)			Community Health Improvement (2217)		
	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	203,841	203,841	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	750,000	197,068	(552,932)
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	-	-	-	480	150	(330)
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	203,841	203,841	-	750,480	197,218	(553,262)
Expenditures						
Current:						
General government	-	-	-	750,480	197,548	(552,932)
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	750,480	197,548	(552,932)
Revenues over (under) expenditures	203,841	203,841	-	-	(330)	(330)
Other financing sources (uses)						
Transfers in	-	-	-	-	330	330
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	330	330
Net change in fund balances	203,841	203,841	-	-	-	-
Fund balances, beginning of year	405,652	405,652	-	-	-	-
Fund balances, end of year	\$ 609,493	\$ 609,493	\$ -	\$ -	\$ -	\$ -

Lake Pollution Control (2240)			Sustainability Grant (2261)			NOAA Habitat Conservation Grant (2271)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	39,000	28,498	(10,502)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	10,413	413	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	10,413	413	39,000	28,498	(10,502)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
800,000	754,218	(45,782)	39,000	28,498	(10,502)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
800,000	754,218	(45,782)	39,000	28,498	(10,502)	-	-	-
(790,000)	(743,805)	46,195	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(6)	(6)	-
-	-	-	-	-	-	(6)	(6)	-
(790,000)	(743,805)	46,195	-	-	-	(6)	(6)	-
1,654,081	1,654,081	-	-	-	-	6	6	-
\$ 864,081	\$ 910,276	\$ 46,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2022

	Accommodations Tax (2300)			Park Development (2411)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	300,000	401,269	101,269	-	-	-
PA 263 tax	1,250,000	1,479,846	229,846	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	5,000,000	5,000,000	-
Local	5,000	5,188	188	4,104,154	3,367,700	(736,454)
Charges for services	31,250	30,000	(1,250)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	4,650	12,200	7,550	-	-	-
Rentals	2,500	4,450	1,950	-	-	-
Other	34,500	21,567	(12,933)	-	-	-
Total revenues	1,627,900	1,954,520	326,620	9,104,154	8,367,700	(736,454)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	1,210,077	1,014,106	(195,971)	304,154	121,381	(182,773)
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	8,930,609	8,430,609	(500,000)
Total expenditures	1,210,077	1,014,106	(195,971)	9,234,763	8,551,990	(682,773)
Revenues over (under) expenditures	417,823	940,414	522,591	(130,609)	(184,290)	(53,681)
Other financing sources (uses)						
Transfers in	-	-	-	130,609	184,290	53,681
Transfers out	(58,494)	(57,679)	(815)	-	-	-
Total other financing sources (uses)	(58,494)	(57,679)	(815)	130,609	184,290	53,681
Net change in fund balances	359,329	882,735	523,406	-	-	-
Fund balances, beginning of year	1,106,880	1,106,880	-	12,451	12,451	-
Fund balances, end of year	\$ 1,466,209	\$ 1,989,615	\$ 523,406	\$ 12,451	\$ 12,451	\$ -



CDBG Housing Grant (2470)			Neighborhood Stabilization Grant (2471)			Pass-Through Grants (2530)		
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	4,846	(154)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
804	1,245	441	-	173	173	-	-	-
-	-	-	-	-	-	-	-	-
29,780	46,882	17,102	-	-	-	-	-	-
30,584	48,127	17,543	-	173	173	5,000	4,846	(154)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
139,077	47,770	(91,307)	36,975	36,975	-	5,000	4,846	(154)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
139,077	47,770	(91,307)	36,975	36,975	-	5,000	4,846	(154)
(108,493)	357	108,850	(36,975)	(36,802)	173	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(108,493)	357	108,850	(36,975)	(36,802)	173	-	-	-
156,159	156,159	-	36,975	36,975	-	-	-	-
\$ 47,666	\$ 156,516	\$ 108,850	\$ -	\$ 173	\$ 173	\$ -	\$ -	\$ -

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, 2022

	Deed Automation (2560)			Juvenile Prosecution Resentencing (2596)		
	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	-	-	-	10,000	3,750	(6,250)
Local	-	-	-	-	-	-
Charges for services	170,000	179,510	9,510	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	600	2,105	1,505	-	418	418
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	170,600	181,615	11,015	10,000	4,168	(5,832)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	10,000	3,750	(6,250)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	233,121	224,578	(8,543)	-	-	-
Capital outlay	93,000	9,263	(83,737)	-	-	-
Total expenditures	326,121	233,841	(92,280)	10,000	3,750	(6,250)
Revenues over (under) expenditures	(155,521)	(52,226)	103,295	-	418	418
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(2,124)	(2,203)	79	-	-	-
Total other financing sources (uses)	(2,124)	(2,203)	79	-	-	-
Net change in fund balances	(157,645)	(54,429)	103,216	-	418	418
Fund balances, beginning of year	306,547	306,547	-	410	410	-
Fund balances, end of year	\$ 148,902	\$ 252,118	\$ 103,216	\$ 410	\$ 828	\$ 418

Indigent Defense (2600)			Concealed Pistol Licensing (2630)			Community Corrections (2640)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
139,427	129,943	(9,484)	-	-	-	-	-	-
2,361,499	1,988,180	(373,319)	-	-	-	200,200	197,877	(2,323)
-	-	-	-	-	-	-	-	-
110,366	121,666	11,300	-	16,380	16,380	-	-	-
-	-	-	-	-	-	-	-	-
-	(8)	(8)	1,000	2,318	1,318	-	-	-
-	-	-	-	-	-	-	-	-
-	138	138	90,000	83,215	(6,785)	-	-	-
<u>2,611,292</u>	<u>2,239,919</u>	<u>(371,373)</u>	<u>91,000</u>	<u>101,913</u>	<u>10,913</u>	<u>200,200</u>	<u>197,877</u>	<u>(2,323)</u>
-	-	-	85,411	64,462	(20,949)	-	-	-
3,724,769	3,875,402	150,633	-	-	-	-	-	-
-	-	-	-	-	-	386,901	337,599	(49,302)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,724,769</u>	<u>3,875,402</u>	<u>150,633</u>	<u>85,411</u>	<u>64,462</u>	<u>(20,949)</u>	<u>386,901</u>	<u>337,599</u>	<u>(49,302)</u>
<u>(1,113,477)</u>	<u>(1,635,483)</u>	<u>(522,006)</u>	<u>5,589</u>	<u>37,451</u>	<u>31,862</u>	<u>(186,701)</u>	<u>(139,722)</u>	<u>46,979</u>
1,189,738	1,199,735	9,997	-	-	-	195,321	149,937	(45,384)
(76,261)	(91,164)	14,903	(1,278)	(929)	(349)	(8,620)	(10,215)	1,595
<u>1,113,477</u>	<u>1,108,571</u>	<u>24,900</u>	<u>(1,278)</u>	<u>(929)</u>	<u>(349)</u>	<u>186,701</u>	<u>139,722</u>	<u>(43,789)</u>
-	(526,912)	(526,912)	4,311	36,522	32,211	-	-	-
527,992	527,992	-	246,201	246,201	-	-	-	-
<u>\$ 527,992</u>	<u>\$ 1,080</u>	<u>\$ (526,912)</u>	<u>\$ 250,512</u>	<u>\$ 282,723</u>	<u>\$ 32,211</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, 2022

	TNT Drug (2671)			Prosecutor Drug (2672)		
	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	100	133	33	-	-	-
Investment income (loss)	100	336	236	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	200	469	269	-	-	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	177	177	-	56	56	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	177	177	-	56	56	-
Revenues over (under) expenditures	23	292	269	(56)	(56)	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	23	292	269	(56)	(56)	-
Fund balances, beginning of year	39,411	39,411	-	1,354	1,354	-
Fund balances, end of year	\$ 39,434	\$ 39,703	\$ 269	\$ 1,298	\$ 1,298	\$ -



Special Investigative (2673)			Crime Victims' Rights (2800)			Muskegon Area Stormwater Committee (2823)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
16,284	9,669	(6,615)	291,625	275,414	(16,211)	-	-	-
-	-	-	325,708	294,192	(31,516)	-	-	-
-	-	-	1,000	1,000	-	50,000	25,127	(24,873)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
16,284	9,669	(6,615)	618,333	570,606	(47,727)	50,000	25,127	(24,873)
-	-	-	-	-	-	50,000	25,127	(24,873)
18,787	9,461	(9,326)	644,429	604,101	(40,328)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,787	9,461	(9,326)	644,429	604,101	(40,328)	50,000	25,127	(24,873)
(2,503)	208	2,711	(26,096)	(33,495)	(7,399)	-	-	-
3,133	92	(3,041)	43,847	53,951	10,104	-	-	-
(630)	(300)	(330)	(16,751)	(19,457)	2,706	-	-	-
2,503	(208)	(3,371)	27,096	34,494	12,810	-	-	-
-	-	-	1,000	999	(1)	-	-	-
-	-	-	889	889	-	-	-	-
\$ -	\$ -	\$ -	\$ 1,889	\$ 1,888	\$ (1)	\$ -	\$ -	\$ -

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, 2022

	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	70,742	42,275	(28,467)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	70,742	42,275	(28,467)	-	-	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	7,348	1,776	(5,572)
Welfare	-	-	-	-	-	-
Cultural	70,739	42,273	(28,466)	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	70,739	42,273	(28,466)	7,348	1,776	(5,572)
Revenues over (under) expenditures	3	2	(1)	(7,348)	(1,776)	5,572
Other financing sources (uses)						
Transfers in	9	1	(8)	7,348	1,776	(5,572)
Transfers out	(12)	(3)	(9)	-	-	-
Total other financing sources (uses)	(3)	(2)	(17)	7,348	1,776	(5,572)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Child Care Facility (2920)			Veterans' Care (2930)			Mental Health Buildings (2970)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 366,473	\$ 367,394	\$ 921	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,184,622	3,065,331	(119,291)	194,362	185,427	(8,935)	-	-	-
-	-	-	30,000	32,971	2,971	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,650	3,412	762	500	743	243
-	-	-	-	-	-	209,086	209,087	1
246,698	249,894	3,196	-	-	-	-	-	-
3,431,320	3,315,225	(116,095)	593,485	589,204	(4,281)	209,586	209,830	244
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,227,954	5,707,132	(520,822)	-	-	-	283,067	277,271	(5,796)
-	-	-	546,064	513,288	(32,776)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	30,156	30,156	-	-	-	-
6,227,954	5,707,132	(520,822)	576,220	543,444	(32,776)	283,067	277,271	(5,796)
(2,796,634)	(2,391,907)	404,727	17,265	45,760	28,495	(73,481)	(67,441)	6,040
2,901,876	2,492,573	(409,303)	-	-	-	-	-	-
(105,242)	(100,666)	(4,576)	(7,331)	(6,965)	(366)	(381)	(364)	(17)
2,796,634	2,391,907	(413,879)	(7,331)	(6,965)	(366)	(381)	(364)	(17)
-	-	-	9,934	38,795	28,861	(73,862)	(67,805)	6,057
-	-	-	362,944	362,944	-	123,216	123,216	-
\$ -	\$ -	\$ -	\$ 372,878	\$ 401,739	\$ 28,861	\$ 49,354	\$ 55,411	\$ 6,057

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, 2022

	Quality of Victim Restitution (2980)			Total		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ 2,806,473	\$ 2,811,226	\$ 4,753
PA 59 assessment	-	-	-	300,000	401,269	101,269
PA 263 tax	-	-	-	1,250,000	1,479,846	229,846
Grants and contributions:						
Federal	-	-	-	8,857,553	7,363,351	(1,494,202)
State	-	-	-	14,984,678	14,206,648	(778,030)
Local	-	-	-	4,378,094	3,613,959	(764,135)
Charges for services	1,615	1,759	144	3,149,572	2,671,810	(477,762)
Fines and forfeitures	-	-	-	100	133	33
Investment income (loss)	50	51	1	31,734	49,783	18,049
Rentals	-	-	-	211,586	213,537	1,951
Other	-	-	-	529,237	505,972	(23,265)
Total revenues	1,665	1,810	145	36,499,027	33,317,534	(3,181,493)
Expenditures						
Current:						
General government	-	-	-	885,891	287,137	(598,754)
Judicial	5,000	1,782	(3,218)	10,769,044	10,246,941	(522,103)
Public safety	-	-	-	2,267,413	1,862,710	(404,703)
Health	-	-	-	14,849,364	12,921,802	(1,927,562)
Welfare	-	-	-	4,694,116	4,261,598	(432,518)
Cultural	-	-	-	70,739	42,273	(28,466)
Recreation	-	-	-	2,486,286	2,041,446	(444,840)
Community and economic development	-	-	-	233,121	224,578	(8,543)
Capital outlay	-	-	-	9,296,875	8,661,391	(635,484)
Total expenditures	5,000	1,782	(3,218)	45,552,849	40,549,876	(5,002,973)
Revenues over (under) expenditures	(3,335)	28	3,363	(9,053,822)	(7,232,342)	1,821,480
Other financing sources (uses)						
Transfers in	-	-	-	8,488,114	7,408,477	(1,079,637)
Transfers out	-	-	-	(778,253)	(819,596)	41,343
Total other financing sources (uses)	-	-	-	7,709,861	6,588,881	(1,038,294)
Net change in fund balances	(3,335)	28	3,363	(1,343,961)	(643,461)	700,500
Fund balances, beginning of year	20,048	20,048	-	6,723,843	6,723,843	-
Fund balances, end of year	\$ 16,713	\$ 20,076	\$ 3,363	\$ 5,379,882	\$ 6,080,382	\$ 700,500

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, 2022

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Assets				
Current assets:				
Cash and investments	\$ 636,411	\$ 268,442	\$ 122,361	\$ 1,027,214
Receivables:				
Accounts	-	26,478	-	26,478
Due from other governments	-	1,225,505	-	1,225,505
Total current assets	636,411	1,520,425	122,361	2,279,197
Noncurrent assets:				
Restricted assets	127,325	-	-	127,325
Capital assets not being depreciated	-	726,219	-	726,219
Capital assets being depreciated, net	-	7,818,707	122,227	7,940,934
Total noncurrent assets	127,325	8,544,926	122,227	8,794,478
Total assets	763,736	10,065,351	244,588	11,073,675
Deferred outflows of resources				
Deferred pension amounts	-	78,503	-	78,503
Deferred OPEB amounts	-	164,099	-	164,099
Total deferred outflows of resources	-	242,602	-	242,602
Liabilities				
Current liabilities:				
Accounts payable	4,462	126,502	-	130,964
Accrued liabilities	-	50,285	270	50,555
Accrued interest	-	19,554	-	19,554
Current portion of accrued closure cost and sludge removal	23,820	-	-	23,820
Current portion of compensated absences	-	34,104	-	34,104
Current portion of long-term debt	-	36,957	-	36,957
Total current liabilities	28,282	267,402	270	295,954
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	223,562	-	-	223,562
Compensated absences	-	256,392	-	256,392
Long-term debt	-	1,075,912	-	1,075,912
Net pension liability	-	1,579,058	-	1,579,058
Net OPEB liability	-	785,095	-	785,095
Total noncurrent liabilities	223,562	3,696,457	-	3,920,019
Total liabilities	251,844	3,963,859	270	4,215,973
Deferred inflows of resources				
Deferred pension amounts	-	390,827	-	390,827
Deferred OPEB amounts	-	306,949	-	306,949
Total deferred inflows of resources	-	697,776	-	697,776
Net position				
Net investment in capital assets	-	8,544,926	122,227	8,667,153
Unrestricted (deficit)	511,892	(2,898,608)	122,091	(2,264,625)
Total net position	\$ 511,892	\$ 5,646,318	\$ 244,318	\$ 6,402,528

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2022

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Operating revenues				
Charges for services	\$ -	\$ 251,776	\$ 52,113	\$ 303,889
Other	-	2,185	-	2,185
Total operating revenues	<u>-</u>	<u>253,961</u>	<u>52,113</u>	<u>306,074</u>
Operating expenses				
Salaries and fringes	-	1,606,473	7,312	1,613,785
Supplies and other operating	21,794	2,293,268	6,486	2,321,548
Depreciation	-	583,729	28,305	612,034
Total operating expenses	<u>21,794</u>	<u>4,483,470</u>	<u>42,103</u>	<u>4,547,367</u>
Operating income (loss)	<u>(21,794)</u>	<u>(4,229,509)</u>	<u>10,010</u>	<u>(4,241,293)</u>
Nonoperating revenues (expenses)				
Grants and contributions:				
Federal	-	2,529,962	-	2,529,962
State	-	1,469,006	-	1,469,006
Local	-	347,748	-	347,748
Investment income	5,338	359	814	6,511
Interest expense	-	(47,015)	-	(47,015)
Loss on sale of capital assets	-	(44,485)	-	(44,485)
Total nonoperating revenues	<u>5,338</u>	<u>4,255,575</u>	<u>814</u>	<u>4,261,727</u>
Income (loss) before capital contributions and transfers	<u>(16,456)</u>	<u>26,066</u>	<u>10,824</u>	<u>20,434</u>
Capital contributions - federal	-	2,450,526	-	2,450,526
Capital contributions - state	-	576,331	-	576,331
Change in net position	<u>(16,456)</u>	<u>3,052,923</u>	<u>10,824</u>	<u>3,047,291</u>
Net position, beginning of year	<u>528,348</u>	<u>2,593,395</u>	<u>233,494</u>	<u>3,355,237</u>
Net position, end of year	<u>\$ 511,892</u>	<u>\$ 5,646,318</u>	<u>\$ 244,318</u>	<u>\$ 6,402,528</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2022

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Cash flows from operating activities				
Receipts from customers and users	\$ -	\$ 246,436	\$ 52,113	\$ 298,549
Payments to vendors	(14,925)	(2,270,977)	(6,906)	(2,292,808)
Payments for personnel services	-	(1,953,134)	(7,239)	(1,960,373)
Net cash provided by (used in) operating activities	<u>(14,925)</u>	<u>(3,977,675)</u>	<u>37,968</u>	<u>(3,954,632)</u>
Cash flows from noncapital financing activities				
Principal paid on pension bonds	-	(32,003)	-	(32,003)
Interest paid on pension bonds	-	(47,331)	-	(47,331)
Federal and/or state grants	-	3,852,570	-	3,852,570
Net cash provided by noncapital financing activities	<u>-</u>	<u>3,773,236</u>	<u>-</u>	<u>3,773,236</u>
Cash flows from capital and related financing activities				
Capital contributions received	-	3,026,857	-	3,026,857
Purchase of capital assets	-	(2,843,966)	-	(2,843,966)
Net cash used in capital and related financing activities	<u>-</u>	<u>182,891</u>	<u>-</u>	<u>182,891</u>
Cash flows from investing activities				
Investment income	5,338	359	814	6,511
Net change in cash and investments	<u>(9,587)</u>	<u>(21,189)</u>	<u>38,782</u>	<u>8,006</u>
Cash and investments, beginning of year	645,998	289,631	83,579	1,019,208
Cash and investments, end of year	<u>\$ 636,411</u>	<u>\$ 268,442</u>	<u>\$ 122,361</u>	<u>\$ 1,027,214</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (21,794)	\$ (4,229,509)	\$ 10,010	\$ (4,241,293)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	583,729	28,305	612,034
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	-	(7,525)	-	(7,525)
Restricted assets	524	-	-	524
Accounts payable	3,583	22,291	(420)	25,454
Accrued liabilities	-	(47,687)	73	(47,614)
Accrued closure cost and sludge removal	2,762	-	-	2,762
Compensated absences	-	(14,301)	-	(14,301)
Net pension liability	-	(19,602)	-	(19,602)
Deferred outflows - pension amounts	-	(4,516)	-	(4,516)
Deferred inflows - pension amounts	-	129,158	-	129,158
Net OPEB liability	-	415,318	-	415,318
Deferred outflows - OPEB amounts	-	(76,916)	-	(76,916)
Deferred inflows - OPEB amounts	-	(728,115)	-	(728,115)
Net cash provided by (used in) operating activities	<u>\$ (14,925)</u>	<u>\$ (3,977,675)</u>	<u>\$ 37,968</u>	<u>\$ (3,954,632)</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.

Marquette Campus (6355)--to account for the operations and maintenance of the County campus located on Marquette Avenue in the City of Muskegon. This fund is self-sustaining with revenues generated by charges to departments as well as lease income from non-County organizations.

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, 2022

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Assets			
Current assets:			
Cash and investments	\$ 38,235	\$ 12,461	\$ 932
Receivables:			
Accounts	-	-	-
Due from other governments	19,032	-	-
Accrued interest	-	-	-
Leases	-	-	-
Prepays	35,000	-	-
Total current assets	<u>92,267</u>	<u>12,461</u>	<u>932</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Leases receivable	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	33,696
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>48,696</u>
Total assets	<u>92,267</u>	<u>12,461</u>	<u>49,628</u>
Deferred outflows of resources			
Deferred charge on bond refunding	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current liabilities:			
Negative equity in pooled cash	-	-	-
Payables:			
Accounts payable	55,963	11,123	114
Due to other governments	-	-	-
Accrued liabilities	3,272	1,338	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	972	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>60,207</u>	<u>12,461</u>	<u>114</u>
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	-	-
Compensated absences	7,310	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>7,310</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>67,517</u>	<u>12,461</u>	<u>114</u>
Deferred inflows of resources			
Deferred lease amounts	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	-	-	48,696
Unrestricted	24,750	-	818
Total net position	<u>\$ 24,750</u>	<u>\$ -</u>	<u>\$ 49,514</u>

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ 2,051,919	\$ -	\$ 3,324,315	\$ 2,062,969	\$ 7,490,831
-	128,454	5,220	29,375	163,049
-	-	11,158	-	30,190
-	-	-	303,169	303,169
-	499,752	-	-	499,752
-	-	268,092	276,621	579,713
<u>2,051,919</u>	<u>628,206</u>	<u>3,608,785</u>	<u>2,672,134</u>	<u>9,066,704</u>
-	-	-	403,084	403,084
-	-	-	590,398	590,398
-	1,059,929	-	-	1,059,929
-	-	407,000	-	422,000
<u>2,165,858</u>	<u>-</u>	<u>5,313,392</u>	<u>-</u>	<u>7,512,946</u>
<u>2,165,858</u>	<u>1,059,929</u>	<u>5,720,392</u>	<u>993,482</u>	<u>9,988,357</u>
<u>4,217,777</u>	<u>1,688,135</u>	<u>9,329,177</u>	<u>3,665,616</u>	<u>19,055,061</u>
<u>61,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,998</u>
-	92,581	-	-	92,581
-	6,367	26,123	132,060	231,750
-	-	-	9,505	9,505
-	593	21,463	2,593,462	2,620,128
50,056	-	65,189	-	115,245
-	6,194	697	27,016	33,907
-	-	16,928	-	17,900
<u>425,000</u>	<u>-</u>	<u>1,081,605</u>	<u>-</u>	<u>1,506,605</u>
<u>475,056</u>	<u>105,735</u>	<u>1,212,005</u>	<u>2,762,043</u>	<u>4,627,621</u>
-	-	10,965	-	10,965
-	-	127,259	-	134,569
<u>3,850,000</u>	<u>-</u>	<u>4,065,227</u>	<u>-</u>	<u>7,915,227</u>
<u>3,850,000</u>	<u>-</u>	<u>4,203,451</u>	<u>-</u>	<u>8,060,761</u>
<u>4,325,056</u>	<u>105,735</u>	<u>5,415,456</u>	<u>2,762,043</u>	<u>12,688,382</u>
-	1,559,681	-	-	1,559,681
(2,047,144)	-	573,560	-	(1,424,888)
<u>2,001,863</u>	<u>22,719</u>	<u>3,340,161</u>	<u>903,573</u>	<u>6,293,884</u>
<u>\$ (45,281)</u>	<u>\$ 22,719</u>	<u>\$ 3,913,721</u>	<u>\$ 903,573</u>	<u>\$ 4,868,996</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, 2022

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	618,306	-
Other revenues	492,931	-	-
Total operating revenues	<u>492,931</u>	<u>618,306</u>	<u>-</u>
Operating expenses			
Salaries and fringes	145,312	99,615	-
Supplies and other operating expenses	346,194	516,167	2,505
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	-	5,616
Total operating expenses	<u>491,506</u>	<u>615,782</u>	<u>8,121</u>
Operating income (loss)	<u>1,425</u>	<u>2,524</u>	<u>(8,121)</u>
Nonoperating revenues (expense)			
Investment income (loss)	341	-	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>341</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	1,766	2,524	(8,121)
Capital contributions - federal	-	-	-
Transfers in	-	-	-
Transfers out	(4,384)	(2,524)	-
Change in net position	<u>(2,618)</u>	<u>-</u>	<u>(8,121)</u>
Net position, beginning of year	<u>27,368</u>	<u>-</u>	<u>57,635</u>
Net position, end of year	<u>\$ 24,750</u>	<u>\$ -</u>	<u>\$ 49,514</u>

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ -	\$ -	\$ 20,673,245	\$ 20,673,245
-	154,869	368,088	-	1,141,263
-	-	3,790,595	2,687,985	6,971,511
-	154,869	4,158,683	23,361,230	28,786,019
-	3,494	1,058,319	1,290,831	2,597,571
1,242	128,576	1,327,184	138,629	2,460,497
-	-	-	656,412	656,412
-	-	-	21,396,151	21,396,151
352,488	-	1,451,173	-	1,809,277
353,730	132,070	3,836,676	23,482,023	28,919,908
(353,730)	22,799	322,007	(120,793)	(133,889)
141,589	-	(2,650,986)	(2,648,832)	(5,157,888)
(121,107)	-	(193,476)	-	(314,583)
20,482	-	(2,844,462)	(2,648,832)	(5,472,471)
(333,248)	22,799	(2,522,455)	(2,769,625)	(5,606,360)
422,446	-	-	-	422,446
-	-	792,828	-	792,828
-	(80)	(89,670)	(36,074)	(132,732)
89,198	22,719	(1,819,297)	(2,805,699)	(4,523,818)
(134,479)	-	5,733,018	3,709,272	9,392,814
\$ (45,281)	\$ 22,719	\$ 3,913,721	\$ 903,573	\$ 4,868,996

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2022

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Cash flows from operating activities			
Receipts from customers and users	\$ 477,345	\$ 618,306	\$ -
Payments to vendors	(312,146)	(519,442)	(2,497)
Payments for personnel services	(148,606)	(103,449)	-
Net cash provided by (used in) operating activities	<u>16,593</u>	<u>(4,585)</u>	<u>(2,497)</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	-
Intergovernmental payments	(4,384)	(2,524)	-
Net cash provided by (used in) noncapital financing activities	<u>(4,384)</u>	<u>(2,524)</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	-	-	-
Purchase of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Investment income (loss)	341	-	-
Net change in cash and investments	12,550	(7,109)	(2,497)
Cash and investments, beginning of year	<u>25,685</u>	<u>19,570</u>	<u>3,429</u>
Cash and investments, end of year	<u>\$ 38,235</u>	<u>\$ 12,461</u>	<u>\$ 932</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,425	\$ 2,524	\$ (8,121)
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	(15,586)	-	-
Accrued interest receivable	-	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	34,048	(3,275)	8
Due to other governments	-	-	-
Accrued liabilities	(2,929)	(3,834)	-
Unearned revenue	-	-	-
Compensated absences	(365)	-	-
Net cash provided by (used in) operating activities	<u>\$ 16,593</u>	<u>\$ (4,585)</u>	<u>\$ (2,497)</u>

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ 32,609	\$ 4,156,765	\$ 23,834,446	\$ 29,119,471
(1,242)	(29,628)	(1,329,455)	(21,123,719)	(23,318,129)
-	(2,901)	(1,080,272)	(1,309,038)	(2,644,266)
(1,242)	80	1,747,038	1,401,689	3,157,076
-	-	692,543	13,926	706,469
-	(80)	-	-	(6,988)
-	(80)	692,543	13,926	699,481
(415,000)	-	(1,100,945)	-	(1,515,945)
(112,063)	-	(213,275)	-	(325,338)
422,446	-	-	-	422,446
-	-	(97,536)	-	(97,536)
(104,617)	-	(1,411,756)	-	(1,516,373)
141,589	-	(2,650,986)	(2,648,832)	(5,157,888)
35,730	-	(1,623,161)	(1,233,217)	(2,817,704)
2,016,189	-	4,947,476	3,296,186	10,308,535
<u>\$ 2,051,919</u>	<u>\$ -</u>	<u>\$ 3,324,315</u>	<u>\$ 2,062,969</u>	<u>\$ 7,490,831</u>
\$ (353,730)	\$ 22,799	\$ 322,007	\$ (120,793)	\$ (133,889)
352,488	-	1,451,173	-	1,809,277
-	(128,454)	5,126	565,384	442,056
-	-	(7,740)	-	(23,326)
-	-	-	(104,874)	(104,874)
-	-	(7,067)	1,074,245	1,067,178
-	-	-	(130,067)	(130,067)
-	92,581	-	-	92,581
-	6,367	4,796	123,295	165,239
-	-	-	(6,499)	(6,499)
-	593	(28,080)	(11,708)	(45,958)
-	6,194	697	12,706	19,597
-	-	6,126	-	5,761
<u>\$ (1,242)</u>	<u>\$ 80</u>	<u>\$ 1,747,038</u>	<u>\$ 1,401,689</u>	<u>\$ 3,157,076</u>

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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 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, 2022

	Custodial (7010)	Library Penal Fines (7210)	Epic Heir (7650)	HealthWest Client Funds (7930)	Total
Assets					
Cash and investments	\$ 17,999,508	\$ 84,638	\$ 96,855	\$ 795,044	\$ 18,976,045
Liabilities					
Accounts payable	5,517	-	-	221	5,738
Due to other governments	889,488	84,638	-	-	974,126
Undistributed current and delinquent taxes	16,233,085	-	-	-	16,233,085
Trust deposits	84,472	-	-	-	84,472
Unallocated receipts	740,854	-	-	-	740,854
Total liabilities	<u>17,953,416</u>	<u>84,638</u>	<u>-</u>	<u>221</u>	<u>18,038,275</u>
Net position restricted for					
Individuals, organizations and other governments	<u>\$ 46,092</u>	<u>\$ -</u>	<u>\$ 96,855</u>	<u>\$ 794,823</u>	<u>\$ 937,770</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2022

	Custodial (7010)	Library Penal Fines (7210)	Epic Heir (7650)	HealthWest Client Funds (7930)	Total
Additions					
Employer contributions	\$ -	\$ -	\$ 647	\$ -	\$ 647
Investment earnings	-	-	804	-	804
Collections:					
Property and other taxes	97,341,472	-	-	-	97,341,472
Road Commission Act 51	16,995,781	-	-	-	16,995,781
Court and other fees	2,063,734	-	-	-	2,063,734
Library penal	-	315,001	-	-	315,001
Healthwest consumer	-	-	-	3,537,631	3,537,631
Inmate	1,521,096	-	-	-	1,521,096
Bonds and restitution	286,029	-	-	-	286,029
Other	1,113,111	-	-	-	1,113,111
Total additions	119,321,223	315,001	1,451	3,537,631	123,175,306
Deductions					
Distributions:					
Property and other taxes	97,341,472	-	-	-	97,341,472
Road Commission Act 51	16,995,781	-	-	-	16,995,781
Court and other fees	2,063,734	-	-	-	2,063,734
Library penal	-	315,001	-	-	315,001
Healthwest consumer	-	-	-	3,630,674	3,630,674
Inmate	1,536,087	-	-	-	1,536,087
Bonds and restitution	286,029	-	-	-	286,029
Other	1,113,111	-	-	-	1,113,111
Total deductions	119,336,214	315,001	-	3,630,674	123,281,889
Change in net position	(14,991)	-	1,451	(93,043)	(106,583)
Net position, beginning of year	61,083	-	95,404	887,866	1,044,353
Net position, end of year	\$ 46,092	\$ -	\$ 96,855	\$ 794,823	\$ 937,770

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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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Statistical Section

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Net Position by Component

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 53,894	\$ 51,938	\$ 38,123	\$ 28,841	\$ 24,984	\$ 21,820	\$ 18,160	\$ 15,123	\$ 13,722	\$ 32,262
Restricted	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,475	6,597	10,890
Unrestricted (deficit)	9,333	481	(50,027)	(61,197)	(69,365)	(128,221)	(109,214)	(101,553)	(92,300)	(83,770)
Total governmental activities net position	\$ 66,767	\$ 55,494	\$ (9,269)	\$ (29,454)	\$ (41,108)	\$ (102,698)	\$ (82,138)	\$ (78,955)	\$ (71,981)	\$ (40,618)
Business-type activities										
Net investment in capital assets	\$ 98,852	\$ 96,621	\$ 94,764	\$ 94,269	\$ 98,216	\$ 99,225	\$ 106,669	\$ 112,221	\$ 114,899	\$ 126,182
Restricted	-	-	-	-	-	-	-	414	67	-
Unrestricted	22,839	26,893	16,881	19,715	13,134	9,555	15,015	16,193	19,467	8,792
Total business-type activities net position	\$ 121,691	\$ 123,514	\$ 111,645	\$ 113,984	\$ 111,350	\$ 108,780	\$ 121,684	\$ 128,828	\$ 134,433	\$ 134,974
Primary government										
Net investment in capital assets	\$ 152,746	\$ 148,559	\$ 132,887	\$ 123,110	\$ 123,200	\$ 121,045	\$ 124,829	\$ 127,344	\$ 128,621	\$ 158,444
Restricted	3,540	3,075	2,635	2,902	3,273	3,703	8,916	7,889	6,664	10,890
Unrestricted (deficit)	32,172	27,374	(33,146)	(41,482)	(56,231)	(118,666)	(94,199)	(85,360)	(72,833)	(74,978)
Total primary government net position	\$ 188,458	\$ 179,008	\$ 102,376	\$ 84,530	\$ 70,242	\$ 6,082	\$ 39,546	\$ 49,873	\$ 62,452	\$ 94,356

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General county government	\$ 13,866	\$ 17,209	\$ 26,562	\$ 27,791	\$ 11,937	\$ 12,059	\$ 11,831	\$ 10,793	\$ 9,468	\$ 9,351
Judicial	10,952	11,588	11,466	13,440	18,675	20,139	13,179	16,869	17,598	18,707
Public safety	18,119	17,264	16,191	18,313	20,207	20,204	13,756	16,669	16,969	17,072
Public works	272	276	336	251	283	368	198	543	500	634
Health and welfare	114,539	91,296	84,637	80,246	87,823	92,596	84,829	87,881	92,408	95,658
Recreation and culture	1,697	1,631	1,581	1,613	1,715	2,721	2,372	2,748	3,100	2,538
Community and economic development	677	689	990	1,353	1,184	1,281	474	755	731	619
Interest	1,133	2,904	3,096	2,984	2,905	3,001	4,354	4,252	4,041	3,925
Total governmental activities expense	161,255	142,856	144,859	145,992	144,729	152,369	130,993	140,510	144,815	148,504
Business-type activities:										
Brookhaven	15,155	13,113	13,776	13,413	13,660	5,120	174	-	-	-
Local government public works financing	1,321	1,285	1,252	935	759	1,421	638	588	828	520
Solid Waste	2,737	2,653	6,042	2,675	3,377	3,806	3,666	5,539	1,589	7,266
Airport Operations	3,039	2,874	2,803	2,690	2,578	2,456	2,655	2,722	2,804	2,963
Regional Water System	3,166	3,135	3,515	3,592	3,147	3,200	2,975	2,881	3,256	3,238
Muskegon Area Transit System	4,809	4,976	5,566	5,993	6,294	6,396	4,381	4,543	4,100	4,483
Resource Recover Center	16,638	17,326	16,514	17,152	18,261	17,174	15,917	16,154	16,866	20,044
Other proprietary funds	901	835	1,099	1,235	1,189	1,094	1,170	1,089	1,122	1,169
Total business-type activities expenses	47,766	46,197	50,567	47,685	49,265	40,667	31,576	33,516	30,565	39,683
Total primary government expenses	209,021	189,053	195,426	193,677	193,994	193,036	162,569	174,026	175,380	188,187
Program revenues										
Governmental activities:										
Charges for services:										
General government	4,172	4,146	4,783	4,770	4,699	4,284	4,459	4,535	4,658	4,523
Judicial	3,079	3,081	2,915	2,845	3,132	3,233	3,497	2,917	3,920	4,001
Public safety	1,606	1,749	965	1,700	2,286	1,927	2,303	1,739	1,586	1,358
Health and welfare	77,094	57,142	55,576	55,296	59,919	61,316	62,969	61,671	65,270	78,156
Community and economic development	1,212	1,061	1,113	1,357	1,707	1,744	1,674	1,751	2,321	2,278
Other activities	1,170	1,188	1,263	1,341	1,356	1,298	1,312	1,257	1,362	1,398
Operating grants and contributions	29,703	26,797	26,538	21,739	23,492	25,463	34,401	30,059	29,405	37,840
Capital grants and contributions	693	673	940	555	403	387	401	387	569	430
Total governmental activities program revenues	118,729	95,837	94,093	89,603	96,994	99,652	111,016	104,316	109,091	129,984

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Resource Recover Center	\$ 18,247	\$ 18,091	\$ 18,077	\$ 19,088	\$ 19,320	\$ 19,559	\$ 22,190	\$ 22,720	\$ 17,999	\$ 17,712
Brookhaven	14,046	12,446	12,380	11,810	10,515	3,797	-	-	-	-
Other	12,206	12,432	12,511	12,742	11,961	12,023	13,954	13,433	13,905	13,554
Operating grants and contributions	2,037	2,102	4,672	4,734	5,386	5,056	4,841	4,567	5,712	5,885
Capital grants and contributions	3,379	4,622	4,303	1,138	645	521	4,876	826	233	3,303
Total business-type activities program revenues	49,915	49,693	51,943	49,512	47,827	40,956	45,861	41,546	37,849	40,454
Total primary government program revenues	168,644	145,530	146,036	139,115	144,821	140,608	156,877	145,862	146,940	170,438
Net (expense)/revenue										
Governmental activities	(42,526)	(47,019)	(50,766)	(56,389)	(47,735)	(52,717)	(19,977)	(36,194)	(35,724)	(18,520)
Business-type activities	2,149	3,496	1,376	1,827	(1,438)	289	14,285	8,030	7,284	771
Total primary government net expense	(40,377)	(43,523)	(49,390)	(54,562)	(49,173)	(52,428)	(5,692)	(28,164)	(28,440)	(17,749)
General revenues and other changes in net position										
Governmental activities:										
Property/Liquor/Lodging taxes	26,812	27,717	28,290	27,233	28,534	30,547	31,089	31,558	32,940	35,156
State shared revenue	2,748	2,882	3,595	3,601	3,637	3,673	3,690	2,884	3,765	3,840
Investment earnings (loss)	(742)	1,627	1,204	743	250	80	1,622	1,075	79	(4,845)
Other revenue and transfers	13,162	7,024	4,265	4,627	3,660	5,132	4,135	3,860	5,913	16,758
Special item	-	(3,504)	-	-	-	(10,701)	-	-	-	-
Total governmental activities	41,980	35,746	37,354	36,204	36,081	28,731	40,536	39,377	42,697	50,909
Business-type activities:										
Other revenue and transfers	(7,219)	(1,673)	(1,599)	(1,765)	(1,196)	(2,238)	(1,380)	(886)	(1,678)	(230)
Special item	-	-	-	2,277	-	10,701	-	-	-	-
Total business-type activities	(7,219)	(1,673)	(1,599)	512	(1,196)	8,463	(1,380)	(886)	(1,678)	(230)
Total primary government	34,761	34,073	35,755	36,716	34,885	37,194	39,156	38,491	41,019	50,679
Change in net position										
Governmental activities	(546)	(11,273)	(13,412)	(20,185)	(11,654)	(23,986)	20,559	3,183	6,973	32,389
Business-type activities	(5,070)	1,823	(223)	2,339	(2,634)	8,752	12,905	7,144	5,606	541
Total primary government	\$ (5,616)	\$ (9,450)	\$ (13,635)	\$ (17,846)	\$ (14,288)	\$ (15,234)	\$ 33,464	\$ 10,327	\$ 12,579	\$ 32,930

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ 2,528	\$ 3,838	\$ 1,577	\$ 1,320	\$ 1,076	\$ 58	\$ 108	\$ 104	\$ 104	\$ 116
Restricted	45	59	70	101	110	97	102	110	63	54
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	628	-	73	68	1,895	1,660	2,303
Unassigned	7,217	5,808	7,926	8,310	9,451	8,838	9,668	9,462	13,162	12,928
Total general fund	<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>	<u>15,401</u>
All other governmental funds:										
Nonspendable	1,072	1,084	1,005	989	929	104	101	66	272	393
Restricted	3,514	24,706	5,681	2,861	3,293	3,497	8,587	6,649	5,803	5,470
Committed	279	214	1,690	986	1,108	1,945	3,730	3,643	3,311	3,382
Assigned	5,210	379	51	291	270	100	74	63	66	68
Unassigned (deficit)	-	-	-	(2)	-	-	(11,995)	(12,350)	(13,495)	(17,073)
Total all other governmental funds	<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>	<u>(7,760)</u>
Total fund balance for governmental funds	<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>	<u>\$ 7,641</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 27,327	\$ 28,295	\$ 28,309	\$ 27,253	\$ 28,554	\$ 30,574	\$ 31,399	\$ 31,578	\$ 33,101	\$ 35,853
Operating grants and contributions	31,894	29,187	30,660	25,615	27,182	28,839	38,066	32,873	33,247	55,367
Charges for services	87,758	67,555	65,530	66,228	72,067	72,842	66,802	72,172	77,422	85,019
Other	7,040	6,653	3,898	3,956	3,581	3,623	3,799	3,418	5,042	2,874
Total revenues	154,019	131,690	128,397	123,052	131,384	135,878	140,066	140,041	148,812	179,113
Expenditures										
General government	13,025	14,027	16,875	16,399	10,246	9,519	8,739	9,546	9,064	20,649
Judicial	10,469	10,803	10,886	11,329	16,725	17,384	17,815	17,412	18,367	21,154
Public safety	14,572	14,853	14,629	14,958	15,750	16,442	16,036	15,909	15,867	17,252
Public works	270	274	326	251	283	368	253	517	512	658
Health and welfare	113,332	89,064	83,271	76,133	83,591	88,704	92,033	88,603	94,188	101,945
Community and economic development	669	680	822	1,041	880	884	776	763	783	688
Other	1,251	1,296	1,285	1,243	1,167	2,561	43,017	7,379	2,865	2,516
Debt service:										
Principal	1,690	1,745	1,800	1,840	695	720	1,685	3,179	3,772	3,359
Lease principal	-	-	-	-	-	-	-	-	-	200
Interest	625	1,490	2,386	2,330	2,265	1,178	2,004	4,082	3,507	3,455
Bond issuance costs	-	-	-	-	-	330	292	67	-	-
Capital outlay	3,306	21,817	16,893	3,188	338	503	409	380	432	9,587
Total expenditures	159,209	156,049	149,173	128,712	131,940	138,593	183,059	147,837	149,357	181,463
Revenues under expenditures	(5,190)	(24,359)	(20,776)	(5,660)	(556)	(2,715)	(42,993)	(7,796)	(545)	(2,350)
Other financing sources (uses)										
Issuance of long-term debt	-	38,870	981	-	-	-	41,179	5,220	-	-
Issuance of long-term leases	-	-	-	-	-	-	-	-	-	246
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	17,640	15,374	10,713	12,026	15,370	56,401	18,352	16,634	16,102	14,233
Transfers out	(10,302)	(13,701)	(9,174)	(8,888)	(14,217)	(54,182)	(16,803)	(15,379)	(14,344)	(14,663)
Proceeds from sale of capital assets	-	39	168	6	156	306	27	520	91	254
Total other financing sources (uses)	7,338	40,582	2,688	3,144	1,309	2,864	42,609	6,995	1,849	70
Special item	-	-	-	-	-	(1,673)	-	-	-	-
Net change in fund balances	\$ 2,148	\$ 16,223	\$ (18,088)	\$ (2,516)	\$ 753	\$ (1,524)	\$ (384)	\$ (801)	\$ 1,304	\$ (2,280)
Debt service as a percentage of noncapital expenditures	1.48%	3.13%	3.15%	3.33%	2.25%	1.38%	2.02%	4.92%	4.89%	4.36%

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
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
2022	32,404	1,881	871	35,156
Change 2013-2022	31.6%	105.6%	-31.6%	31.1%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-2

Assessed and Taxable Value of Taxable Property

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

Fiscal Year	Assessed Value			Taxable Value			Total Direct Tax Rate per \$1,000	Percentage of Taxable to Assessed Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable		
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
2022	6,528	381	6,909	4,926	381	5,307	6.7878	76.83

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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 116,080	1	2.19 %	\$ 117,514	1	2.55 %
DTE Energy	79,062	2	1.49	30,961	3	0.67
Michigan Electric Transmission Co	21,785	3	0.41	—		—
Howmet Aerospace Inc.	18,490	4	0.35	50,279	2	1.09
Meijer Inc	17,876	5	0.34	15,002	9	0.33
THF Fruitport Development LP	14,394	6	0.27	15,937	8	0.35
MIMG	12,980	7	0.24	—		—
Wesco Inc.	12,877	8	0.24	—		—
Mercy Health	12,838	9	0.24	—		—
Macbeth Solar LLC	12,257	10	0.23	—		—
Diversified Machine Montague Inc	—		—	19,713	4	0.43
Sun Chemical of Michigan LLC	—		—	19,552	5	0.42
L3 Communications Corp	—		—	18,942	6	0.41
Bayer CropScience	—		—	17,312	7	0.38
The Lakes Mall LLC	—		—	14,723	10	0.32
Total	\$ 318,639		6.00 %	\$ 319,935		6.95 %

Source: Muskegon County Equalization Department

Direct and Overlapping Property Tax Rates

Last Ten Calendar Years
(rate per \$1,000 of assessed value)

	Calendar Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County direct rates										
Operating ^a	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6978	5.6601	5.6097
Veterans Affairs	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0751	0.0746	0.0739
Museum Operating	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3220	0.3198	0.3169
911 Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.2999	0.2979	0.2952
Quality of Life Bond	0.3000	0.2600	0.2400	—	—	—	—	—	—	—
Senior Services	—	—	—	0.5000	0.5000	0.5000	0.5000	0.4999	0.4966	0.4921
Total direct rate	6.6957	6.6557	6.6357	6.8957	6.8957	6.8957	6.8957	6.8947	6.8490	6.7878
Overlapping rates ^b										
Muskegon Community College	2.2037	2.5437	2.5437	2.5437	2.5437	2.5437	2.5437	2.5434	2.5288	2.5093
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	3.0-13	3.50-13	3.50-13	2.65-13	1.3-13	1.3-13	1.3-13	0.96-13
Non-Homestead	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	18.9-30.5
City Rates:										
Montague	16.7500	16.7500	16.7500	16.7500	16.7500	16.7500	16.5000	16.5000	16.4000	16.4000
Muskegon	12.0865	13.0875	13.0869	13.0905	13.0908	13.0899	13.0865	13.0733	12.9722	12.7971
Muskegon Heights	18.8500	18.8500	18.8500	18.8500	18.8500	22.8396	22.8396	22.8396	22.8104	22.7482
North Muskegon	12.1849	12.1849	12.1849	12.1379	12.8850	12.0883	12.0511	13.0263	12.9818	12.8134
Norton Shores	10.5500	10.5500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Roosevelt Park	11.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	17.5000
Whitehall	12.7764	15.7700	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	12.0000	12.0000	12.0000
Fruitport	5.5000	5.5000	5.5000	5.5000	5.5000	5.5000	7.0000	7.0000	7.0000	7.0000
Lakewood Club	8.1908	8.1908	8.1539	8.0984	8.0773	8.0142	7.8787	7.7234	7.4886	7.3395
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	0.79-7.61	0.78-7.61	0.77-9.11	0.76-9.11	0.76-9.26	0.75-9.11	.75-9.05	.73-8.95
Libraries:										
Fruitport District Library	—	—	—	—	—	—	0.7500	0.7500	0.7466	0.7466
Hackley Public Library	2.4000	2.4000	2.9611	2.8962	2.8999	2.8866	2.8522	2.8529	2.4256	2.8515
Muskegon Area District Library	0.7490	0.7490	0.7490	1.2490	1.2490	1.2490	1.2490	1.2448	1.2363	1.2230
White Lake Community Library	0.9572	0.9516	0.9387	0.9597	0.7023	0.8888	0.8713	0.9297	0.9228	0.9173
Fire/Ambulance:										
Montague Fire District	1.9000	1.9000	1.9000	1.8985	1.8934	1.8934	1.8794	1.8337	1.6500	1.6500
White Lake Ambulance Authority	0.5500	0.5500	1.0000	1.9000	1.9000	1.8988	1.8988	1.8000	1.8000	1.8000
White Lake Fire Authority	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	3.0767	3.0649

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 2022 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 September 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
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	27,557,470	26,696,214	96.87	861,256	27,557,470	100.0
2022	28,929,267	27,409,052	94.75	N/A	27,409,052	94.7

Source: Muskegon County Treasurer's Office
 2022 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)
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
2022	51,179	728	42,983	49,777	4,613	14,067	11,300	174,647	2.12	989.44

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				
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	
2022	55,792	42,983	14,067	112,842	2.13	639.29	

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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 689,481,639	71.561%	\$ 493,401,540
Cities, Villages, and Townships	112,863,645	100.000%	112,863,645
Muskegon Community College	28,360,000	100.000%	28,360,000
Hackley Public Library	1,775,000	100.000%	1,775,000
Newaygo Area Intermediate School District	305,000	3.350%	10,218
Subtotal, overlapping debt			<u>636,410,403</u>
County direct debt, governmental activities			<u>94,889,592</u>
Total direct and overlapping debt			<u><u>\$ 731,299,995</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 2022

Assessed value (000s)	\$ 6,908,658
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 690,866</u>
Debt applicable to limit:	
General obligation bonds (1)	55,792
Other debt	728
Building authority bonds (2)	42,983
Revenue bonds	49,777
Local Govt Public Works Finance	14,067
Delinquent tax notes	<u>11,300</u>
Total net debt applicable to limit	<u>174,647</u>
Legal debt margin	<u>\$ 516,219</u>

		Fiscal Year									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	(a)	\$ 461,026	\$ 470,692	\$ 486,642	\$ 492,865	\$ 513,973	\$ 527,792	\$ 560,087	\$ 595,585	\$ 632,578	\$ 690,866
Total net debt applicable to limit	(b)	<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>	<u>174,647</u>
Legal debt margin available	(a-b)	<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>	<u>\$ 516,219</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	31.17%	38.54%	37.10%	34.91%	31.20%	29.85%	34.64%	31.51%	29.52%	25.28%
County net debt limit as a percentage of total State Equalized Value (1)		3.12%	3.85%	3.71%	3.49%	3.12%	2.98%	3.46%	3.15%	2.95%	2.53%

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 - Resource Recover Center 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)			
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
2022	15,524	2,116	73	215	-	17,928	13,013	4,915	4,440	827	93

(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	2022			2013		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (3)
Trinity Health	3,669	1	5.0 %	—	—	— %
Howmet	2,316	2	3.2	—	—	—
County of Muskegon	1,060	3	1.5	1,108	3	1.4
Meijer	900	4	1.2	866	5	1.1
ADAC Automotive	714	5	1.0	750	6	0.9
GE Aviation	661	6	0.9	644	7	0.8
Wesco	634	7	0.9	—	—	—
Muskegon Public Schools	585	8	0.8	941	4	1.2
McDonald's Lion Inc.	550	9	0.8	—	—	—
Aludyne	537	10	0.7	—	—	—
Mercy Health Partners	—	—	—	3,657	1	4.5
Alcoa Howmet	—	—	—	2,060	2	2.5
Port City Group	—	—	—	600	8	0.7
Diversified Machine	—	—	—	425	9	0.5
Knoll Furniture	—	—	—	403	10	0.5
	<u>11,626</u>		<u>16.0 %</u>	<u>11,454</u>		<u>14.1 %</u>

(1) Source: Greater Muskegon Economic Development

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

(3) Source: Muskegon County 2013 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)
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
2021	176,511	8,243,256	46,701	39.7	25,798	7.5

- Sources:** (1) Population and personal income information provided by the U.S. Bureau of Economic Analysis
 (2) Median age from 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)

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Legislative										
Board of Commissioners	11	9	9	9	9	9	9	9	9	9
General Government										
Administration	7	8	9	7	7	4	4	4	4	4
Economic Development	-	-	-	-	1	1	-	-	-	-
County Clerk/Circuit Court Records	14	14	17	15	15	17	16	16	16	16
Prosecutor's Office	27	27	28	28	27	28	30	33	34	35
Treasurer's Office	9	9	10	9	13	12	12	12	12	12
Equalization	20	19	21	20	20	21	20	20	21	21
Register of Deeds	8	9	9	8	8	8	8	8	8	8
Water Resources Commissioner	11	11	11	9	7	7	7	7	7	7
Accounting/Budget	8	9	9	8	8	9	9	8	8	9
Human Resources	3	2	3	3	2	2	3	3	2	2
Purchasing	2	-	-	-	-	-	-	-	-	-
Office Services	2	2	2	2	2	2	2	2	2	2
Information Systems	5	5	5	6	8	10	11	12	13	13
Risk Management	10	9	10	10	10	10	10	11	10	12
Facilities Management	13	13	13	13	12	13	14	14	13	17
Judicial										
Circuit Court	23	24	23	24	25	36	38	40	42	44
District Court	63	63	65	64	61	61	60	62	64	63
Family Court	66	69	77	74	76	76	74	74	66	65
Probate Court	7	7	7	7	7	7	7	7	7	8
Public Defender	-	16	16	16	16	16	22	23	30	30
Public Safety										
Sheriff	122	119	122	117	118	127	127	129	128	131
Animal Licensing	4	4	4	3	2	1	1	1	1	1
Courtroom Security	9	9	9	10	10	10	10	10	10	10
Community Corrections	4	4	4	4	4	4	4	4	4	4
Emergency Services	1	2	2	2	1	1	1	1	1	1
Health										
Public Health	72	75	65	59	58	60	62	62	65	68
Mental Health	370	402	400	359	409	446	465	498	634	695
Brookhaven Medical Care	270	207	170	174	194	-	-	-	-	-
Water system	3	3	3	3	3	3	3	3	3	3
Resource Recover Center	54	55	53	46	46	48	47	48	49	51
Solid Waste	15	15	15	15	16	15	15	16	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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Welfare										
Veterans' Affairs	-	-	-	-	-	2	2	2	3	3
Child Haven	16	16	16	16	-	-	-	-	-	-
Juvenile Detention Center	37	37	37	35	40	40	43	43	44	45
Workforce Development	14	70	65	-	-	-	-	-	-	-
Cultural										
MSU Cooperative Extension	1	1	1	-	-	-	-	-	-	-
Recreation										
County Parks	22	22	23	22	22	31	31	31	31	31
Convention/Visitor's Bureau	6	7	8	6	7	6	6	6	4	5
Airport	12	12	11	11	10	8	7	9	10	10
Transit	58	65	73	73	73	73	71	73	67	67
Total	1,413	1,472	1,408	1,288	1,370	1,231	1,259	1,298	1,436	1,518

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety Police										
Bookings	8,149	7,981	7,889	9,038	8,213	8,580	8,180	6,003	3,326	4,879
Traffic Stops	3,512	2,543	2,677	3,278	2,030	1,921	3,044	1,910	2,011	3,265
Verbal Warnings	2,823	1,874	1,997	2,393	1,477	1,207	1,545	1,088	522	1,496
Citations	1,693	1,336	1,069	1,137	1,056	1,072	1,499	822	1,489	1,796
Public Safety-Corrections										
Average Daily Jail Population	405	403	407	453	532	513	498	388	278	350
Avg Population as Pct of Capacity	109%	109%	110%	81%	98%	95%	92%	72%	51%	65%
Sanitation										
Refuse collected (tons)	109,580	115,089	142,467	174,385	148,295	152,909	191,921	153,546	171,954	167,375
Recyclables collected (tons)	44	76	101	95	99	82	106	98	89	84
Water										
New connections	48	46	57	61	45	56	50	41	71	64
Average daily consumption (thousands of gallons)	1,159	1,112	1,122	1,111	1,117	1,124	1,075	1,310	1,081	1,145
Resource Recover Center										
Average daily sewer treatment (million gallons)	12	12	12	12	12	12	12	12	12	12
District Court										
Cases filed	36,656	37,588	36,304	33,017	32,583	35,193	34,845	22,678	24,194	25,505
Cases disposed	39,152	38,399	42,049	38,422	37,621	39,794	41,055	25,144	27,680	31,073
Cases pending	4,717	4,532	6,147	4,758	4,729	5,235	4,452	5,671	6,129	5,304
Airport										
Total landings / take-offs	31,383	32,675	31,518	25,659	27,050	23,647	24,699	24,057	22,596	18,363
Passengers	36,634	35,641	36,484	39,512	38,528	39,240	43,816	18,838	21,996	21,923
Transit										
Total Vehicle Miles	784,796	786,389	919,108	934,391	957,154	789,068	766,422	484,989	384,511	594,512
Total Revenue Miles	707,842	731,656	849,739	867,714	853,670	784,396	730,711	454,278	360,191	566,709
Total passengers	731,633	708,461	652,037	581,742	557,281	488,167	480,253	311,496	156,249	196,304

Source: Sheriff's Department, Road Commission, Solid Waste, Resource Recover Center, 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety-Sheriff										
Patrol Units	29	29	29	29	29	29	29	26	26	26
Public Safety-Corrections										
Jail Capacity	370	370	558	558	542	542	542	542	542	542
Culture and Recreation										
Parks Acreage	337	337	337	337	337	337	337	337	337	688
Parks	6	6	6	6	6	6	6	6	6	10
Sewer										
Storm and Sanitary (miles)	278	278	278	278	278	278	278	278	278	280
Maximum Daily Treatment Capacity (millions of gallons)	42	42	42	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	73	73	71	70	67	71	72	61	72	47
Transit										
Number of Buses	37	37	37	36	36	36	34	34	27	20
Solid Waste										
Total Capacity (thousand cubic yards)	3,778	3,819	3,819	4,685	4,685	4,685	4,685	4,211	4,716	4,716
Remaining Capacity (thousand cubic yards)	1,388	1,231	1,114	1,114	802	659	439	230	506	308
Remaining Capacity (percent of total)	36.7%	32.2%	29.2%	23.8%	17.1%	14.1%	9.4%	5.5%	10.7%	6.5%

Source: Sheriff's Department, Road Commission, Solid Waste, Resource Recover Center, 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, 2022

	Urban		Total
	Linehaul	Demand Response	
Passenger fares	\$ 83,238	\$ 123,753	\$ 206,991
Concessions	845	-	845
Advertising	33,440	-	33,440
Building rental	950	-	950
Alternative fuel reimbursement	11,735	-	11,735
Local operating assistance	222,762	124,986	347,748
Interest income	359	-	359
Total	\$ 353,329	\$ 248,739	\$ 602,068
Financial statement revenue			
Total operating revenues			\$ 253,961
Nonoperating revenue			
Local grants			347,748
Investment income			359
Total			\$ 602,068

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, 2022

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-2017-022-02	\$ 2,139,547	\$ 415,098	\$ 415,098	\$ -	\$ -	\$ 1,724,449	\$ -
COVID-19 - Capital Assistance - Section 5307 - ARP Act Operating Assistance	20.507	MI-2022-004-00	2,466,470	795,404	795,404	-	-	-	1,671,066
COVID-19 - Capital Assistance - Section 5307 - CARES Act	20.507	MI-2020-014-00	5,404,286	1,502,011	1,502,011	-	-	3,902,275	-
Capital Assistance - Section 5307 (FHWA Transfer to 5307)	20.507	MI-2018-024-00	390,000	390,000	390,000	-	-	-	-
Capital Assistance - Section 5307	20.507	MI-2020-005-01	1,255,000	1,253,725	1,253,725	-	-	-	1,275
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-2020-024-01	795,921	447,291	447,291	-	-	-	348,630
Capital Assistance - Section 5339 - Support Equipment	20.526	MI-2019-028-00	99,129	54,984	54,984	-	-	44,145	-
Passed through Michigan Department of Transportation:									
Section 5310 - New Freedom - Enhanced Mobility	20.513	2022-0110/P2	140,000	121,975	121,975	-	-	-	18,025
Total U.S. Department of Transportation				4,980,488	4,980,488	-	-	6,049,016	3,571,204
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY22	1,048,697	1,048,697	-	1,048,697	-	-	-
Operating Assistance - prior years	N/A	Prior to 2022	115,969	115,969	-	115,969	-	-	-
Section 5339 Match - Mobility Management and Marketing	N/A	2022-0110/P2	35,000	30,494	-	30,494	-	-	4,506
Section 5339 Match - Equipment / Section 5307 Match - Bus & Outreach	N/A	17-0104/P13	338,532	327,177	-	327,177	-	11,036	319
Specialized Services	N/A	17-0104/P15-R3	153,358	20,243	-	20,243	-	133,115	-
Specialized Services	N/A	22-0110/P1-R1	189,660	189,660	-	189,660	-	-	-
Section 5307 Match	N/A	17-0104/P03	306,896	103,774	-	103,774	-	203,122	-
Section 5307 Match	N/A	17-0104/P08	97,500	97,500	-	97,500	-	-	-
Section 5307 Match	N/A	17-0104/P19	139,500	-	-	-	-	-	139,500
Section 5339 Match	N/A	17-0104/P20	198,981	111,823	-	111,823	-	-	87,158
Total Michigan Department of Transportation				2,045,337	-	2,045,337	-	347,273	231,483
Total Expenditures of Federal and State Awards				\$ 7,025,825	\$ 4,980,488	\$ 2,045,337	\$ -	\$ 6,396,289	\$ 3,802,687

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2022

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 939,546	\$ -	\$ -	\$ 939,546
Salaries and wages - other	389,335	-	-	389,335
Fringe benefits	452,840	-	-	452,840
OPEB - defined benefit	(389,713)	-	-	(389,713)
OPEB - defined contribution	6,090	-	-	6,090
Pension - defined benefit	288,484	-	-	288,484
Pension - defined contribution	7,459	-	-	7,459
Services				
Advertising	101,942	-	-	101,942
Audit	7,143	-	-	7,143
Other services	85,187	-	-	85,187
Purchased transportation services	817,131	-	-	817,131
Materials and supplies				
Fuel	193,945	-	-	193,945
Tires and tubes	30,425	-	-	30,425
Other materials and supplies	479,880	-	-	479,880
Casualty and liability costs				
Liability insurance	159,046	-	-	159,046
Other insurance	15,089	-	-	15,089
Utilities	106,622	-	-	106,622
Miscellaneous				
Travel, meetings and training	3,883	-	-	3,883
Association dues and subscriptions	15,043	-	-	15,043
Loss on disposal of assets	44,485	-	-	44,485
Depreciation	583,729	-	-	583,729
Total operating expenses before expenses excluded	4,337,591	-	-	4,337,591

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2022

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
Expenses excluded from OAR				
State grant funds				
17-0104/P15-R3 / Specialized Services	\$ -	\$ -	\$ 20,243	\$ 20,243
22-0110/P1-R1 / Specialized Services	-	-	189,660	189,660
2017-0104/P03	-	1,000	-	1,000
2017-0104/P8	-	1,000	-	1,000
2017-0104/P13	-	5,537	-	5,537
2017-0104/P20	-	4,358	-	4,358
Federal grant funds				
MI-2017-022-02	-	4,000	-	4,000
MI-2018-024-00	-	4,000	-	4,000
MI-2020-005-01	-	22,150	-	22,150
MI-2020-024-01	-	17,434	-	17,434
Total expenses excluded from OAR	<u>-</u>	<u>59,479</u>	<u>209,903</u>	<u>269,382</u>
Total operating expenses	<u>\$ 4,337,591</u>	<u>\$ 59,479</u>	<u>\$ 209,903</u>	4,606,973
Principal payments on pension debt included as expense above				(32,003)
				<u>\$ 4,574,970</u>
Financial statement expenses				
Total operating expenses				\$ 4,483,470
Nonoperating interest expense				47,015
Nonoperating loss on sale of capital assets				44,485
Total				<u>\$ 4,574,970</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, 2022

	Total System
Operating expenses	
Labor	
Salaries and wages - operators	\$ 939,546
Salaries and wages - other	389,335
Fringe benefits	452,840
OPEB - defined benefit	(389,713)
OPEB - defined contribution	6,090
Pension - defined benefit	288,484
Pension - defined contribution	7,459
Services	
Advertising	101,942
Audit	7,143
Other services	85,187
Purchased transportation services	817,131
Materials and supplies	
Fuel	193,945
Tires and tubes	30,425
Other materials and supplies	479,880
Casualty and liability costs	
Liability insurance	159,046
Other insurance	15,089
Utilities	106,622
Miscellaneous	
Travel, meetings and training	3,883
Association dues and subscriptions	15,043
Loss on disposal of assets	44,485
Equipment leases	-
Depreciation ⁽²⁾	583,729
Total operating expenses	4,337,591

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, 2022

	Total System
Ineligible expenses	
Ineligible depreciation ⁽²⁾	\$ 583,669
Ineligible loss on disposal of assets	44,485
Ineligible portion of association dues	1,177
Ineligible pension - DB actually paid ⁽¹⁾	105,040
Ineligible OPEB - DB actually paid ⁽¹⁾	(389,713)
Ineligible increase in compensated absences	(14,301)
Ineligible expense with advertising ⁽⁴⁾	3,659
Expenses paid by capital contracts ⁽³⁾	
State grant funded	
2017-0104/P03	6,274
2017-0104/P13	17,010
2017-0104/P20	36,300
2022-0110/P2 Mobility Management and Marketing	30,494
Federal grant funded	
MI-2017-022-02	25,098
MI-2020-005-01	68,040
MI-2020-024-01	145,199
2022-0110/P2 New Freedom Program	121,975
Total ineligible expenses	<u>784,406</u>
Total eligible expenses	<u>\$ 3,553,185</u>
State operating assistance - 29.5143%	<u>\$ 1,048,697</u>

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

2022 Central Service Cost Allocation Plan (Maximus)

⁽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 \$450,390 were subtracted out as ineligible (PTMS ineligible codes 57602 and 57604) as 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 \$3,659 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, 2022

	Miles	Hours
Linehaul		
First Quarter	67,859	5,121
Second Quarter	71,310	5,382
Third Quarter	73,610	5,555
Fourth Quarter	73,610	5,555
	286,389	21,613
Demand response		
First Quarter	61,248	4,017
Second Quarter	67,191	3,797
Third Quarter	75,422	4,068
Fourth Quarter	78,404	4,287
	282,265	16,169
Total operations	568,654	37,782

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, 2022

	Linehaul	Demand Response	Total
Passenger fares	\$ 83,238	\$ 123,753	\$ 206,991
Concessions	845	-	845
Advertising	33,440	-	33,440
Building rental	950	-	950
Alternative fuel reimbursement	11,735	-	11,735
Local operating assistance	222,762	124,986	347,748
Urban Regular Service Local Revenues - OAR Revenues	<u>352,970</u>	<u>248,739</u>	<u>601,709</u>
State Cash Grants/Reimbursements - OAR Revenues			
FY2022 Formula Funding	806,242	242,455	1,048,697
2022-0110/P2 Mobility Management and Marketing	30,494	-	30,494
2017-0104/P03	6,274	-	6,274
2017-0104/P20	36,300	-	36,300
2017-0104/P13	17,010	-	17,010
State Cash Grants/Reimbursements - OAR Revenues	<u>896,320</u>	<u>242,455</u>	<u>1,138,775</u>
Plus OAR Excluded State Revenues (excluded Prior Year/Capital/Sp Svcs)			
Prior years formula funding	115,969	-	115,969
17-0104/P15-R3 / Specialized Services	20,243	-	20,243
22-0110/P1-R1 / Specialized services	189,660	-	189,660
2017-0104/P03	97,500	-	97,500
2017-0104/P08	97,500	-	97,500
2017-0104/P13	310,167	-	310,167
2017-0104/P20	75,523	-	75,523
State Revenue	<u>1,802,882</u>	<u>242,455</u>	<u>2,045,337</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2022

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements - OAR Revenues			
MI-2022-004-00 ARP Act Operating assistance	\$ 733,429	\$ 61,975	\$ 795,404
MI-2020-014-00 CARES Act	1,436,390	65,621	1,502,011
2022-0110/P2 New Freedom Program	121,975	-	121,975
MI-2017-022-02	25,098	-	25,098
MI-2020-024-01	145,201	-	145,201
MI-2020-005-01	68,040	-	68,040
Federal Cash Grants/Reimbursements - OAR Revenues	<u>2,530,133</u>	<u>127,596</u>	<u>2,657,729</u>
Plus OAR Excluded Federal Revenues (excluded Capital)			
MI-2017-022-02	390,000	-	390,000
MI-2018-024-00	390,000	-	390,000
MI-2019-028-00	54,984	-	54,984
MI-2020-005-01	1,185,685	-	1,185,685
MI-2020-024-01	302,090	-	302,090
Federal Revenue	<u>4,852,892</u>	<u>127,596</u>	<u>4,980,488</u>
Other revenue - OAR Revenues			
Interest income - OAR Revenues	<u>359</u>	<u>-</u>	<u>359</u>
Total revenues - OAR Revenues and OAR Excluded Revenues	<u><u>\$ 7,009,103</u></u>	<u><u>\$ 618,790</u></u>	<u><u>\$ 7,627,893</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, 2022

	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, 2022

	2018	2019	2020	2021	2022
Annual financial statement OPEB expense	\$ 364,355	\$ (784,461)	\$ (496,789)	\$ (462,677)	\$ (389,713)
Change in net OPEB (liability) asset	(726,515)	4,554,237	(504,930)	(710,560)	(415,318)
Change in deferred inflow	-	(3,661,962)	1,077,048	1,549,850	728,115
Change in deferred outflow	466,843	(500)	(1,347)	(377,813)	76,916
OPEB payments	<u>\$ 104,683</u>	<u>\$ 107,314</u>	<u>\$ 73,982</u>	<u>\$ (1,200)</u>	<u>\$ -</u>
Net OPEB asset (liability), beginning of year	\$ (627,134)	\$ (3,708,524)	\$ 845,713	\$ 340,783	\$ (369,777)
Restatement	(2,354,875)	-	-	-	-
Change in net OPEB liability	(726,515)	4,554,237	(504,930)	(710,560)	(415,318)
Net OPEB asset (liability), end of year	<u>\$ (3,708,524)</u>	<u>\$ 845,713</u>	<u>\$ 340,783</u>	<u>\$ (369,777)</u>	<u>\$ (785,095)</u>
Beginning deferred inflows	\$ -	\$ -	\$ (3,661,962)	\$ (2,584,914)	\$ (1,035,064)
Change in deferred inflows	-	(3,661,962)	1,077,048	1,549,850	728,115
Ending deferred inflows	<u>\$ -</u>	<u>\$ (3,661,962)</u>	<u>\$ (2,584,914)</u>	<u>\$ (1,035,064)</u>	<u>\$ (306,949)</u>
Beginning deferred outflows	\$ -	\$ 466,843	\$ 466,343	\$ 464,996	\$ 87,183
Change in deferred outflows	466,843	(500)	(1,347)	(377,813)	76,916
Ending deferred outflows	<u>\$ 466,843</u>	<u>\$ 466,343</u>	<u>\$ 464,996</u>	<u>\$ 87,183</u>	<u>\$ 164,099</u>
Change in net OPEB asset (liability)	\$ (726,515)	\$ 4,554,237	\$ (504,930)	\$ (710,560)	\$ (415,318)
Change in deferred inflow	-	(3,661,962)	1,077,048	1,549,850	728,115
Change in deferred outflow	466,843	(500)	(1,347)	(377,813)	76,916
Net OPEB expense paid (not paid)	<u>\$ (259,672)</u>	<u>\$ 891,775</u>	<u>\$ 570,771</u>	<u>\$ 461,477</u>	<u>\$ 389,713</u>

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

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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, 2022

	2014	2015	2016	2017
Annual financial statement pension expense	\$ 172,812	\$ 262,966	\$ 551,813	\$ 606,622
Change in net pension liability	-	(285,237)	(1,128,968)	133,222
Change in pension funding bonds payable	-	-	-	-
Change in discount on pension fund bonds	-	-	-	-
Interest/fees paid on pension funding bonds	-	-	-	-
Change in deferred inflow	-	-	-	(55,600)
Change in deferred outflow	-	210,972	781,308	(439,820)
Pension payments	<u>\$ 172,812</u>	<u>\$ 188,701</u>	<u>\$ 204,153</u>	<u>\$ 244,424</u>
Net pension liability, beginning of year	\$ -	\$ -	\$ (1,844,990)	\$ (2,973,958)
Restatement	-	(1,559,753)	-	-
Change in net pension liability	-	(285,237)	(1,128,968)	133,222
Net pension liability, end of year	<u>\$ -</u>	<u>\$ (1,844,990)</u>	<u>\$ (2,973,958)</u>	<u>\$ (2,840,736)</u>
Beginning pension funding bonds payable	\$ -	\$ -	\$ -	\$ -
Change in pension funding bonds payable	-	-	-	-
Ending pension funding bonds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning discount on pension funding bonds	\$ -	\$ -	\$ -	\$ -
Change in discount on pension funding bonds	-	-	-	-
Ending discount on pension funding bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest/fees paid on pension funding bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning deferred inflows	\$ -	\$ -	\$ -	\$ -
Change in deferred inflows	-	-	-	(55,600)
Ending deferred inflows	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,600)</u>
Beginning deferred outflows	\$ -	\$ -	\$ 210,972	\$ 992,280
Change in deferred outflows	-	210,972	781,308	(439,820)
Ending deferred outflows	<u>\$ -</u>	<u>\$ 210,972</u>	<u>\$ 992,280</u>	<u>\$ 552,460</u>
Change in net pension liability	\$ -	\$ (285,237)	\$ (1,128,968)	\$ 133,222
Change in pension funding bonds payable	-	-	-	-
Change on discount on pension funding bonds	-	-	-	-
Interest/fees paid on pension funding bonds	-	-	-	-
Bond issuance costs	-	-	-	-
Change in deferred inflow	-	-	-	(55,600)
Change in deferred outflow	-	210,972	781,308	(439,820)
Net pension expense paid (not paid)	<u>\$ -</u>	<u>\$ (74,265)</u>	<u>\$ (347,660)</u>	<u>\$ (362,198)</u>

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

2018	2019	2020	2021	2022
\$ 540,516	\$ (152,463)	\$ 470,602	\$ 466,928	\$ 209,459
239,234	1,081,691	(110,166)	31,317	19,602
-	(1,232,960)	38,432	45,861	32,003
-	4,369	(221)	(171)	(182)
-	-	49,560	48,105	47,450
(154,716)	188,359	(4,443)	(235,269)	(129,158)
(329,565)	268,164	(252,743)	(164,329)	4,516
<u>\$ 295,469</u>	<u>\$ 157,160</u>	<u>\$ 191,021</u>	<u>\$ 192,442</u>	<u>\$ 183,690</u>
\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)	\$ (1,629,977)	\$ (1,598,660)
-	-	-	-	-
239,234	1,081,691	(110,166)	31,317	19,602
<u>\$ (2,601,502)</u>	<u>\$ (1,519,811)</u>	<u>\$ (1,629,977)</u>	<u>\$ (1,598,660)</u>	<u>\$ (1,579,058)</u>
\$ -	\$ -	\$ (1,232,960)	\$ (1,194,528)	\$ (1,148,667)
-	(1,232,960)	38,432	45,861	32,003
<u>\$ -</u>	<u>\$ (1,232,960)</u>	<u>\$ (1,194,528)</u>	<u>\$ (1,148,667)</u>	<u>\$ (1,116,664)</u>
\$ -	\$ -	\$ 4,369	\$ 4,148	\$ 3,977
-	4,369	(221)	(171)	(182)
<u>\$ -</u>	<u>\$ 4,369</u>	<u>\$ 4,148</u>	<u>\$ 3,977</u>	<u>\$ 3,795</u>
\$ -	\$ -	\$ 49,560	\$ 48,105	\$ 47,450
\$ (55,600)	\$ (210,316)	\$ (21,957)	\$ (26,400)	\$ (261,669)
(154,716)	188,359	(4,443)	(235,269)	(129,158)
<u>\$ (210,316)</u>	<u>\$ (21,957)</u>	<u>\$ (26,400)</u>	<u>\$ (261,669)</u>	<u>\$ (390,827)</u>
\$ 552,460	\$ 222,895	\$ 491,059	\$ 238,316	\$ 73,987
(329,565)	268,164	(252,743)	(164,329)	4,516
<u>\$ 222,895</u>	<u>\$ 491,059</u>	<u>\$ 238,316</u>	<u>\$ 73,987</u>	<u>\$ 78,503</u>
\$ 239,234	\$ 1,081,691	\$ (110,166)	\$ 31,317	\$ 19,602
-	(1,232,960)	38,432	45,861	32,003
-	4,369	(221)	(171)	(182)
-	-	49,560	48,105	47,450
-	8,910	-	-	-
(154,716)	188,359	(4,443)	(235,269)	(129,158)
(329,565)	268,164	(252,743)	(164,329)	4,516
<u>\$ (245,047)</u>	<u>\$ 318,533</u>	<u>\$ (279,581)</u>	<u>\$ (274,486)</u>	<u>\$ (25,769)</u>