

County of  
Muskegon,  
Michigan



Year Ended  
September 30,  
2023

Annual  
Comprehensive  
Financial Report



County of Muskegon, Michigan

Annual Comprehensive Financial Report  
For the Year Ended September 30, 2023

*Prepared by*  
*Department of Finance and Management Services/Accounting*

*Angela Gasiewski, CPA*  
*Director of Finance*

*Carson Lehigh, CGFM*  
*General Accounting/Budget Supervisor*

# COUNTY OF MUSKEGON, MICHIGAN

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## **INTRODUCTORY SECTION**

# COUNTY OF MUSKEGON, MICHIGAN

## Principal Officials

As of March 25, 2024

### 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, Chief Judge  
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  
Paula B. Mathes  
Geoffrey T. Nolan, Pro Tem

#### **Probate Court Judges**

Gregory C. Pittman, Pro Tem, 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**

Karen D. Buie  
**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**



**Board of  
Commissioners**

Charles Nash  
Chair, District 5

Jessica Cook  
Vice Chair, District 6

Kim Cyr  
District 1

Zach Lahring  
District 2

Michelle Hazekamp  
District 3

Marcia Hovey-Wright  
District 4

Darrell L. Paige  
District 7

March 25, 2024

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, 2023.

**Management Responsibility**

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

**Independent Audit**

The County of Muskegon financial statements have been audited by Rehmann Robson, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Muskegon for the fiscal year ended September 30, 2023, 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, 2023, 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.

## **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 177,000 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 six 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 GAAP, 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, Economic Development Corporation, 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.

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 and 2023 has contributed to both population growth, as well as an increase in per capita income of 16.6% between over the last five years. In 2023, Muskegon County saw \$407.8 billion in capital investments and 314 new job opportunities. The total assessed property value increased 7.80% in 2023 to \$5.7 billion. This represents a 27.98% increase in property values between 2018 and 2023, or \$1.3 billion.

Unemployment has been declining in Muskegon County. Fiscal year 2023 saw an average unemployment rate of 4.6% compared to the average unemployment rate of 5.2% for FY2022 and 8.0% for FY2021. The highest monthly rate for FY2023 was 5.0%, in January, February, and July, compared to the highest monthly rate for FY2022, which was 5.9% in January 2022.

As a top tourist destination, Muskegon has seen an increase in Accommodations tax of nearly 40% over the last three years. In 2023, over 2.3 million visitors traveled to Muskegon County, with over 1 million of those visitors traveling over 100 miles to get here. The VanDyke Mortgage Convention Center located in downtown Muskegon, hosted 29 conferences and conventions serving 5,201 attendees and generating 6,877 hotel room stays. Additionally, Muskegon serves as a port of call for Great Lakes cruise ships. Cruise ships brought about 3,600 passengers in 18 calls from three cruise lines in 2023. Muskegon County also cares for 10 parks with 856 acres of parkland, including our newest addition, 376-acre Dune Harbor Park, which was completed in December 2023. The County also provides residents and visitors with an additional 550 acres of recreational land at the Mosquito Creek Trails Mountain Biking Area within the County's Resource Recovery Center.

## **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 be spent for specific purposes as stipulated by external resource providers (grant providers),

constitutionally, or through enabling legislation. 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 account 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, 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 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.
  - 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. Work will be ongoing for this project through 2026.
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 18 ports of call in 2023. 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 332 in 2022.
  4. Increase services to senior citizens
    - Upon approval of the senior millage in 2016, created the Senior Activities Committee that has distributed \$16.6 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.
    - Completed a County-wide compensation study to be implemented for FY2024.
  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 the Muskegon Area First 2.0.
  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 141.5% at fiscal year-end 2023.
    - Raised the General Fund unassigned fund balance from 16.5% in 2015 to 27.5% in 2023.

- Implemented the use of budget surplus reserves to encourage fiscal responsibility and create an infrastructure for meeting one-time program needs.

#### Other Initiatives

- The County is currently undergoing a \$14.3 million renovation to the Hall of Justice, in part, to improve the efficiency of the building. This is set to be complete by the end of 2024.
- In an effort to improve access for the public and reduce renovations costs, the County worked with Baker College to purchase the Baker College Campus and is transitioning this to the Muskegon County Marquette Campus. The entire governmental complex will be moved to this location from the South Campus location over the next two years.
- Muskegon County Solid Waste is undergoing a large expansion project that will add 20 years of capacity to the current landfill.

#### 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, 2022. This was the 47th 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 GAAP 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,

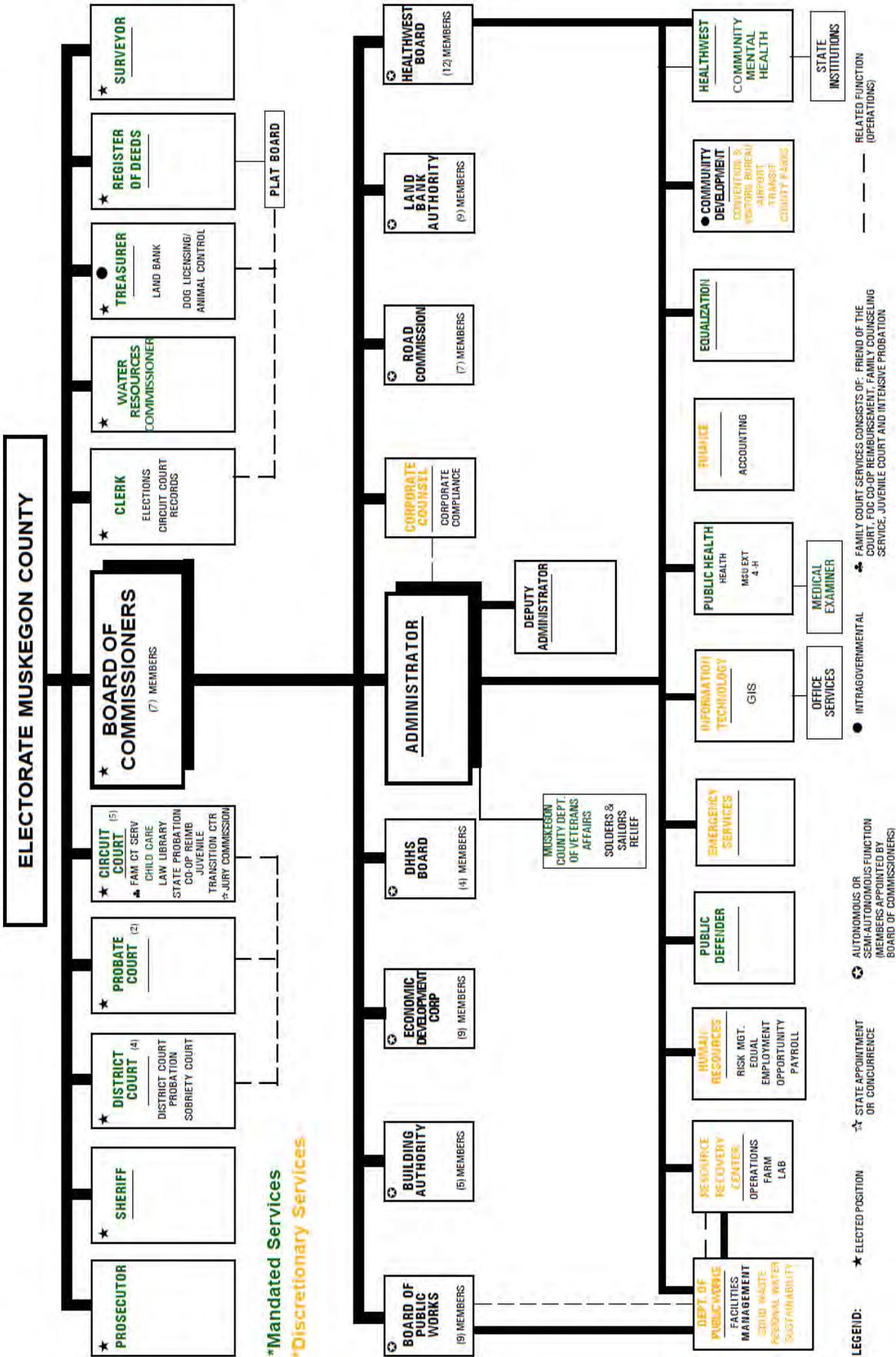


Angela J. Gasiewski, CPA  
Director of Finance



Carson Lehigh, CGFM  
General Accounting/Budget Supervisor

# 2023 ORGANIZATIONAL CHART





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, 2022

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

March 25, 2024

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, 2023, 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 as of September 30, 2023, 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:

	<b>Percent of Assets and Deferred Outflows</b>	<b>Percent of Revenues</b>	<b>Percent of Net Position</b>
Muskegon County Road Commission	71.7%	87.5%	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*.

### ***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 25, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters in a separately issued single audit act compliance report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

## **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, 2023. 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, 2023; the difference representing net position of \$131.6 million reported by the primary government. Of this amount, a negative \$82.0 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 \$95.0 million on the government-wide financial statements. *Restricted net position* of \$40.5 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 \$173.1 million.
- The County's *net position* increased by \$37.2 million as a result of the current year's operations. Net position of governmental activities increased by approximately \$32.0 million and net position of business-type activities increased by approximately \$5.2 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 \$26.9 million, an increase of \$19.3 million from the prior year ending fund balance of \$7.6 million. Approximately \$14.6 million (54.3%) 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 regional water, delinquent tax revolving, local government public works financing, solid waste, airport operations, resource recovery 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 and the 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 recovery 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, electronic content management, 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, solid waste, airport operations, and resource recovery 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 \$131.6 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	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 103.1	\$ 87.3	\$ 110.3	\$ 78.3	\$ 213.4	\$ 165.6
Capital assets, net	96.0	83.7	188.3	177.9	284.3	261.6
<b>Total assets</b>	<b>199.1</b>	<b>171.0</b>	<b>298.6</b>	<b>256.2</b>	<b>497.7</b>	<b>427.2</b>
<b>Deferred outflows of resources</b>	<b>30.2</b>	<b>13.9</b>	<b>2.0</b>	<b>1.3</b>	<b>32.2</b>	<b>15.2</b>
<b>Liabilities</b>						
Long-term liabilities	188.9	146.6	129.5	107.6	318.4	254.2
Other liabilities	38.9	44.8	10.7	11.3	49.6	56.1
<b>Total liabilities</b>	<b>227.8</b>	<b>191.4</b>	<b>140.2</b>	<b>118.9</b>	<b>368.0</b>	<b>310.3</b>
<b>Deferred inflows of resources</b>	<b>10.1</b>	<b>34.1</b>	<b>20.2</b>	<b>3.6</b>	<b>30.3</b>	<b>37.7</b>
<b>Net position</b>						
Net investment in capital assets	45.0	32.3	128.1	126.2	173.1	158.5
Restricted	40.5	10.9	-	-	40.5	10.9
Unrestricted (deficit)	(94.1)	(83.8)	12.1	8.8	(82.0)	(75.0)
<b>Total net position</b>	<b>\$ (8.6)</b>	<b>\$ (40.6)</b>	<b>\$ 140.2</b>	<b>\$ 135.0</b>	<b>\$ 131.6</b>	<b>\$ 94.4</b>

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 \$82.0 million.

**Statement of Activities.** The County's total revenue for the fiscal year ended September 30, 2023, was approximately \$251.3 million while total cost of all programs and services was \$214.1 million. The fiscal year's operations result in an increase in the primary government's net position of \$37.2 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	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 105.0	\$ 91.7	\$ 37.4	\$ 31.3	\$ 142.4	\$ 123.0
Operating grants	42.0	37.8	5.9	5.9	47.9	43.7
Capital grants	5.5	3.8	0.9	3.3	6.4	7.1
General revenues:						
Property taxes	34.4	32.4	-	-	34.4	32.4
Other taxes	4.6	2.8	-	-	4.6	2.8
State shared	4.1	3.8	-	-	4.1	3.8
CSLFR	7.1	11.2	-	-	7.1	11.2
Other	2.5	(2.8)	1.9	-	4.4	(2.8)
<b>Total revenues</b>	<b>205.2</b>	<b>180.7</b>	<b>46.1</b>	<b>40.5</b>	<b>251.3</b>	<b>221.2</b>
<b>Program expenses</b>						
General government	11.2	9.4	-	-	11.2	9.4
Legislative	0.3	0.4	-	-	0.3	0.4
Judicial	22.1	18.7	-	-	22.1	18.7
Public safety	19.7	17.1	-	-	19.7	17.1
Public works	0.9	0.6	-	-	0.9	0.6
Health	102.1	88.1	-	-	102.1	88.1
Welfare	8.8	7.5	-	-	8.8	7.5
Culture	0.1	0.1	-	-	0.1	0.1
Recreation	3.4	2.1	-	-	3.4	2.1
Community and economic development	0.8	0.6	-	-	0.8	0.6
Interest	3.8	3.9	-	-	3.8	3.9
Regional water	-	-	3.6	3.2	3.6	3.2
Delinquent tax revolving	-	-	1.0	1.0	1.0	1.0
Local govt public works financing	-	-	0.5	0.5	0.5	0.5
Solid waste	-	-	7.4	7.3	7.4	7.3
Airport operations	-	-	3.4	3.0	3.4	3.0
Resource recovery center	-	-	19.4	20.0	19.4	20.0
Other enterprise funds	-	-	5.6	4.7	5.6	4.7
<b>Total program expenses</b>	<b>173.2</b>	<b>148.5</b>	<b>40.9</b>	<b>39.7</b>	<b>214.1</b>	<b>188.2</b>
Income before transfers	32.0	32.2	5.2	0.8	37.2	33.0
Transfers	-	0.2	-	(0.2)	-	-
<b>Change in net position</b>	<b>32.0</b>	<b>32.4</b>	<b>5.2</b>	<b>0.6</b>	<b>37.2</b>	<b>33.0</b>
Net position, beginning of year	(40.6)	(73.0)	135.0	134.4	94.4	61.4
<b>Net position, end of year</b>	<b>\$ (8.6)</b>	<b>\$ (40.6)</b>	<b>\$ 140.2</b>	<b>\$ 135.0</b>	<b>\$ 131.6</b>	<b>\$ 94.4</b>

## COUNTY OF MUSKEGON, MICHIGAN

### Management's Discussion and Analysis

- **Governmental Activities.** Governmental activities experienced a significant increase in net position in FY2023. Revenues for the County's governmental activities increased by 13.6% (\$24.5 million), while total expenses increased by 16.6% (\$24.7 million). The increase in net position was \$32.0 million in 2023. This compares to a \$32.4 million increase in net position in 2022.

The increase in governmental activities revenues is primarily due to increases in the following categories: charges for services revenue (\$13.3 million), operating grants revenue (\$4.2 million), and other revenue (\$5.3 million), offset, in part, by a reduction in Coronavirus State and Local Fiscal recovery fund revenues (\$4.1 million).

Charges for services revenue increased approximately 14.5% from FY2022, which is primarily due to an increase in revenues received for services provided to meet demand by HealthWest. As the COVID-19 pandemic continued to have impact during fiscal year 2023, HealthWest continued to see an increase in demand in services. Additionally, approximately \$1.3 million in Opioid Settlement revenues were received in fiscal year 2023.

Operating grants increased 11.1% from FY2022. Of this increase, \$1.9 million is due to increases in revenue received from Consumer's Energy and DTE for services provided to improve residential energy efficiency for low income households. This program has been expanded to offer additional services in fiscal year 2023. Also, an additional \$1.1 million of revenue was received from the Michigan Indigent Defense Commission (MIDC) grant to meet additional improvements of services to clients of the Public Defender's criminal division. Operating grants were also increased in Health programs, most notably HealthWest saw an increase of approximately \$1.3 million in state grants.

Other tax revenues also increased 64.3% due to increases in the marijuana tax collection as a result of continued growth in this industry. Also, there was an increase in the Facility Liquor Control tax as a result of a change in the formula calculation at the State level, and an 18.6% increase in the collection of accommodations tax as tourism began to return to pre-pandemic levels. Other revenue (primarily unrestricted investment earnings) increased significantly in FY2023 with positive market conditions during the fiscal year.

Reductions in Coronavirus State and Local Fiscal recovery fund (CSLFR) revenues were anticipated as a large portion of these one-time grant funds were spent in FY2022 for the purchase of the County's Marquette campus. The majority of the FY2023 revenues were reimbursement for improvements to the Muskegon County Hall of Justice. Revenues in this category will continue to decline as the funds are exhausted.

These increases in governmental activities revenues were offset by corresponding increases in expenses in the following categories: health (\$14.0 million), judicial (\$3.4 million), and public safety (\$2.6 million).

The health category expenses increased 15.9%, this was primarily due to an increase of services provided by HealthWest. HealthWest saw an increase in expenses of \$10.0 million. 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. Additionally, changes in pension and other postemployment benefits (OPEB) expense, both a result of market conditions, contributed to the overall increase in health expenses from FY2022 to FY2023.

The judicial and public safety category expenses increased 18.2% and 15.2% respectively. In both these categories the increases were due primarily to increases in the cost of staffing. New positions were added in these categories and there were less vacancies overall. In FY2023, the courts returned to pre-COVID level of operations and began to work to catch up on caseload back-logs. Public safety saw similar staffing shifts in FY2023. Additionally, jail operation expenses increased as a result of transitioning to a new medical care provider.

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

- **Business-type Activities.** Business-type activities increased the County's net position by approximately \$5.2 million during the year.

Charges for services revenue and other revenue increased by \$6.1 million and \$1.9 million, respectively. Increases in charges for services were primarily related to increased collection activity and an exceptionally good year for farm sales in the Resource Recovery Center. Collection activity increases were in the form of hauled waste received from the expansion of area farm businesses in anticipation of upcoming infrastructure additions to the collection system. Additionally, there were increases of sales in the Delinquent Tax Revolving Fund as the operations of this fund return to normal operations post-COVID. Other revenue increases are primarily a result of increased interest revenues due to favorable market conditions.

These increases in business-type revenues were partially offset by a decrease in capital grants of \$2.4 million. This change is due to a decrease of capital grants for the Muskegon Area Transit System (MATS). MATS received federal funding to add five buses to the transit fleet and other projects in FY2022, these did not repeat in FY2023.

These increases in revenue were also offset, in part, by \$1.2 million in increased program expenses. Overall, staffing costs were up \$1.6 million as compared to FY2022, largely due to increases in wages. Depreciation and interest expense increased \$1.4 million due to new capital investments at the airport, MATS, and the regional water system. Additionally, FY2023 saw the addition of new bonds to finance the landfill expansion at Solid Waste.

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

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$26.9 million, an increase of \$19.3 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 \$14.6 million while total fund balance amounted to \$16.7 million. The General Fund's total fund balance increased from the prior year by \$1.3 million. At September 30, 2023, General Fund unassigned fund balance approximated 27.5% of reported prior year General Fund expenditures plus transfers out, which compares with approximately 26.0% 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 position vacancies county-wide, less than expected inflationary increases in miscellaneous operating expenditures, and less spending of reserve balances for one-time projects than originally anticipated. Filling positions and maintaining workforce continued to be a challenge County-wide in FY2023, as is the case in the current economic environment.

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

The HealthWest special revenue fund had a current year increase in fund balance amounting to \$15.5 million, resulting in ending fund balance deficit of \$1.2 million. This increase in fund balance was primarily due to the receipt of deferred inflows of resources from Michigan Department of Health and Human Services (MDHHS) funding through the Lakeshore Regional Entity (LRE) that had not been received prior to the period of availability for FY2018, 2019, and 2022. Additional details can be located in the separately issued financial statements of the HealthWest fund.

The American Rescue Plan Act special revenue fund had an increase in fund balance of \$0.1 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 \$5.2 million. The composition of the net position of the County's enterprise funds as September 30, 2023, is shown in the below table.

Enterprise Funds Net Position (dollars in 000s)	Net Investment in Capital Assets	Unre- stricted Net Position (Deficit)	Total Net Position
Regional water	\$ 4,648	\$ 5,923	\$ 10,572
Solid waste	10,382	(5,055)	5,327
Airport	28,491	(1,134)	27,357
Resource Recovery Center	76,902	5,398	82,301
Nonmajor enterprise funds	7,647	6,982	14,629
<b>Total net position</b>	<b>\$ 128,069</b>	<b>\$ 12,116</b>	<b>\$ 140,186</b>

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

**General Fund Budgetary Highlights.** The County Board of Commissioners adopts a General Fund operating budget prior to the start of each fiscal year. During the fiscal year ended September 30, 2023, 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 \$1.35M. Most notably, property tax values increased by 7.80% compared to the budgeted 5.0%. This was projected to result in an increase in budgeted property tax revenues of \$874K. An additional \$391k was projected in liquor control tax revenue due to legislative reform of the funding formula. Additionally, the County was projected to received \$141K more than was 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.
- Federal grants and contributions were projected to increase by \$114K primarily due to a one-time federal grant, the Local Assistance and Tribal Consistency Fund (LATCF), award of \$100K. This grant was to offset reduction in property tax collection due to federally held lands.

## COUNTY OF MUSKEGON, MICHIGAN

### Management's Discussion and Analysis

- State grants and contributions were projected to decrease by \$465K primarily due to a decrease in the projected Personal Property Tax Reimbursement from the State. Projected increases to this revenue did not materialize.
- Local grants and contributions were projected to increase by \$1.58M for the Energy Efficiency Assessment program revenue due to increased reach of the program. A corresponding increase in welfare expenditures of \$1.50M was also projected for this same program.
- Charges for services revenue was projected to increase \$229K due primarily to a projected increases in restitution activity of \$439k. This revenue is the result of GASB Statement No. 84 implemented in FY2021 and has been volatile. This restitution revenue is offset by a corresponding increase of judicial expenditures of \$400K. Additionally, this increase in charges for services revenue was partially offset by a projected reduction in public safety revenues of \$202K largely due to a revision of originally projected jail capacity. The jail was projected to operate at a reduced capacity in FY2023 and revenues projected for housing of State prisoners, in particular, were reduced.
- General county government expenditures were projected to increase \$437K. Approximately \$281K of this increase was due to projected salary and benefit cost increases. Staffing costs were projected to increase based on wage increases not approved until after the creation of the original budget. Other operating costs were projected to increase \$156K based on projected use of reserve balances for one-time projects across several general county government departments.
- Judicial expenditures were projected to increase \$877K due, in part, to an adjustment to the budget for restitutions paid of \$400K. As mentioned above, restitution revenue is the result of GASB Statement No. 84 implemented in FY2021 and has been volatile over the last couple of years. Also, as in general county government expenditures, approximately \$208K of this increase was due to projected salary and benefit cost increases. Staffing costs were projected to increase based on wage increases not approved until after the creation of the original budget. Other operating costs were projected to increase \$270K based on projected use of reserve balances for one time projects across several judicial departments.
- Public safety expenditures were projected to increase \$399K, primarily due to projected salary and benefit cost increases of \$302K. Again, this was due largely to projected wage increases not approved until after the creation of the original budget. The remaining \$97K was based on projected use of reserve balances for one-time projects and small increases to operating budgets based on inflationary data.
- Transfers out to other funds were projected to increase by \$149K. This is primarily due to projected salary and benefit cost increases as a result of approved wage increases, and increases in expected use of reserve balances for one-time projects.

Significant Final Budget to Actual fluctuations included the following:

- Local grants and contributions ended the year \$639K under budget. This is primarily 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 FY2023 that did not materialize in the last quarter of FY2023 will likely materialize in the first quarter of FY2024. This reduction in revenues were offset with a reduction in welfare expenditures to this program in the amount of \$813K.
- Charges for services were \$473K under budget primarily due to volatile nature of restitutions collected. A corresponding decrease \$684K was also realized in judicial expenditures.

## COUNTY OF MUSKEGON, MICHIGAN

### Management's Discussion and Analysis

- General county government expenditures were \$541K under budget. Approximately \$218K of this variance was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies in several departments. The remaining \$323K was attributable to costs for State inpatient care coming in less than anticipated and projected use of reserve balances for one-time projects across multiple general county governmental departments that did not materialize.
- Judicial expenditures were \$1.35M under budget. As mentioned above, approximately \$684K of this variance was due to restitutions activity coming in less than anticipated. Another \$486K was a result of projected use of reserve balances for one time projects not materializing, and the remaining \$185K was due to salaries and fringe benefit expenditures being less than anticipated due to position vacancies in most of the court related departments and other reductions in general operating costs within the function.
- Public safety expenditures were \$354K under budget. Approximately \$175K 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 \$178K was attributable to operating costs coming in less than expected as well as planned capital purchases not materializing as anticipated.
- Transfers out in total were \$1.40M under budget. This was primarily due to transfers to Child Care Fund, Friend of the Court, and Public Health ending the year \$1.36 million under budget. Child Care Fund and Public Health both experienced lower program expenses than anticipated due to the volatile nature of the state institutions and vaccine programs, and all three programs experienced reduced staffing expenditures due to position vacancies.

### 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 22.9	\$ 13.5	\$ 20.5	\$ 20.6	\$ 43.4	\$ 34.1
Construction in progress	5.4	0.3	20.2	13.9	25.6	14.2
Depreciable/amortizable capital assets	146.3	142.2	333.8	327.2	480.1	469.4
Accumulated depreciation/amortization	(78.6)	(72.3)	(186.2)	(183.8)	(264.8)	(256.1)
<b>Total capital assets, net</b>	<b>\$ 96.0</b>	<b>\$ 83.7</b>	<b>\$ 188.3</b>	<b>\$ 177.9</b>	<b>\$ 284.3</b>	<b>\$ 261.6</b>

As of September 30, 2023, net capital assets used in the primary government's governmental and business-type activities increased by \$22.7 million, or 8.7%, over the prior year. This year-to-year change represents about \$39.6 million in capital additions less \$16.0 million in depreciation/amortization expense, net of related disposals.

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

## COUNTY OF MUSKEGON, MICHIGAN

### Management's Discussion and Analysis

**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	
	2023	2022	2023	2022	2023	2022
Bonds	\$ 90.2	\$ 94.2	\$ 76.1	\$ 66.7	\$ 166.3	\$ 160.9
Delinquent tax notes	-	-	11.9	11.3	11.9	11.3
Other debt	0.1	0.7	-	-	0.1	0.7
Total installment debt	90.3	94.9	88.0	78.0	178.3	172.9
Deferred premium and discount	(0.1)	-	2.0	1.8	1.9	1.8
Closure and sludge liability	-	-	31.3	26.7	31.3	26.7
Compensated absences	7.3	7.4	1.1	1.1	8.4	8.5
<b>Totals</b>	<b>\$ 97.5</b>	<b>\$ 102.3</b>	<b>\$ 122.4</b>	<b>\$ 107.6</b>	<b>\$ 219.9</b>	<b>\$ 209.9</b>

Overall outstanding debt increased by \$10.0 million primarily due to new debt issues within business-type activities including \$16.0 million for the issuance of the 2022 capital improvement bonds and \$9.4 million for the issuance of delinquent tax notes. Closure and sludge liabilities also increased by \$4.6 million.

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 \$787.0 million, which is significantly in excess of the County's approximately \$182.7 million of outstanding general obligation debt.

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

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following table shows a summary of the County General Fund changes in fund balance for the last two fiscal years along with a summary of the original fiscal 2024 budget.

	General Fund Changes in Fund Balance Fiscal 2022 & 2023 with 2024 Budget (dollars in thousands)		
	2024 Budget	2023	2022
Revenues	\$ 59,828	\$ 58,429	\$ 53,500
Expenditures			
Current:			
General government/legislative	10,843	10,584	9,574
Judicial	14,464	12,347	10,907
Public safety	17,460	16,747	15,390
Public works	777	734	658
Welfare	4,531	4,784	3,211
Cultural	66	3	36
Community and economic development	784	688	464
Debt service:			
Principal and interest	456	455	430
<b>Total expenditures</b>	<b>49,381</b>	<b>46,342</b>	<b>40,670</b>
Revenues over expenditures	10,447	12,088	12,830
Other financing sources/(uses)			
Transfers in	2,032	1,353	-
Transfers out	(14,402)	(12,231)	(12,418)
Other	-	81	-
<b>Total other financing sources/(uses)</b>	<b>(12,370)</b>	<b>(10,797)</b>	<b>(12,418)</b>
Change in fund balance	(1,923)	1,291	412
Fund balance, beginning	16,692	15,401	14,989
<b>Fund balance, ending</b>	<b>\$ 14,769</b>	<b>\$ 16,692</b>	<b>\$ 15,401</b>

The following economic factors were considered in preparing the County's budget for the 2024 fiscal year:

- After experiencing a 7.8% increase in taxable values for fiscal 2023, General Fund property tax revenues for fiscal 2024 are budgeted assuming a taxable value increase of 5.0%. This equates to an increase of \$1.5 million in current property tax revenues compared to fiscal 2023. This increase is based on projected inflationary increases, new housing construction, home sales and business expansions.
- Personal Property Tax Replacement revenue is budgeted to remain flat at \$1.6 million due to recent trends.
- State revenue sharing is budgeted to increase 6.0% to \$4.3 million based on the State's budget allocation.
- Marijuana tax revenue is budgeted to remain flat based on the expectation that there will be fewer medical marijuana dispensaries opening as supply begins to meet demand in the recreational marijuana market.

## COUNTY OF MUSKEGON, MICHIGAN

### Management's Discussion and Analysis

- Judicial expenditures are budgeted to increase in part due to expected increases in restitution payments and Electronic Content Management (ECM) charges, and also in part due to planned reserve use to complete a court documents scanning project and for needed courtroom equipment. The total increase for these specific costs is approximately \$1.9 million.
- Revenues for the Energy Efficiency Assessment program are budgeted to decrease by \$661 to \$4.7 million due to an anticipated decrease in activity for fiscal 2024 compared to fiscal 2023. This is offset by a corresponding decrease in the welfare expenditures of \$252K. The revenues and expenditures in this program are largely governed by allocations from utility companies and by the needs of the local community.
- Revenue transfers are expected to increase by \$679K in 2024 due to a planned delinquent tax fund transfer in the amount of \$2.0 million. This is offset by a decrease of \$1.3 million in the use of American Rescue Plan Act funds in FY2024. FY2023 saw a one-time transfer of these funds to accommodate salary increases and this is not anticipated to repeat in FY2024.
- Expenditure transfers are expected to increase by \$2.17 million largely due to anticipated increases to Child Care fund resulting from increased costs and match requirement needs, and to Airport to subsidize operations, as well as other miscellaneous expected cost increases resulting from increased grant local match requirements.
- Employee medical insurance is expected to increase by \$759K due to the anticipated increase in insurance premiums.
- 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, 1903 Marquette Ave., Muskegon, MI 49442.

## **BASIC FINANCIAL STATEMENTS**

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COUNTY OF MUSKEGON, MICHIGAN

**Statement of Net Position**  
September 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 31,021,683	\$ 58,092,446	\$ 89,114,129	\$ 18,008,640
Receivables, net	30,425,802	49,269,161	79,694,963	22,112,655
Internal balances	350,584	(350,584)	-	-
Other assets	3,270,203	86,915	3,357,118	3,455,390
Restricted assets	19,176,500	3,183,702	22,360,202	-
Advances to component units	100,000	-	100,000	-
Capital assets not being depreciated/amortized	28,302,237	40,713,701	69,015,938	35,590,622
Capital assets being depreciated/amortized, net	67,744,809	147,635,500	215,380,309	94,169,255
Net OPEB asset	18,653,432	-	18,653,432	995,632
<b>Total assets</b>	<b>199,045,250</b>	<b>298,630,841</b>	<b>497,676,091</b>	<b>174,332,194</b>
<b>Deferred outflows of resources</b>				
Deferred charge on bond refunding	2,425,757	285,921	2,711,678	-
Deferred pension amounts	23,658,909	1,252,004	24,910,913	4,636,423
Deferred OPEB amounts	4,130,369	378,353	4,508,722	519,740
<b>Total deferred outflows of resources</b>	<b>30,215,035</b>	<b>1,916,278</b>	<b>32,131,313</b>	<b>5,156,163</b>
<b>Liabilities</b>				
Payables	23,328,620	6,105,717	29,434,337	2,102,999
Advances from primary government	-	-	-	100,000
Unearned revenue	15,536,418	4,618,085	20,154,503	556,404
Bonds, notes and other long-term liabilities:				
Due within one year	6,090,036	17,266,773	23,356,809	3,484,189
Due in more than one year	93,917,910	105,153,462	199,071,372	17,414,116
Net pension liability (due in more than one year)	88,899,486	6,114,942	95,014,428	2,016,846
Net OPEB liability (due in more than one year)	-	928,836	928,836	-
<b>Total liabilities</b>	<b>227,772,470</b>	<b>140,187,815</b>	<b>367,960,285</b>	<b>25,674,554</b>
<b>Deferred inflows of resources</b>				
Deferred lease amounts	1,487,153	19,383,730	20,870,883	22,958
Deferred pension amounts	-	-	-	99,900
Deferred OPEB amounts	8,609,075	789,936	9,399,011	885,631
<b>Total deferred inflows of resources</b>	<b>10,096,228</b>	<b>20,173,666</b>	<b>30,269,894</b>	<b>1,008,489</b>
<b>Net position</b>				
Net investment in capital assets	44,975,303	128,069,458	173,044,761	111,517,596
Restricted for:				
Grant programs and other activities	21,818,948	-	21,818,948	-
Debt service	-	-	-	2,077,346
Nonexpendable endowments	36,652	-	36,652	-
OPEB	18,653,432	-	18,653,432	995,632
County roads	-	-	-	16,241,636
Unrestricted (deficit)	(94,092,748)	12,116,180	(81,976,568)	21,973,104
<b>Total net position</b>	<b>\$ (8,608,413)</b>	<b>\$ 140,185,638</b>	<b>\$ 131,577,225</b>	<b>\$ 152,805,314</b>

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, 2023

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 11,210,240	\$ 5,866,053	\$ 2,703,141	\$ 422,446
Legislative	305,015	29,358	-	-
Judicial	22,053,771	4,087,579	8,653,182	-
Public safety	19,683,779	1,246,899	1,464,775	-
Public works	907,974	-	191,344	7,279
Health	102,219,709	86,201,572	17,803,463	-
Welfare	8,820,852	4,347,160	6,073,676	-
Culture	61,632	-	50,141	-
Recreation	3,383,575	1,074,796	5,075,877	5,040,660
Community and economic development	770,414	1,812,573	-	-
Interest on long-term debt	3,790,089	353,852	-	-
<b>Total governmental activities</b>	<b>173,207,050</b>	<b>105,019,842</b>	<b>42,015,599</b>	<b>5,470,385</b>
Business-type activities:				
Regional water	3,551,251	4,232,399	239,184	-
Delinquent tax revolving	1,010,721	3,404,191	-	-
Local government public works financing	497,982	497,982	-	-
Solid waste	7,410,751	5,307,263	-	-
Airport operations	3,447,253	991,795	1,098,031	505,261
Resource recovery center	19,443,278	22,589,900	-	386,528
Other enterprise activities	5,565,006	405,865	4,584,462	14,700
<b>Total business-type activities</b>	<b>40,926,242</b>	<b>37,429,395</b>	<b>5,921,677</b>	<b>906,489</b>
<b>Total primary government</b>	<b>\$ 214,133,292</b>	<b>\$ 142,449,237</b>	<b>\$ 47,937,276</b>	<b>\$ 6,376,874</b>
<b>Component units</b>				
Road Commission	\$ 19,943,490	\$ 4,090,505	\$ 19,346,893	\$ 5,934,020
Water Resources Commissioner	1,338,163	988,601	-	2,392,175
Land Bank Authority	682,109	279,192	-	52,053
<b>Total component units</b>	<b>\$ 21,963,762</b>	<b>\$ 5,358,298</b>	<b>\$ 19,346,893</b>	<b>\$ 8,378,248</b>
Net (expense) revenue				
General revenues:				
Taxes:				
Property taxes				
Liquor control taxes				
Lodging excise taxes				
Marijuana 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				
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				
<b>Net position, end of year</b>				

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
\$ (2,218,600)	\$ -	\$ (2,218,600)	\$ -
(275,657)	-	(275,657)	-
(9,313,010)	-	(9,313,010)	-
(16,972,105)	-	(16,972,105)	-
(709,351)	-	(709,351)	-
1,785,326	-	1,785,326	-
1,599,984	-	1,599,984	-
(11,491)	-	(11,491)	-
7,807,758	-	7,807,758	-
1,042,159	-	1,042,159	-
(3,436,237)	-	(3,436,237)	-
<u>(20,701,224)</u>	<u>-</u>	<u>(20,701,224)</u>	<u>-</u>
-	920,332	920,332	-
-	2,393,470	2,393,470	-
-	-	-	-
-	(2,103,488)	(2,103,488)	-
-	(852,166)	(852,166)	-
-	3,533,150	3,533,150	-
-	(559,979)	(559,979)	-
<u>-</u>	<u>3,331,319</u>	<u>3,331,319</u>	<u>-</u>
<u>(20,701,224)</u>	<u>3,331,319</u>	<u>(17,369,905)</u>	<u>-</u>
-	-	-	9,427,928
-	-	-	2,042,613
<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,864)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,119,677</u>
<u>(20,701,224)</u>	<u>3,331,319</u>	<u>(17,369,905)</u>	<u>11,119,677</u>
34,392,330	-	34,392,330	-
1,230,956	-	1,230,956	-
2,230,161	-	2,230,161	-
1,147,623	-	1,147,623	-
4,070,285	-	4,070,285	-
7,145,455	-	7,145,455	-
482,763	1,646,122	2,128,885	365,818
-	228,110	228,110	97,508
2,017,332	-	2,017,332	256,389
(5,688)	5,688	-	-
<u>52,711,217</u>	<u>1,879,920</u>	<u>54,591,137</u>	<u>719,715</u>
32,009,993	5,211,239	37,221,232	11,839,392
<u>(40,618,406)</u>	<u>134,974,399</u>	<u>94,355,993</u>	<u>140,965,922</u>
<u>\$ (8,608,413)</u>	<u>\$ 140,185,638</u>	<u>\$ 131,577,225</u>	<u>\$ 152,805,314</u>

**COUNTY OF MUSKEGON, MICHIGAN**

**Balance Sheet**

Governmental Funds  
September 30, 2023

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 7,961,722	\$ 5,627,905	\$ -	\$ 12,699,952	\$ 26,289,579
Restricted cash and investments	-	2,482,170	16,694,330	-	19,176,500
Receivables, net:					
Accounts	50,672	89,216	-	5,029,682	5,169,570
Due from other governments	1,892,409	10,698,666	-	1,970,729	14,561,804
Accrued interest	-	-	-	208	208
Special assessments	-	-	-	70,261	70,261
Property taxes	8,268,652	-	-	-	8,268,652
Leases	87,599	-	-	-	87,599
Prepays and other items	17,592	607,018	-	19,475	644,085
Inventories	-	-	-	22,491	22,491
Advances to component units	100,000	-	-	-	100,000
<b>Total assets</b>	<u>\$ 18,378,646</u>	<u>\$ 19,504,975</u>	<u>\$ 16,694,330</u>	<u>\$ 19,812,798</u>	<u>\$ 74,390,749</u>
<b>Liabilities</b>					
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ 1,412,434	\$ 1,412,434
Payables:					
Accounts payable	385,772	6,310,290	1,065,048	1,344,167	9,105,277
Due to other governments	407,751	6,241,639	-	800,137	7,449,527
Accrued liabilities	803,320	849,220	-	487,323	2,139,863
Advances from other funds	2,500	-	-	-	2,500
Unearned revenue	-	846	15,387,294	133,622	15,521,762
<b>Total liabilities</b>	<u>1,599,343</u>	<u>13,401,995</u>	<u>16,452,342</u>	<u>4,177,683</u>	<u>35,631,363</u>
<b>Deferred inflows of resources</b>					
Deferred lease amounts	87,599	-	-	-	87,599
Unavailable revenues - special assessments	-	-	-	69,768	69,768
Unavailable revenues - opioid settlement receivable	-	-	-	4,347,160	4,347,160
Unavailable revenues - Medicaid fee for service and capitation	-	7,348,753	-	-	7,348,753
<b>Total deferred inflows of resources</b>	<u>87,599</u>	<u>7,348,753</u>	<u>-</u>	<u>4,416,928</u>	<u>11,853,280</u>
<b>Fund balances</b>					
Nonspendable	117,592	607,018	-	78,618	803,228
Restricted	27,805	2,482,170	-	7,656,359	10,166,334
Committed	-	-	-	3,430,380	3,430,380
Assigned	1,947,004	-	241,988	52,830	2,241,822
Unassigned (deficit)	14,599,303	(4,334,961)	-	-	10,264,342
<b>Total fund balances</b>	<u>16,691,704</u>	<u>(1,245,773)</u>	<u>241,988</u>	<u>11,218,187</u>	<u>26,906,106</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 18,378,646</u>	<u>\$ 19,504,975</u>	<u>\$ 16,694,330</u>	<u>\$ 19,812,798</u>	<u>\$ 74,390,749</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, 2023

<b>Fund balances - total governmental funds</b>	\$ 26,906,106
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/amortized	27,880,237
Capital assets being depreciated/amortized, net	60,160,091
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	5,521,323
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	69,768
Deferred inflows for unavailable revenues - opioid settlement receivable	4,347,160
Deferred inflows for unavailable revenues - Medicaid fee for service and capitation	7,348,753
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	(88,899,486)
Deferred outflows related to the net pension liability	23,658,909
Net OPEB asset	18,653,432
Deferred outflows related to the net OPEB asset	4,130,369
Deferred inflows related to the net OPEB asset	(8,609,075)
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	(82,403,517)
Lease liability	(1,192,044)
Unamortized deferred charge on bond refunding	2,376,360
Compensated absences	(7,138,490)
Accrued interest on long-term debt	(1,418,309)
<b>Net position of governmental activities</b>	<b><u>\$ (8,608,413)</u></b>

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, 2023

	General Fund (1010)	HealthWest (2220)	American Rescue Plan Act (2851)	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 33,865,887	\$ -	\$ -	\$ 5,158,909	\$ 39,024,796
Special assessment	-	-	-	10,552	10,552
Grants and contributions:					
Federal	290,100	7,205,859	7,145,455	7,105,471	21,746,885
State	6,991,404	2,399,612	-	16,361,308	25,752,324
Local	5,351,007	-	-	5,503,583	10,854,590
Charges for services	10,360,028	98,306,328	-	3,895,092	112,561,448
Fines and forfeitures	437,958	-	-	36,980	474,938
Investment income	258,936	48,375	604,598	245,886	1,157,795
Rentals	130,356	-	-	589,993	720,349
Other	743,760	190,194	-	646,915	1,580,869
<b>Total revenues</b>	<u>58,429,436</u>	<u>108,150,368</u>	<u>7,750,053</u>	<u>39,554,689</u>	<u>213,884,546</u>
<b>Expenditures</b>					
Current:					
General government	10,267,182	-	1,127,408	335,929	11,730,519
Legislative	316,993	-	-	-	316,993
Judicial	12,347,204	-	-	10,790,913	23,138,117
Public safety	16,746,789	-	-	2,251,291	18,998,080
Public works	733,737	-	-	191,334	925,071
Health	-	92,343,549	-	13,089,816	105,433,365
Welfare	4,784,114	-	-	4,035,452	8,819,566
Cultural	3,337	-	-	50,134	53,471
Recreation	-	-	-	3,404,335	3,404,335
Community and economic development	687,631	-	-	123,583	811,214
Debt service:					
Principal	322,470	442,215	-	2,755,629	3,520,314
Interest and fiscal charges	132,098	65,844	-	3,168,130	3,366,072
Capital outlay	-	-	4,768,075	10,448,517	15,216,592
<b>Total expenditures</b>	<u>46,341,555</u>	<u>92,851,608</u>	<u>5,895,483</u>	<u>50,645,063</u>	<u>195,733,709</u>
Revenues over (under) expenditures	<u>12,087,881</u>	<u>15,298,760</u>	<u>1,854,570</u>	<u>(11,090,374)</u>	<u>18,150,837</u>
<b>Other financing sources (uses)</b>					
Transfers in	1,353,032	706,819	-	13,893,925	15,953,776
Transfers out	(12,230,990)	(1,329,591)	(1,772,331)	(710,885)	(16,043,797)
Issuance of long-term liabilities	80,916	831,498	-	-	912,414
Proceeds from sale of capital assets	-	-	-	292,307	292,307
<b>Total other financing sources (uses)</b>	<u>(10,797,042)</u>	<u>208,726</u>	<u>(1,772,331)</u>	<u>13,475,347</u>	<u>1,114,700</u>
<b>Net change in fund balances</b>	1,290,839	15,507,486	82,239	2,384,973	19,265,537
Fund balances, beginning of year	15,400,865	(16,753,259)	159,749	8,833,214	7,640,569
<b>Fund balances, end of year</b>	<u>\$ 16,691,704</u>	<u>\$ (1,245,773)</u>	<u>\$ 241,988</u>	<u>\$ 11,218,187</u>	<u>\$ 26,906,106</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, 2023

**Net change in fund balances - total governmental funds** \$ 19,265,537

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	12,510,888
Donated capital assets	4,724,800
Depreciation/amortization expense	(4,156,593)
Proceeds from sale of capital assets	(292,307)
Loss on sale of capital assets	(271,453)

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	(3,273)
Net change in deferred inflows for unavailable revenues - opioid settlement receivable	4,347,160
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	(12,703,116)

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 liabilities	(912,414)
Principal payments on bonds, notes and other long-term liabilities	3,520,314

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	40,816
Amortization of deferred charge on refunding	(196,754)
Amortization of bond premiums/discount	8,614
Change in the accrual for compensated absences	121,099
Change in net pension liability and related deferred amounts	(6,699,006)
Change in net OPEB asset and related deferred amounts	12,103,354

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 income from governmental activities in internal service funds	1,097,273
Investment loss from internal service funds	(675,032)
Interest expense from internal service funds	(276,693)
Capital contributions to internal service funds	422,446
Net transfers from internal service funds	84,333

**Change in net position of governmental activities** \$ 32,009,993

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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 32,429,980	\$ 33,775,462	\$ 33,865,887	\$ 90,425
Grants and contributions:				
Federal	153,914	267,924	290,100	22,176
State	7,446,147	6,981,050	6,991,404	10,354
Local	4,415,000	5,990,000	5,351,007	(638,993)
Charges for services	10,603,611	10,832,648	10,360,028	(472,620)
Fines and forfeitures	470,000	465,000	437,958	(27,042)
Investment income	45,425	190,033	258,936	68,903
Rentals	132,618	134,875	130,356	(4,519)
Other	803,591	803,644	743,760	(59,884)
<b>Total revenues</b>	<u>56,500,286</u>	<u>59,440,636</u>	<u>58,429,436</u>	<u>(1,011,200)</u>
<b>Expenditures</b>				
Current:				
General government	10,371,490	10,808,667	10,267,182	(541,485)
Legislative	410,008	350,964	316,993	(33,971)
Judicial	12,824,634	13,701,731	12,347,204	(1,354,527)
Public safety	16,701,527	17,100,623	16,746,789	(353,834)
Public works	728,858	739,216	733,737	(5,479)
Welfare	4,095,683	5,597,429	4,784,114	(813,315)
Cultural	66,217	66,684	3,337	(63,347)
Community and economic development	748,948	759,536	687,631	(71,905)
Debt service:				
Principal	322,300	322,500	322,470	(30)
Interest and fiscal charges	132,398	132,398	132,098	(300)
<b>Total expenditures</b>	<u>46,402,063</u>	<u>49,579,748</u>	<u>46,341,555</u>	<u>(3,238,193)</u>
Revenues over expenditures	<u>10,098,223</u>	<u>9,860,888</u>	<u>12,087,881</u>	<u>2,226,993</u>
<b>Other financing sources (uses)</b>				
Transfers in:				
Delinquent tax fund	1,113,959	-	-	-
Other funds	-	1,353,034	1,353,032	2
Total transfers in	<u>1,113,959</u>	<u>1,353,034</u>	<u>1,353,032</u>	<u>2</u>
Transfers out:				
Child care fund	(3,550,879)	(3,141,962)	(2,394,215)	(747,747)
Public health fund	(1,774,392)	(2,156,531)	(1,747,913)	(408,618)
Other funds	(8,161,489)	(8,337,639)	(8,088,862)	(248,777)
Total transfers out	<u>(13,486,760)</u>	<u>(13,636,132)</u>	<u>(12,230,990)</u>	<u>(1,405,142)</u>
Issuance of long-term liabilities	-	-	80,916	80,916
<b>Total other financing sources (uses)</b>	<u>(12,372,801)</u>	<u>(12,283,098)</u>	<u>(10,797,042)</u>	<u>(1,486,056)</u>
<b>Net change in fund balances</b>	(2,274,578)	(2,422,210)	1,290,839	3,713,049
Fund balances, beginning of year	<u>15,400,865</u>	<u>15,400,865</u>	<u>15,400,865</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 13,126,287</u>	<u>\$ 12,978,655</u>	<u>\$ 16,691,704</u>	<u>\$ 3,713,049</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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Grants and contributions:				
Federal	\$ 9,159,938	\$ 9,141,583	\$ 7,205,859	\$ (1,935,724)
State	2,199,095	275,253	2,399,612	2,124,359
Charges for services:				
Medicaid fee for service and capitation	74,195,896	77,898,062	97,618,069	19,720,007
Other insurance	1,556,809	558,626	688,259	129,633
Investment income	-	-	48,375	48,375
Other	167,002	73,944	190,194	116,250
<b>Total revenues</b>	<u>87,278,740</u>	<u>87,947,468</u>	<u>108,150,368</u>	<u>20,202,900</u>
<b>Expenditures</b>				
Current - Health	85,915,724	86,584,452	92,343,549	5,759,097
Debt service:				
Principal	442,215	442,215	442,215	-
Interest and fiscal charges	65,844	65,844	65,844	-
<b>Total expenditures</b>	<u>86,423,783</u>	<u>87,092,511</u>	<u>92,851,608</u>	<u>5,759,097</u>
Revenues over (under) expenditures	<u>854,957</u>	<u>854,957</u>	<u>15,298,760</u>	<u>14,443,803</u>
<b>Other financing sources (uses)</b>				
Transfers in	706,819	706,819	706,819	-
Transfers out	(1,561,776)	(1,561,776)	(1,329,591)	(232,185)
Issuance of long-term liabilities	-	-	831,498	831,498
<b>Total other financing sources (uses)</b>	<u>(854,957)</u>	<u>(854,957)</u>	<u>208,726</u>	<u>1,063,683</u>
<b>Net change in fund balances</b>	-	-	15,507,486	15,507,486
Fund balances, beginning of year	<u>(16,753,259)</u>	<u>(16,753,259)</u>	<u>(16,753,259)</u>	-
<b>Fund balances, end of year</b>	<u>\$ (16,753,259)</u>	<u>\$ (16,753,259)</u>	<u>\$ (1,245,773)</u>	<u>\$ 15,507,486</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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Grants and contributions:				
Federal	\$ 11,524,015	\$ 14,861,854	\$ 7,145,455	\$ (7,716,399)
Investment income	10,000	500,000	604,598	104,598
<b>Total revenues</b>	<u>11,534,015</u>	<u>15,361,854</u>	<u>7,750,053</u>	<u>(7,611,801)</u>
<b>Expenditures</b>				
Current - General government	11,532,492	4,883,305	1,127,408	(3,755,897)
Capital outlay	-	8,292,021	4,768,075	(3,523,946)
<b>Total expenditures</b>	<u>11,532,492</u>	<u>13,175,326</u>	<u>5,895,483</u>	<u>(7,279,843)</u>
Revenues over expenditures	1,523	2,186,528	1,854,570	(331,958)
<b>Other financing uses</b>				
Transfers out	(1,523)	(1,773,018)	(1,772,331)	(687)
<b>Net change in fund balances</b>	-	413,510	82,239	(331,271)
Fund balances, beginning of year	<u>159,749</u>	<u>159,749</u>	<u>159,749</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 159,749</u>	<u>\$ 573,259</u>	<u>\$ 241,988</u>	<u>\$ (331,271)</u>

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, 2023

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Regional Water (5910)</b>	<b>Solid Waste (5710)</b>	<b>Airport (5810)</b>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 6,548,985	\$ 18,847,307	\$ -
Receivables:			
Accounts, net	937,754	596,355	39,507
Due from other governments	-	25,898	1,330,119
Accrued interest	-	-	-
Taxes	-	-	-
Installment sales agreements	-	-	-
Special assessments	50,174	-	-
Leases	35,066	-	-
Prepays	-	-	24,682
Inventories	-	8,204	-
<b>Total current assets</b>	<b>7,571,979</b>	<b>19,477,764</b>	<b>1,394,308</b>
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	3,056,954	-
Receivables, net of current portion:			
Installment sales agreements	-	-	-
Special assessments	228,005	-	-
Leases	886,195	-	-
Capital assets not being depreciated/amortized	119,512	16,418,572	11,929,344
Capital assets being depreciated/amortized, net	25,975,029	7,468,817	16,564,378
<b>Total noncurrent assets</b>	<b>27,208,741</b>	<b>26,944,343</b>	<b>28,493,722</b>
<b>Total assets</b>	<b>34,780,720</b>	<b>46,422,107</b>	<b>29,888,030</b>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	79,776	-	-
Deferred pension amounts	86,276	330,961	4,008
Deferred OPEB amounts	14,925	57,582	689
<b>Total deferred outflows of resources</b>	<b>180,977</b>	<b>388,543</b>	<b>4,697</b>

Business-type Activities - Enterprise Funds			Governmental Activities
Resource Recovery Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 18,628,001	\$ 14,955,184	\$ 58,979,477	\$ 6,144,538
2,238,807	82,641	3,895,064	413,555
1,916,912	743,241	4,016,170	46,252
-	-	-	408,347
-	8,358,714	8,358,714	-
-	847,384	847,384	-
-	-	50,174	-
273,708	-	308,774	529,873
-	-	24,682	1,825,434
54,029	-	62,233	-
<u>23,111,457</u>	<u>24,987,164</u>	<u>76,542,672</u>	<u>9,367,999</u>
-	-	-	353,084
-	-	-	778,193
-	126,748	3,183,702	-
-	12,489,920	12,489,920	-
-	-	228,005	-
18,188,761	-	19,074,956	869,681
11,891,520	354,753	40,713,701	422,000
<u>90,290,530</u>	<u>7,336,746</u>	<u>147,635,500</u>	<u>7,584,718</u>
<u>120,370,811</u>	<u>20,308,167</u>	<u>223,325,784</u>	<u>10,007,676</u>
<u>143,482,268</u>	<u>45,295,331</u>	<u>299,868,456</u>	<u>19,375,675</u>
-	206,145	285,921	49,397
313,645	517,114	1,252,004	-
<u>215,454</u>	<u>89,703</u>	<u>378,353</u>	<u>-</u>
<u>529,099</u>	<u>812,962</u>	<u>1,916,278</u>	<u>49,397</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Statement of Net Position**  
 Proprietary Funds  
 September 30, 2023

	Business-type Activities - Enterprise Funds		
	Regional Water (5910)	Solid Waste (5710)	Airport (5810)
<b>Liabilities</b>			
Current liabilities:			
Negative equity in pooled cash	\$ -	\$ -	\$ 884,388
Payables:			
Accounts payable	353,073	1,214,092	197,433
Due to other governments	433,222	-	25,113
Accrued liabilities	5,070	71,994	1,740
Accrued interest	175,914	54,413	3,991
Unearned revenue	-	-	4,613
Current portion of accrued closure cost and sludge removal	-	369,179	-
Current portion of compensated absences	3,989	22,738	-
Current portion of subscription liability	-	-	-
Current portion of bonds and notes payable and related premium/discount	941,212	538,885	8,372
<b>Total current liabilities</b>	<b>1,912,480</b>	<b>2,271,301</b>	<b>1,125,650</b>
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	-	350,584
Accrued closure cost and sludge removal	-	20,936,019	-
Compensated absences	28,283	161,224	-
Subscription liability	-	-	-
Bonds and notes payable and related premium/discount	21,158,956	15,702,954	217,100
Net pension liability	328,389	2,259,911	548,075
Net OPEB liability	9,519	32,059	292,767
<b>Total noncurrent liabilities</b>	<b>21,525,147</b>	<b>39,092,167</b>	<b>1,408,526</b>
<b>Total liabilities</b>	<b>23,437,627</b>	<b>41,363,468</b>	<b>2,534,176</b>
<b>Deferred inflows of resources</b>			
Deferred lease amounts	921,261	-	-
Deferred OPEB amounts	31,161	120,220	1,438
<b>Total deferred inflows of resources</b>	<b>952,422</b>	<b>120,220</b>	<b>1,438</b>
<b>Net position</b>			
Net investment in capital assets	4,648,338	10,381,518	28,490,651
Unrestricted (deficit)	5,923,310	(5,054,556)	(1,133,538)
<b>Total net position</b>	<b>\$ 10,571,648</b>	<b>\$ 5,326,962</b>	<b>\$ 27,357,113</b>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Resource Recovery Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ 2,643	\$ 887,031	\$ -
1,895,151	299,527	3,959,276	540,723
-	-	458,335	19,638
110,704	592,717	782,225	2,552,255
253,661	417,902	905,881	103,028
4,613,472	-	4,618,085	14,656
277,457	24,842	671,478	-
74,112	36,434	137,273	18,926
-	7,389	7,389	465,662
4,669,226	10,292,938	16,450,633	1,031,192
<u>11,893,783</u>	<u>11,674,392</u>	<u>28,877,606</u>	<u>4,746,080</u>
-	-	350,584	-
9,475,613	200,100	30,611,732	-
525,496	258,337	973,340	134,198
-	37,418	37,418	739,880
20,453,751	15,998,211	73,530,972	6,884,037
423,653	2,554,914	6,114,942	-
26,015	568,476	928,836	-
<u>30,904,528</u>	<u>19,617,456</u>	<u>112,547,824</u>	<u>7,758,115</u>
<u>42,798,311</u>	<u>31,291,848</u>	<u>141,425,430</u>	<u>12,504,195</u>
18,462,469	-	19,383,730	1,399,554
449,831	187,286	789,936	-
<u>18,912,300</u>	<u>187,286</u>	<u>20,173,666</u>	<u>1,399,554</u>
76,902,259	7,646,692	128,069,458	(1,064,656)
5,398,497	6,982,467	12,116,180	6,585,979
<u>\$ 82,300,756</u>	<u>\$ 14,629,159</u>	<u>\$ 140,185,638</u>	<u>\$ 5,521,323</u>

concluded

**COUNTY OF MUSKEGON, MICHIGAN**

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

Proprietary Funds

For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds		
	Regional Water (5910)	Solid Waste (5710)	Airport (5810)
<b>Operating revenues</b>			
Charges for services	\$ 4,169,638	\$ 5,219,767	\$ 890,993
Farm sales	-	-	-
Interest and penalties	-	-	-
Rentals	61,611	-	89,669
Installment agreement	-	-	-
Other	1,150	87,496	11,133
<b>Total operating revenues</b>	<u>4,232,399</u>	<u>5,307,263</u>	<u>991,795</u>
<b>Operating expenses</b>			
Salaries and fringes	271,784	1,341,466	25,990
Supplies and other operating	2,337,170	4,858,626	2,069,625
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation/amortization	680,339	527,218	1,342,039
<b>Total operating expenses</b>	<u>3,289,293</u>	<u>6,727,310</u>	<u>3,437,654</u>
Operating income (loss)	<u>943,106</u>	<u>(1,420,047)</u>	<u>(2,445,859)</u>
<b>Nonoperating revenues (expenses)</b>			
Grants and contributions:			
Federal	-	-	1,098,031
State	-	-	-
Local	239,184	-	-
Investment income (loss)	229,955	654,207	1,791
Interest expense	(261,958)	(492,948)	(9,599)
Bond issuance expense	-	(190,492)	-
Gain (loss) on sale of capital assets	-	-	(67,770)
<b>Total nonoperating revenues (expenses)</b>	<u>207,181</u>	<u>(29,233)</u>	<u>1,022,453</u>
Income (loss) before capital contributions and transfers	<u>1,150,287</u>	<u>(1,449,280)</u>	<u>(1,423,406)</u>
Capital contributions - federal	-	-	495,331
Capital contributions - state	-	-	9,930
Capital contributions - local	-	-	-
<b>Transfers</b>			
Transfers in	-	-	34,460
Transfers out	-	-	-
<b>Change in net position</b>	<u>1,150,287</u>	<u>(1,449,280)</u>	<u>(883,685)</u>
Net position, beginning of year	<u>9,421,361</u>	<u>6,776,242</u>	<u>28,240,798</u>
<b>Net position, end of year</b>	<u>\$ 10,571,648</u>	<u>\$ 5,326,962</u>	<u>\$ 27,357,113</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Resource Recovery Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 19,352,030	\$ 2,111,560	\$ 31,743,988	\$ 22,229,860
3,068,960	-	3,068,960	-
-	1,687,927	1,687,927	-
-	-	151,280	2,247,415
-	497,982	497,982	-
168,910	10,569	279,258	7,845,828
<u>22,589,900</u>	<u>4,308,038</u>	<u>37,429,395</u>	<u>32,323,103</u>
4,162,496	2,426,217	8,227,953	2,865,836
8,408,134	2,762,302	20,435,857	3,170,021
-	-	-	428,837
-	-	-	22,839,838
6,305,925	1,035,160	9,890,681	1,921,298
<u>18,876,555</u>	<u>6,223,679</u>	<u>38,554,491</u>	<u>31,225,830</u>
<u>3,713,345</u>	<u>(1,915,641)</u>	<u>(1,125,096)</u>	<u>1,097,273</u>
-	2,651,754	3,749,785	-
-	1,584,640	1,584,640	-
-	348,068	587,252	-
390,929	369,240	1,646,122	(675,032)
(566,723)	(848,531)	(2,179,759)	(276,693)
-	(1,500)	(191,992)	-
295,880	-	228,110	-
<u>120,086</u>	<u>4,103,671</u>	<u>5,424,158</u>	<u>(951,725)</u>
3,833,431	2,188,030	4,299,062	145,548
-	11,760	507,091	422,446
-	2,940	12,870	-
386,528	-	386,528	-
-	-	34,460	249,918
(79)	(28,693)	(28,772)	(165,585)
<u>4,219,880</u>	<u>2,174,037</u>	<u>5,211,239</u>	<u>652,327</u>
<u>78,080,876</u>	<u>12,455,122</u>	<u>134,974,399</u>	<u>4,868,996</u>
<u>\$ 82,300,756</u>	<u>\$ 14,629,159</u>	<u>\$ 140,185,638</u>	<u>\$ 5,521,323</u>

**COUNTY OF MUSKEGON, MICHIGAN**

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended September 30, 2023

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Regional Water (5910)</b>	<b>Solid Waste (5710)</b>	<b>Airport (5810)</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 4,230,134	\$ 5,211,314	\$ 1,016,899
Payments to vendors	(2,276,543)	(2,603,098)	(1,862,164)
Payments for personnel services	(387,523)	(1,475,898)	(27,166)
Delinquent taxes purchased	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<u>1,566,068</u>	<u>1,132,318</u>	<u>(872,431)</u>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental receipts	-	10,965	-
Intergovernmental payments	-	-	(15,540)
Issuance of tax notes	-	-	-
Principal paid on pension bonds	(5,166)	(9,275)	(7,784)
Interest paid on pension bonds	(6,415)	(11,517)	(9,666)
Principal paid on tax notes	-	-	-
Interest paid on tax notes	-	-	-
Federal, state and/or local grants	239,184	-	842,848
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>227,603</u>	<u>(9,827)</u>	<u>809,858</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from issuance of bonds and notes payable	-	16,000,000	-
Premium on issuance of bonds payable	-	502,105	-
Principal paid on bonds and notes payable	(830,000)	(505,000)	-
Interest paid on bonds and notes payable	(344,479)	(646,253)	-
Capital contributions received	-	-	-
Proceeds from sale of capital assets	1,000	27,259	69,664
Purchase of capital assets	(317,843)	(13,044,952)	(8,882)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(1,491,322)</u>	<u>2,333,159</u>	<u>60,782</u>
<b>Cash flows from investing activities</b>			
Investment income (loss)	229,955	654,207	1,791
<b>Net change in cash and investments</b>	<u>532,304</u>	<u>4,109,857</u>	<u>-</u>
Cash and investments, beginning of year	<u>6,016,681</u>	<u>14,737,450</u>	<u>-</u>
Cash and investments, end of year	<u>\$ 6,548,985</u>	<u>\$ 18,847,307</u>	<u>\$ -</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Resource Recovery Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 26,012,500	\$ 17,605,388	\$ 54,076,235	\$ 31,932,106
(5,719,695)	(2,620,752)	(15,082,252)	(27,230,711)
(4,718,690)	(3,625,691)	(10,234,968)	(2,922,921)
-	(11,777,643)	(11,777,643)	-
<u>15,574,115</u>	<u>(418,698)</u>	<u>16,981,372</u>	<u>1,778,474</u>
-	-	10,965	143,423
(79)	(28,693)	(44,312)	(445,164)
-	9,380,000	9,380,000	-
-	(37,146)	(59,371)	-
-	(46,127)	(73,725)	-
-	(8,800,000)	(8,800,000)	-
-	(199,948)	(199,948)	-
-	5,066,726	6,148,758	-
<u>(79)</u>	<u>5,334,812</u>	<u>6,362,367</u>	<u>(301,741)</u>
-	-	16,000,000	-
-	-	502,105	-
(4,515,000)	(610,000)	(6,460,000)	(1,713,041)
(712,435)	(611,905)	(2,315,072)	(284,719)
386,528	14,700	401,228	422,446
432,543	-	530,466	-
(6,008,968)	(14,700)	(19,395,345)	(572,680)
<u>(10,417,332)</u>	<u>(1,221,905)</u>	<u>(10,736,618)</u>	<u>(2,147,994)</u>
<u>390,929</u>	<u>369,240</u>	<u>1,646,122</u>	<u>(675,032)</u>
<u>5,547,633</u>	<u>4,063,449</u>	<u>14,253,243</u>	<u>(1,346,293)</u>
<u>13,080,368</u>	<u>10,891,735</u>	<u>44,726,234</u>	<u>7,490,831</u>
<u>\$ 18,628,001</u>	<u>\$ 14,955,184</u>	<u>\$ 58,979,477</u>	<u>\$ 6,144,538</u>

continued...

**COUNTY OF MUSKEGON, MICHIGAN**

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds		
	Regional Water (5910)	Solid Waste (5710)	Airport (5810)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 943,106	\$ (1,420,047)	\$ (2,445,859)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization expense	680,339	527,218	1,342,039
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	(23,414)	(80,968)	35,068
Due from other governments	-	(14,981)	-
Accrued interest receivable	-	-	-
Taxes receivable	-	-	-
Installment sales agreements receivable	-	-	-
Special assessments receivable	21,149	-	-
Prepays	-	-	2,986
Inventories	-	3,401	-
Deposits held with others	-	-	-
Restricted assets	-	(109,793)	-
Negative equity in pooled cash	-	-	398,555
Accounts payable	108,555	(222,313)	(194,080)
Due to other governments	(47,928)	-	-
Accrued liabilities	(68,526)	(72,759)	(292)
Unearned revenue	-	-	(9,964)
Accrued closure cost and sludge removal	-	2,584,233	-
Compensated absences	(27,896)	13,389	-
Net pension asset	-	-	-
Net pension liability	162,649	634,289	8,024
Deferred outflows - pension amounts	(73,220)	(278,273)	(3,351)
Deferred inflows - pension amounts	(65,000)	(262,305)	(3,538)
Net OPEB liability	(36,157)	(135,838)	(1,616)
Deferred outflows - OPEB amounts	12,444	52,206	634
Deferred inflows - OPEB amounts	(20,033)	(85,141)	(1,037)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,566,068</b>	<b>\$ 1,132,318</b>	<b>\$ (872,431)</b>
<b>Non-cash capital and related financing activity</b>			
Capital assets acquired through subscription liability	\$ -	\$ -	\$ -
Change in accounts payable related to capital asset additions	-	(509,203)	(3,071)
Donated capital assets	-	-	(505,261)

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

Business-type Activities - Enterprise Funds			Governmental Activities
Resource Recovery Center (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 3,713,345	\$ (1,915,641)	\$ (1,125,096)	\$ 1,097,273
6,305,925	1,035,160	9,890,681	1,921,298
(1,083,010)	82,087	(1,070,237)	(250,506)
(107,862)	-	(122,843)	(16,062)
-	-	-	(105,178)
-	187,372	187,372	-
-	725,855	725,855	-
-	-	21,149	-
-	-	2,986	(1,245,721)
(9,092)	-	(5,691)	-
-	-	-	237,314
-	577	(109,216)	-
-	(115)	398,440	(92,581)
684,910	163,528	540,600	308,973
-	-	(47,928)	10,133
10,811	(563,888)	(694,654)	(67,873)
4,613,472	-	4,603,508	(19,251)
2,012,621	(22,440)	4,574,414	-
(24,641)	4,275	(34,873)	655
241,981	-	241,981	-
423,653	975,856	2,204,471	-
(247,494)	(438,611)	(1,040,949)	-
(329,332)	(390,827)	(1,051,002)	-
(537,516)	(216,619)	(927,746)	-
161,371	74,396	301,051	-
(255,027)	(119,663)	(480,901)	-
<u>\$ 15,574,115</u>	<u>\$ (418,698)</u>	<u>\$ 16,981,372</u>	<u>\$ 1,778,474</u>

\$ -	\$ (44,807)	\$ (44,807)	\$ 1,159,992
(156,814)	-	(669,088)	-
-	-	(505,261)	-

concluded

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2023

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
<b>Assets</b>		
Cash and investments	\$ 19,675,185	\$ -
MERS total market portfolio	-	60,484,131
Accounts receivable	-	1,543,607
Prepays	-	94,315
<b>Total assets</b>	<u>19,675,185</u>	<u>62,122,053</u>
<b>Liabilities</b>		
Negative equity in pooled cash	-	1,637,922
Accounts payable	7,831	-
Due to other governments	745,911	-
Undistributed current and delinquent taxes	17,741,954	-
Trust deposits	75,842	-
Unallocated receipts	372,807	-
<b>Total liabilities</b>	<u>18,944,345</u>	<u>1,637,922</u>
<b>Net position restricted for</b>		
Individuals, organizations and other governments	730,840	-
Other postemployment benefits	-	60,484,131
<b>Total net position</b>	<u>\$ 730,840</u>	<u>\$ 60,484,131</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, 2023

	Custodial Funds (7010)	Other Post- employment Benefits Trust (7360)
<b>Additions</b>		
Contributions	\$ 2,748	\$ -
Investment earnings	2,736	6,598,480
Collections:		
Property and other taxes	113,351,722	-
Court and other fees	2,157,948	-
Library penal	345,475	-
HealthWest consumer	3,655,686	-
Inmate	1,600,699	-
Bonds and restitution	100,750	-
Other	1,450,970	-
<b>Total additions</b>	<u>122,668,734</u>	<u>6,598,480</u>
<b>Deductions</b>		
Benefit payments	-	1,809,918
Administrative expenses	-	117,356
Distributions:		
Property and other taxes	113,351,722	-
Court and other fees	2,157,948	-
Library penal	345,475	-
HealthWest consumer	3,850,892	-
Inmate	1,600,832	-
Bonds and restitution	100,750	-
EPIC HEIR distributions	17,075	-
Other	1,450,970	-
<b>Total deductions</b>	<u>122,875,664</u>	<u>1,927,274</u>
<b>Change in net position</b>	(206,930)	4,671,206
Net position, beginning of year	<u>937,770</u>	<u>55,812,925</u>
<b>Net position, end of year</b>	<u>\$ 730,840</u>	<u>\$ 60,484,131</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, 2023

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
<b>Assets</b>				
Cash and investments	\$ 9,490,231	\$ 7,042,116	\$ 1,476,293	\$ 18,008,640
Receivables:				
Accounts	-	-	189,051	189,051
Assessments	-	17,342,765	-	17,342,765
Due from other governments	4,400,337	36,529	52,053	4,488,919
Leases	-	-	22,958	22,958
Other	68,962	-	-	68,962
Prepays and other assets	145,547	-	-	145,547
Inventories	2,317,948	2,495	-	2,320,443
Assets held for resale	-	-	989,400	989,400
Capital assets not being depreciated	33,756,258	1,834,364	-	35,590,622
Capital assets being depreciated, net	72,321,376	21,828,619	19,260	94,169,255
Net OPEB asset	995,632	-	-	995,632
<b>Total assets</b>	<b>123,496,291</b>	<b>48,086,888</b>	<b>2,749,015</b>	<b>174,332,194</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	4,636,423	-	-	4,636,423
Deferred OPEB amounts	519,740	-	-	519,740
<b>Total deferred outflows of resources</b>	<b>5,156,163</b>	<b>-</b>	<b>-</b>	<b>5,156,163</b>
<b>Liabilities</b>				
Accounts payable	366,104	559,267	5,412	930,783
Accrued liabilities	931,459	-	10,543	942,002
Accrued interest	-	230,214	-	230,214
Advances from primary government	-	100,000	-	100,000
Unearned revenue	539,450	-	16,954	556,404
Bonds, notes and other long-term liabilities:				
Due within one year	315,000	3,169,189	-	3,484,189
Due in more than one year	183,162	17,230,954	-	17,414,116
Net pension liability (due in more than one year)	2,016,846	-	-	2,016,846
<b>Total liabilities</b>	<b>4,352,021</b>	<b>21,289,624</b>	<b>32,909</b>	<b>25,674,554</b>
<b>Deferred inflows of resources</b>				
Deferred lease amounts	-	-	22,958	22,958
Deferred pension amounts	99,900	-	-	99,900
Deferred OPEB amounts	885,631	-	-	885,631
<b>Total deferred inflows of resources</b>	<b>985,531</b>	<b>-</b>	<b>22,958</b>	<b>1,008,489</b>
<b>Net position</b>				
Net investment in capital assets	106,077,634	5,420,702	19,260	111,517,596
Restricted for debt service	-	2,077,346	-	2,077,346
Restricted for OPEB	995,632	-	-	995,632
Restricted for county roads	16,241,636	-	-	16,241,636
Unrestricted	-	19,299,216	2,673,888	21,973,104
<b>Total net position</b>	<b>\$ 123,314,902</b>	<b>\$ 26,797,264</b>	<b>\$ 2,693,148</b>	<b>\$ 152,805,314</b>

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, 2023

	Road Commission	Water Resources Commissioner	Land Bank Authority	Total
<b>Expenses</b>				
Road Commission	\$ 19,943,490	\$ -	\$ -	\$ 19,943,490
Water Resources	-	1,338,163	-	1,338,163
Land Bank Authority	-	-	682,109	682,109
<b>Total expenses</b>	<u>19,943,490</u>	<u>1,338,163</u>	<u>682,109</u>	<u>21,963,762</u>
<b>Revenues</b>				
Program revenues:				
Charges for services	4,090,505	988,601	279,192	5,358,298
Operating grants and contributions	19,346,893	-	-	19,346,893
Capital grants and contributions	5,934,020	2,392,175	52,053	8,378,248
General revenues:				
Unrestricted investment earnings	96,445	207,445	61,928	365,818
Gain on sale of capital assets	97,508	-	-	97,508
Other revenue	-	326	256,063	256,389
<b>Total revenues</b>	<u>29,565,371</u>	<u>3,588,547</u>	<u>649,236</u>	<u>33,803,154</u>
<b>Change in net position</b>	9,621,881	2,250,384	(32,873)	11,839,392
Net position, beginning of year	<u>113,693,021</u>	<u>24,546,880</u>	<u>2,726,021</u>	<u>140,965,922</u>
<b>Net position, end of year</b>	<u>\$ 123,314,902</u>	<u>\$ 26,797,264</u>	<u>\$ 2,693,148</u>	<u>\$ 152,805,314</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:

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

The *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.

## COUNTY OF MUSKEGON, MICHIGAN

### Notes to Financial Statements

The *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.

The *Resource Recovery 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, electronic content management, and insurance and risk management on a cost reimbursement basis.

*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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

Restricted net position represents 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.
- (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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

(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.

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.

## COUNTY OF MUSKEGON, MICHIGAN

### Notes to Financial Statements

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 buildings and improvements and land. 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.

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

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

#### ***Subscription-Based Information Technology Arrangements (SBITA)***

The County has noncancellable subscription-based information technology arrangements. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements. The County recognizes subscription liabilities with an initial, individual value of \$50,000 or more.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription 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 subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

### ***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 net realizable value.

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.

Restricted assets in the HealthWest fund consist of amounts set aside until the cost settlement process is complete. The American Rescue Plan Act fund's restricted assets consist of unspent Coronavirus 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. The restricted assets in these enterprise funds are offset by related liabilities for closure cost, and as such there is no related restricted net position.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Capital Assets*

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries and employee benefits during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$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.

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
W/W collection and distribution system	10 - 50
Capitalized interest and engineering costs	47 - 50

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

### *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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Long-term Obligations*

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

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

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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, opioid settlements, and Medicaid fee for service and capitation for HealthWest 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### ***Fund Equity***

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners by resolution has delegated the authority to assign fund balance to the County Finance & Management Services Director or his/her designee. *Unassigned fund balance* is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Other governmental funds besides the general fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the fund.

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

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

### ***Interfund Transactions***

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Capital Contributions*

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

### *Use of Estimates*

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

### *Budgets*

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

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

### ***Grants and Third Party Cost Reimbursement Settlements***

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

### ***Property Taxes***

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 2. EXCESS OF EXPENDITURES OVER BUDGET

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

During the year ended September 30, 2023, 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:			
Brookhaven Plant O&M	\$ 77,057	\$ 77,106	\$ 49
Equalization	2,097,453	2,109,018	11,565
Johnny O. Harris Building	19,793	20,297	504
Judicial:			
DHHS Legal Representation Grant	340,234	369,645	29,411
HealthWest:			
Health	86,584,452	92,343,549	5,759,097

### 3. DEFICIT FUND EQUITY

At September 30, 2023, the following enterprise funds reported deficit unrestricted 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	\$ (5,054,556)	\$ 5,326,962	\$ 18,137,265	\$ 2,023,647
Airport	(1,133,538)	27,357,113	277,030	837,583
Muskegon Area Transit System	(2,449,594)	5,103,176	1,624,947	2,703,859

All of these funds maintained positive working capital, which represents the excess of current assets over current liabilities (excluding the current portion of bonds, notes and other long-term liabilities). Net pension and net OPEB amounts contributed to the deficit unrestricted net position balances reported.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

In addition to the deficits noted above, the HealthWest special revenue fund had an unassigned deficit of \$4,334,961 at September 30, 2023, while the total fund deficit was \$1,245,773. HealthWest's fund balance deficit resulted from payment on \$7,348,753 of receivables not being received within 90 days after September 30, resulting in delayed revenue recognition until such time as payment is received on the deferred receivables balance. Additional details can be located in the separately issued financial statements of the HealthWest fund.

### 4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2023:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash and investments	\$ 89,114,129	\$ 18,008,640	\$ 107,122,769
Restricted assets	22,360,202	-	22,360,202
	<u>111,474,331</u>	<u>18,008,640</u>	<u>129,482,971</u>
<b>Statement of Fiduciary Net Position</b>			
Custodial funds:			
Cash and investments	19,675,185	-	19,675,185
Other postemployment benefit trust fund:			
Negative equity in pooled cash	(1,637,922)	-	(1,637,922)
MERS total market portfolio	60,484,131	-	60,484,131
	<u>78,521,394</u>	<u>-</u>	<u>78,521,394</u>
<b>Total</b>	<u>\$ 189,995,725</u>	<u>\$ 18,008,640</u>	<u>\$ 208,004,365</u>
<b>Deposits and investments</b>			
Bank deposits:			
Checking and savings accounts			\$ 111,798,513
Certificates of deposits, due within one year			5,520,000
Total bank deposits			<u>117,318,513</u>
Investments:			
MERS total market portfolio			60,484,131
Money market accounts			3,183,702
Municipal bonds			17,866,963
Government securities			8,635,768
Non-cash commodity			354,339
Total investments			<u>90,524,903</u>
Cash on hand			<u>160,949</u>
<b>Total</b>			<u>\$ 208,004,365</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, \$112,056,575 of the County’s bank balance of \$112,949,254 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, 2023, 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 Recovery 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	\$ 4,520,619
Moody AA2	2,920,474
Moody AA3	1,510,120
Moody AAA	8,635,768
Moody A1	2,380,980
S&P AA	5,362,097
S&P AA-	1,172,673
Unrated	<u>64,022,172</u>
<b>Total</b>	<u><u>\$ 90,524,903</u></u>

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

Due in 1-5 years	\$ 4,796,029
Due in 6-10 years	7,701,919
Due in 11-15 years	10,885,070
Due in 26-30 years	3,119,713
No maturity	<u>64,022,172</u>
<b>Total</b>	<u><u>\$ 90,524,903</u></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, 2023:

	Fair Value Measurements Using			
	Total	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments</b>				
MERS total market portfolio	\$ 60,484,131	\$ 60,484,131	\$ -	\$ -
Money market accounts	3,183,702	3,183,702	-	-
Municipal bonds	17,866,963	-	17,866,963	-
Government securities	8,635,768	-	8,635,768	-
Non-cash commodity	354,339	354,339	-	-
<b>Total investments</b>	<b>\$ 90,524,903</b>	<b>\$ 64,022,172</b>	<b>\$ 26,502,731</b>	<b>\$ -</b>

## 5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 5,804,112	\$ 3,895,064	\$ 189,051
Less: allowance for uncollectibles	(220,987)	-	-
Due from other governments	14,608,056	4,016,170	4,488,919
Accrued interest	408,555	-	-
Taxes (current)	8,268,652	-	-
Taxes (delinquent)	-	8,358,714	-
Installment sales agreements	-	13,337,304	-
Special assessments	70,261	278,179	17,342,765
Leases	1,487,153	19,383,730	22,958
Other	-	-	68,962
	<b>\$ 30,425,802</b>	<b>\$ 49,269,161</b>	<b>\$ 22,112,655</b>

Of the amounts reported for receivables above, special assessments receivable in the amount of \$16,107,101, installment sales agreements receivable in the amount of \$12,391,374, and leases receivable of \$19,951,002 are not expected to be collected within one year. In addition, accounts receivable of \$4,035,712 related to various opioid settlements in governmental activities and accounts receivable of \$154,084 related to land bank contracts in component units is 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	\$ 9,646,000	\$ 3,959,276	\$ 930,783
Due to other governments	7,469,165	458,335	-
Accrued liabilities	4,692,118	782,225	942,002
Accrued interest payable	1,521,337	905,881	230,214
	<u>\$ 23,328,620</u>	<u>\$ 6,105,717</u>	<u>\$ 2,102,999</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	\$ 2,469,519	\$ 24,682	\$ 145,547
Inventories	22,491	62,233	2,320,443
Deposits held with others	778,193	-	-
Assets held for resale	-	-	989,400
	<u>\$ 3,270,203</u>	<u>\$ 86,915</u>	<u>\$ 3,455,390</u>

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2023, was as follows:

#### Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ -	\$ 2,500
Airport	-	350,584
Internal Service Funds	353,084	-
	<u>\$ 353,084</u>	<u>\$ 353,084</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Advances to and from component units

	<b>Advances to Component Units</b>	<b>Advances from Primary Government</b>
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, 2023, interfund transfers consisted of the following:

Transfers Out	Transfers In					Totals
	General Fund	HealthWest	Nonmajor Governmental Funds	Airport	Internal Service Funds	
General Fund	\$ -	\$ 706,819	\$ 11,347,038	\$ -	\$ 177,133	\$ 12,230,990
HealthWest	-	-	1,329,591	-	-	1,329,591
American Rescue Plan Act	1,335,874	-	382,595	-	53,862	1,772,331
Nonmajor Governmental Funds	-	-	676,425	34,460	-	710,885
Resource Recovery Center	-	-	79	-	-	79
Nonmajor Enterprise Funds	17,158	-	11,535	-	-	28,693
Internal Service Funds	-	-	146,662	-	18,923	165,585
<b>Totals</b>	<u>\$ 1,353,032</u>	<u>\$ 706,819</u>	<u>\$ 13,893,925</u>	<u>\$ 34,460</u>	<u>\$ 249,918</u>	<u>\$ 16,238,154</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 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. 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.

A one-time transfer from the American Rescue Plan Act fund was made in fiscal year 2023 to the General Fund and other funds to subsidize the budgetary impact of payments made to County employees in lieu of general salary increases.

A one-time transfer from the General Fund to the Equipment Revolving fund was made in fiscal year 2023 to subsidize the purchase of Law Enforcement vehicles made from the Equipment Revolving Fund as well as to subsidize the unanticipated cost increase of Law Enforcement vehicles purchased from the Equipment Revolving Fund.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

#### Primary Government

	Beginning Balance *	Additions	Disposals	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 13,445,530	\$ 9,982,650	\$ (563,760)	\$ -	\$ 22,864,420
Construction-in-progress	326,292	5,220,747	-	(109,222)	5,437,817
	<u>13,771,822</u>	<u>15,203,397</u>	<u>(563,760)</u>	<u>(109,222)</u>	<u>28,302,237</u>
Capital assets being depreciated/amortized:					
Land improvements	7,951,818	176,583	(137,900)	85,075	8,075,576
Building and improvements	100,547,870	200,619	(269,354)	1,018,479	101,497,614
Machinery and equipment	32,582,500	1,315,355	(473,521)	24,147	33,448,481
Lease assets (Note 21):					
Building and improvements	839,839	698,117	-	-	1,537,956
Machinery and equipment	104,874	214,297	-	-	319,171
Subscription assets (Note 22)	260,400	1,159,992	-	-	1,420,392
	<u>142,287,301</u>	<u>3,764,963</u>	<u>(880,775)</u>	<u>1,127,701</u>	<u>146,299,190</u>
Less accumulated depreciation/amortization for:					
Land improvements	(5,278,426)	(190,527)	137,900	-	(5,331,053)
Building and improvements	(43,682,767)	(3,206,196)	269,354	(1,018,479)	(47,638,088)
Machinery and equipment	(23,173,276)	(2,329,633)	473,521	-	(25,029,388)
Lease assets (Note 21):					
Building and improvements	(204,317)	(251,503)	-	-	(455,820)
Machinery and equipment	-	(20,975)	-	-	(20,975)
Subscription assets (Note 22)	-	(79,057)	-	-	(79,057)
	<u>(72,338,786)</u>	<u>(6,077,891)</u>	<u>880,775</u>	<u>(1,018,479)</u>	<u>(78,554,381)</u>
Total capital assets being depreciated/ amortized, net	<u>69,948,515</u>	<u>(2,312,928)</u>	<u>-</u>	<u>109,222</u>	<u>67,744,809</u>
<b>Governmental activities- capital assets, net</b>	<u>\$ 83,720,337</u>	<u>\$ 12,890,469</u>	<u>\$ (563,760)</u>	<u>\$ -</u>	<u>\$ 96,047,046</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

\* The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription assets have been added to the beginning balances shown above and a corresponding subscription liability has been recorded for the same amount.

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

<b>Depreciation/amortization of governmental activities by function</b>	
General government	\$ 1,350,318
Judicial	19,788
Public safety	1,521,746
Health	1,006,160
Welfare	1,700
Culture	8,256
Recreation	248,625
Internal service funds	<u>1,921,298</u>
<b>Total depreciation/amortization expense - governmental activities</b>	<b><u><u>\$ 6,077,891</u></u></b>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 20,639,468	\$ 39,091	\$ (137,436)	\$ -	\$ 20,541,123
Construction-in-progress	13,937,829	14,845,845	(28,259)	(8,582,837)	20,172,578
	<u>34,577,297</u>	<u>14,884,936</u>	<u>(165,695)</u>	<u>(8,582,837)</u>	<u>40,713,701</u>
Capital assets being depreciated/amortized:					
Land improvements	40,642,997	1,082,267	(4,971,221)	2,838,726	39,592,769
Buildings and improvements	30,002,688	-	(523,930)	(1,018,479)	28,460,279
Machinery and equipment	59,059,023	3,724,971	(1,170,284)	5,169,474	66,783,184
Lagoons	9,495,715	-	-	-	9,495,715
W/W collection and distribution	179,060,636	877,520	-	(3,910,346)	176,027,810
Capitalized interest and engineering	8,936,046	-	-	4,484,982	13,421,028
Subscription asset (Note 22)	-	44,807	-	-	44,807
	<u>327,197,105</u>	<u>5,729,565</u>	<u>(6,665,435)</u>	<u>7,564,357</u>	<u>333,825,592</u>
Less accumulated depreciation/amortization for:					
Land improvements	(22,028,797)	(1,063,963)	4,971,221	(447,922)	(18,569,461)
Building and improvements	(20,373,649)	(1,021,000)	523,930	1,018,479	(19,852,240)
Machinery and equipment	(23,870,371)	(2,683,711)	1,033,623	(1,570,846)	(27,091,305)
Lagoons	(4,670,163)	(95,085)	-	-	(4,765,248)
W/W collection and distribution	(105,145,497)	(4,921,053)	-	3,742,240	(106,324,310)
Capitalized interest and engineering	(7,758,188)	(105,869)	-	(1,723,471)	(9,587,528)
Subscription asset (Note 22)	-	-	-	-	-
	<u>(183,846,665)</u>	<u>(9,890,681)</u>	<u>6,528,774</u>	<u>1,018,480</u>	<u>(186,190,092)</u>
Total capital assets being depreciated/amortized, net	<u>143,350,440</u>	<u>(4,161,116)</u>	<u>(136,661)</u>	<u>8,582,837</u>	<u>147,635,500</u>
<b>Business-type activities</b>					
<b>capital assets, net</b>	<u>\$ 177,927,737</u>	<u>\$ 10,723,820</u>	<u>\$ (302,356)</u>	<u>\$ -</u>	<u>\$ 188,349,201</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

**Depreciation/amortization of business-type activities by function**

Regional Water	\$ 680,339
Solid Waste	527,218
Airport	1,342,039
Resource Recovery Center	6,305,925
Nonmajor enterprise funds	<u>1,035,160</u>

**Total depreciation/amortization expense - business-type activities** \$ 9,890,681

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Land Bank Authority</b>					
<b>Discretely Presented Component Unit</b>					
Capital assets being depreciated:					
Machinery and equipment	\$ 33,705	\$ -	\$ -	\$ -	\$ 33,705
Less accumulated depreciation for:					
Machinery and equipment	<u>(9,630)</u>	<u>(4,815)</u>	<u>-</u>	<u>-</u>	<u>(14,445)</u>
<b>Land Bank Authority capital assets, net</b>	<u>\$ 24,075</u>	<u>\$ (4,815)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,260</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

Bonds, notes and other long-term liabilities at September 30, 2023, are comprised of the following:

	Beginning Balance *	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Public placement:					
General obligation bonds	\$ 85,285,213	\$ -	\$ (3,235,629)	\$ 82,049,584	\$ 3,410,834
Direct placement:					
General obligation bonds	8,910,000	-	(725,000)	8,185,000	750,000
Installment purchase agreements	728,051	-	(593,191)	134,860	81,456
Total direct placement	9,638,051	-	(1,318,191)	8,319,860	831,456
Total installment debt	94,923,264	-	(4,553,820)	90,369,444	4,242,290
Lease liability (Note 21)	744,315	912,414	(464,685)	1,192,044	467,626
Subscription liability (Note 22)	260,400	1,159,992	(214,850)	1,205,542	465,662
Premium on bonds payable	95,939	-	(23,611)	72,328	20,105
Discount on bonds payable	(129,611)	-	6,585	(123,026)	(6,890)
Compensated absences	7,412,058	983,095	(1,103,539)	7,291,614	901,243
<b>Total governmental activities</b>	<b>\$ 103,306,365</b>	<b>\$ 3,055,501</b>	<b>\$ (6,353,920)</b>	<b>\$ 100,007,946</b>	<b>\$ 6,090,036</b>
<b>Business-type activities</b>					
Public placement:					
General obligation bonds	\$ 17,744,787	\$ 16,000,000	\$ (1,349,371)	\$ 32,395,416	\$ 1,389,166
Revenue bonds	25,135,000	-	(1,570,000)	23,565,000	1,585,000
Total public placement	42,879,787	16,000,000	(2,919,371)	55,960,416	2,974,166
Direct placement:					
Revenue bonds	23,783,365	-	(3,600,000)	20,183,365	3,680,000
Notes payable	11,300,000	9,380,000	(8,800,000)	11,880,000	9,500,000
Total direct placement	35,083,365	9,380,000	(12,400,000)	32,063,365	13,180,000
Total installment debt	77,963,152	25,380,000	(15,319,371)	88,023,781	16,154,166
Subscription liability (Note 22)	-	44,807	-	44,807	7,389
Premium on bonds payable	1,813,499	502,105	(340,110)	1,975,494	298,044
Discount on bonds payable	(19,191)	-	1,521	(17,670)	(1,577)
Closure and sludge cost	26,708,796	4,596,854	(22,440)	31,283,210	671,478
Compensated absences	1,145,486	75,937	(110,810)	1,110,613	137,273
<b>Total business-type activities</b>	<b>\$ 107,611,742</b>	<b>\$ 30,599,703</b>	<b>\$ (15,791,210)</b>	<b>\$ 122,420,235</b>	<b>\$ 17,266,773</b>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

\* The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription liabilities have been added to the beginning balances shown above and a corresponding subscription asset has been recorded for the same amount.

### **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.	\$ 3,460,000
\$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.	37,975,000
\$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.	36,054,584
\$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.	3,175,000
\$2,325,000 2015 Capital Improvement Bonds, due in annual installments of \$130,000 to \$175,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2034.	<u>1,385,000</u>
<b>Total governmental activities public placement installment debt</b>	<b><u><u>\$ 82,049,584</u></u></b>

#### **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.	\$ 3,850,000
\$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.	4,335,000

##### ***Installment purchase agreements***

Various vehicle purchase agreements, due in various monthly installments plus interest maturing at various dates through October 21, 2025.	<u>134,860</u>
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<b>Total governmental activities direct placement installment debt</b>	<b><u><u>\$ 8,319,860</u></u></b>
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# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 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. \$ 12,520,000

\$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. 2,655,000

\$16,000,000 2022 Capital Improvement Bonds, due in annual installments of \$505,000 to \$1,155,000 plus interest at 4.00%, payable semi-annually, through September 1, 2043. 15,495,000

\$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. 1,725,416

#### *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. 4,840,000

\$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. 3,185,000

\$13,500,000 2021 Muskegon County Water Supply System Revenue Bonds, due in annual installments of \$100,000 to \$855,000 plus interest ranging from 2.00% to 2.25%, payable semi-annually, through July 1, 2047. 13,400,000

\$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. 2,140,000

**Total business-type activities public placement installment debt** \$ 55,960,416

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Business-type Activities (Concluded)

#### 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.	\$ 3,931,560
**\$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.	3,935,000
**\$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.	410,000
**\$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.	283,316
**\$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.	5,309,830
**\$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.	5,642,676
**\$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.	670,983

##### Notes payable

\$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.	2,500,000
\$9,380,000 2022 General Obligation Tax Note, due in installments of \$2,380,000 to \$3,500,000 plus interest at 5.22%, payable semi-annually, through December 1, 2024.	9,380,000

**Total business-type activities direct placement installment debt** \$ 32,063,365

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, 2023, 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Pledged Revenues*

\*\*The County has pledged future resource recovery center total revenues, net of specified operating expenses, to repay approximately \$67.0 million in certain resource recovery center system revenue bonds issued between September 2005 and January 2010. Proceeds from these bonds provided financing for improvements to the resource recovery center system. These particular bonds are payable solely from resource recovery 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 \$21,615,453. For the current year, principal and interest paid was \$4,105,601 and net revenues were \$10,019,270.

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
2024	\$ 3,410,834	\$ 3,212,441	\$ 831,456	\$ 216,855
2025	3,395,172	3,094,705	814,240	195,164
2026	3,460,400	2,977,505	789,164	173,993
2027	3,520,858	2,853,754	810,000	153,035
2028	3,610,629	2,724,613	830,000	131,487
2029-2033	23,518,571	11,189,385	3,415,000	339,809
2034-2038	23,971,065	6,175,816	830,000	35,621
2039-2043	14,552,055	1,809,367	-	-
2044	2,610,000	52,970	-	-
	<u>\$ 82,049,584</u>	<u>\$ 34,090,556</u>	<u>\$ 8,319,860</u>	<u>\$ 1,245,964</u>

Year Ended September 30,	Business-type Activities			
	Public Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 2,974,166	\$ 2,035,000	\$ 13,180,000	\$ 870,673
2025	3,054,828	1,914,370	6,135,000	417,439
2026	3,119,600	1,789,157	3,840,000	277,635
2027	2,534,142	1,666,455	3,891,560	198,130
2028	2,629,371	1,569,760	2,868,316	118,289
2029-2033	14,401,429	6,319,334	2,148,489	56,362
2034-2038	14,883,935	3,288,603	-	-
2039-2043	9,032,945	1,259,452	-	-
2044-2047	3,330,000	189,222	-	-
	<u>\$ 55,960,416</u>	<u>\$ 20,031,353</u>	<u>\$ 32,063,365</u>	<u>\$ 1,938,528</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

The local government public works financing bonds were issued by the County under State of Michigan Public Act 185 of 1957 pursuant to contracts entered into with the City of Egelston, Muskegon and Dalton 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 Recovery 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.

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 30% of the governmental activities expense for fiscal 2023, 45% was from the HealthWest major special revenue fund and the remainder 25% 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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%.

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
2022	\$ 2,560,557	\$ 1,609,784	\$ (1,600,103)	\$ 2,570,238
2023	2,570,238	1,372,512	(1,445,897)	2,496,853

## 12. CONTINGENT LIABILITIES

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

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 13. PENSION PLANS

#### Defined Benefit Pension Plan

##### *General Information About the Plan*

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

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers at 2.25%. 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, or age 55 with 15 years of service, depending on division/bargaining unit.

*Employees Covered by Benefit Terms.* At the December 31, 2022 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	1,165
Inactive employees entitled to but not yet receiving benefits	499
Active employees	<u>275</u>
<b>Total membership</b>	<b><u><u>1,939</u></u></b>

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended September 30, 2023:

Division/Bargaining Unit	Employer Contribution	Employee Contribution
01 - Public Works	\$ 10,302	4.51%
04 - MCF Union	7,135	8.57%
10 - Gnrl Local214	85,443	3.84%
11 - Gnrl NonUnion	210,995	5.41%
12 - District Court	11,569	1.50%
13 - Health Dpt Nrses	8,414	4.05%
14 - Mntl Hlth Wrks	12,730	3.86%
15 - Judges	-	4.13%
17 - Comm/E.O./Adm Dir	34,844	5.20%
20 - Corrections	22,235	2.69%
22 - Shrf Dpty Lcl214	24,480	5.00%
23 - Shrf Cmnd Unit	16,553	7.33%
24 - Correction Ofr hired af 9/1/10	5,562	5.69%
25 - Sheriff Deputy after 10/01/10	1,961	6.50%
41 - AFSCME#570	21,743	5.58%
90 - Public Works after 02/01/11	2,319	6.50%
91 - Gnrl Local 214 after 11/1/10	4,328	6.00%
	<u>\$ 480,613</u>	

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2022 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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

The actuarial assumptions used in the December 31, 2022 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%
	<u>100.0%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
<b>Investment rate of return</b>			<u><u>7.25%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Changes in Net Pension Liability*

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

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at December 31, 2021	\$ 301,858,892	\$ 254,106,388	\$ 47,752,504
Changes for the year:			
Service cost	2,061,334	-	2,061,334
Interest	21,145,656	-	21,145,656
Differences between expected and actual experience	2,120,431	-	2,120,431
Employer contributions	-	5,286,816	(5,286,816)
Employee contributions	-	1,114,407	(1,114,407)
Net investment loss	-	(27,883,468)	27,883,468
Benefit payments, including refunds of employee contributions	(21,872,612)	(21,872,612)	-
Administrative expense	-	(452,258)	452,258
Net changes	<u>3,454,809</u>	<u>(43,807,115)</u>	<u>47,261,924</u>
<b>Balances at December 31, 2022</b>	<u><u>\$ 305,313,701</u></u>	<u><u>\$ 210,299,273</u></u>	<u><u>\$ 95,014,428</u></u>

*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:

<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
\$ 126,503,390	\$ 95,014,428	\$ 68,210,369

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*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, 2023, the County recognized pension expense of \$12,819,528. 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	\$ 20,586,903	\$ -	\$ 20,586,903
Contributions subsequent to the measurement date	4,324,010	-	4,324,010
<b>Total</b>	<u>\$ 24,910,913</u>	<u>\$ -</u>	<u>\$ 24,910,913</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2024. 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
2024	\$ 1,343,752
2025	3,709,374
2026	6,392,202
2027	<u>9,141,575</u>
<b>Total</b>	<u>\$ 20,586,903</u>

*Payable to the Pension Plan.* At September 30, 2023, 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 31% of pension contributions by governmental activities for fiscal 2023, 46% was from the HealthWest major special revenue fund and the remainder 23% from nonmajor governmental funds.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 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 \$1,427,536 and \$2,095,171, respectively for the current year.

## 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*Plan membership.* The Plan is closed to new employees. Membership of the Plan consisted of the following at January 1, 2023, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	613
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>276</u>
<b>Total membership</b>	<u><u>889</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.

*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, 2023, 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, 2023 was comprised of 100% total market portfolio funds.

*Rate of Return.* For the year ended September 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Net OPEB Asset of the County

The components of the net OPEB asset of the County at September 30, 2023, were as follows:

Total OPEB liability	\$ 42,759,535
Plan fiduciary net position	<u>(60,484,131)</u>
County's net OPEB asset	<u>\$ (17,724,596)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	141.5%

Following is a reconciliation of the County's net OPEB liability (asset) as of September 30, 2023:

	Net OPEB Liability	Net OPEB Asset	Net OPEB Liability (Asset)
Governmental activities	\$ -	\$ (18,653,432)	\$ (18,653,432)
Business-type activities	<u>928,836</u>	<u>-</u>	<u>928,836</u>
	<u>\$ 928,836</u>	<u>\$ (18,653,432)</u>	<u>\$ (17,724,596)</u>

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to the measurement date of September 30, 2023, 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
Healthcare cost trend rates	Trend starting at 7.5% 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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.

*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>
<b>Investment rate of return</b>			<u><u>7.00%</u></u>

*Discount Rate.* The discount rate used to measure the total OPEB liability was 7.00%. 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 Asset

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at September 30, 2022	\$ 48,973,862	\$ 55,812,925	\$ (6,839,063)
Changes for the year:			
Service cost	441,835	-	441,835
Interest	3,380,283	-	3,380,283
Differences between expected and actual experience	(10,177,784)	-	(10,177,784)
Changes of assumptions	1,951,257	-	1,951,257
Net investment income	-	6,598,480	(6,598,480)
Benefit payments	(1,809,918)	(1,809,918)	-
Administrative expense	-	(117,356)	117,356
Net changes	<u>(6,214,327)</u>	<u>4,671,206</u>	<u>(10,885,533)</u>
<b>Balances at September 30, 2023</b>	<b><u>\$ 42,759,535</u></b>	<b><u>\$ 60,484,131</u></b>	<b><u>\$ (17,724,596)</u></b>

*Change in assumptions.* The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial valuation. In addition, the January 1, 2023 renewal was taken into account, and the Medicare Advantage premium decreased 24% from January 1, 2022 to January 1, 2023.

*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	\$ (13,577,845)	\$ (17,724,596)	\$ (21,274,539)

# 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 (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Net OPEB asset	\$ (21,703,365)	\$ (17,724,596)	\$ (13,051,133)

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

For the year ended September 30, 2023, the County recognized OPEB expense (benefit) of \$(13,210,957). 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	\$ -	\$ 7,923,979	\$ (7,923,979)
Changes in assumptions	1,820,264	1,475,032	345,232
Net difference between projected and actual earnings on OPEB plan investments	2,688,458	-	2,688,458
<b>Total</b>	<u>\$ 4,508,722</u>	<u>\$ 9,399,011</u>	<u>\$ (4,890,289)</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
2024	\$ (4,285,382)
2025	(2,245,847)
2026	2,181,937
2027	(540,997)
<b>Total</b>	<u>\$ (4,890,289)</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*Payable to the OPEB Plan.* At September 30, 2023, the County had no outstanding contribution amounts payable to the plan for the year ended September 30, 2023.

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 2023 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 \$1,375,222 for the year ended September 30, 2023.

## 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 \$21.5 million reported as landfill closure and post-closure care liability at September 30, 2023 represents the cumulative amount reported to date based on the use of 97 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 0.6 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$22.4 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 2023. 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 and one \$3,000,000 letter of credit with a local financial institution and \$3,183,702 held in trust as of September 30, 2023. 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
<b>Fund balances, governmental funds</b>					
Nonspendable:					
Prepays	\$ 17,592	\$ 607,018	\$ -	\$ 19,475	\$ 644,085
Inventories	-	-	-	22,491	22,491
Long-term advances	100,000	-	-	-	100,000
Permanent fund corpus	-	-	-	36,652	36,652
<b>Total nonspendable</b>	<b>117,592</b>	<b>607,018</b>	<b>-</b>	<b>78,618</b>	<b>803,228</b>
Restricted for:					
Training	27,805	-	-	-	27,805
Lake Pollution	-	-	-	854,427	854,427
HealthWest	-	2,482,170	-	-	2,482,170
Seniors	-	-	-	523,940	523,940
Public Health Local					
Stabilization	-	-	-	813,334	813,334
Opioid treatment	-	-	-	1,311,395	1,311,395
Convention Business					
and Tourism	-	-	-	2,130,656	2,130,656
Grant programs	-	-	-	225,518	225,518
Indigent defense	-	-	-	818,735	818,735
Forfeited property	-	-	-	65,808	65,808
Deed Automation Fund	-	-	-	274,492	274,492
Crime Victims' Rights	-	-	-	1,889	1,889
Muskegon Area					
Stormwater	-	-	-	18,847	18,847
Veterans' Care & Trust	-	-	-	408,878	408,878
Mental Health Buildings	-	-	-	33,919	33,919
Victim Restitution	-	-	-	23,135	23,135
Lake level	-	-	-	19,194	19,194
Debt repayment	-	-	-	132,192	132,192
<b>Total restricted</b>	<b>27,805</b>	<b>2,482,170</b>	<b>-</b>	<b>7,656,359</b>	<b>10,166,334</b>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

	General Fund	HealthWest	American Rescue Plan Act	Nonmajor Governmental Funds	Total
<b>Fund balances, governmental funds</b>					
Committed for:					
Parks	\$ -	\$ -	\$ -	\$ 423,891	\$ 423,891
District Court	-	-	-	11	11
Juvenile prosecution	-	-	-	2,186	2,186
Concealed permits	-	-	-	293,425	293,425
Pension bonds	-	-	-	1,933,767	1,933,767
Capital projects	-	-	-	777,100	777,100
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,430,380</b>	<b>3,430,380</b>
Assigned for:					
Subsequent budget shortfall	1,947,004	-	-	-	1,947,004
American Rescue Plan Act	-	-	241,988	-	241,988
Drug Treatment Court	-	-	-	10,004	10,004
Capital projects	-	-	-	42,826	42,826
<b>Total assigned</b>	<b>1,947,004</b>	<b>-</b>	<b>241,988</b>	<b>52,830</b>	<b>2,241,822</b>
Unassigned (deficit)	14,599,303	(4,334,961)	-	-	10,264,342
<b>Total fund balances, governmental funds</b>	<b>\$ 16,691,704</b>	<b>\$ (1,245,773)</b>	<b>\$ 241,988</b>	<b>\$ 11,218,187</b>	<b>\$ 26,906,106</b>

concluded

# 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, 2023, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated/amortized	\$ 28,302,237	\$ 40,713,701	\$ 35,590,622
Capital assets being depreciated/amortized, net	67,744,809	147,635,500	94,169,255
	<u>96,047,046</u>	<u>188,349,201</u>	<u>129,759,877</u>
Related debt:			
Total installment debt	90,369,444	88,023,781	20,400,143
Lease liability	1,192,044	-	-
Subscription liability	1,205,542	44,807	-
Net bond premium	72,328	1,975,494	-
Net bond discount	(123,026)	(17,670)	-
Deferred charge on advance refunding	(2,425,757)	(285,921)	-
General obligation tax notes	-	(11,880,000)	-
Bonds payable related to installment sales agreements	-	(12,520,000)	-
Pension bonds	(36,054,584)	(1,725,416)	-
Net bond discount related to pension bonds	123,026	5,765	-
Bond premium related to installment sales agreement receivables	-	(815,238)	-
Deferred charge on advance refunding related to installment sales agreements receivable	-	206,145	-
Bonds payable related to judgement bonds	(4,335,000)	-	-
Retainage and capital related payables	1,047,726	669,088	-
Unspent bond proceeds	-	(3,401,092)	(2,157,862)
	<u>51,071,743</u>	<u>60,279,743</u>	<u>18,242,281</u>
<b>Net investment in capital assets</b>	<u><u>\$ 44,975,303</u></u>	<u><u>\$ 128,069,458</u></u>	<u><u>\$ 111,517,596</u></u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 18. COMMITMENTS

The County has active construction projects as of September 30, 2023. At year end the County's significant outstanding commitments are as follows:

Project	Remaining commitment
<b>Governmental activities</b>	
2024 Ford 3/4 ton trucks	\$ 109,271
Hall of Justice renovation project	10,165,248
Hall of Justice renovations - architectural & engineering	539,113
Mezzanine security screening	52,557
Sheriff SUV vehicles	50,067
Dune Harbor Island removal	59,218
Upgrades for jail audio and video equipment	546,000
<b>Business-type activities</b>	
Resource Recovery Center:	
Dump/plow truck and equipment	81,949
Dump/plow truck and equipment	87,585
RRC site paving projects - perimeter roadways cells 3 & 4	123,458
General engineering services for various projects	60,000
W force main replacement - construction	2,123,392
W force main replacement - engineering	88,469
SE regional force main to Coopersville - engineering	977,197
L & force main replacement	205,590
Replacement of RRC admin bldg windows & doors	104,135
Airport:	
Terminal roof modifications	79,386
Txwy A final design	132,693
Solid Waste:	
Apple Avenue Ravenna	69,627
Engineering services:	
Eastside water system improvements	214,864
Holton, Hilt, Nielsen water main extension	389,710
Center Street & East Street water main replacement	2,269,171
West & Densmore water main replacement	1,936,820
Cell 2 gap gas collection system expansion	182,250
Cell 2 gap landfill gas construction bid documents & CQA	72,516
Cell 4 & 5 closure construction bid documents & CQA	340,636
Construction of cell 6	603,109
	<u>\$ 21,664,031</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

The Muskegon County Resource Recovery 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. MCRRC enters 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, 2023, 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 \$175,000 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, 2023:

Expenditure Type	PA 263	PA 59	Total
Marketing collaboration	\$ 27,249	\$ 2,792	\$ 30,041
Governance/public policy	604,905	401,066	1,005,971
Other	1,157,907	-	1,157,907
	<u>\$ 1,790,061</u>	<u>\$ 403,858</u>	<u>\$ 2,193,919</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 21. LEASES

**Lessee** - The County is involved in ten 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. The present values are discounted using an interest rate of 3.00 percent based on the County's incremental borrowing rate.

#### Remaining Terms of Agreement

##### Asset Type

Buildings and improvements	1-6 years
Machinery and equipment	3-5 years

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

The net present value of future minimum payments as of September 30, 2023, were as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 467,626	\$ 55,129
2025	381,701	31,482
2026	229,320	13,030
2027	87,200	3,880
2028	22,784	727
2029	3,413	93
	<u>\$ 1,192,044</u>	<u>\$ 104,341</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

**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, 2023 was \$667,456.

### Remaining Terms of Agreement

#### Asset Type

Buildings and improvements	1-21 years
Land	23-28 years

**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 10 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	1-17 years
Land	5 years

Minimum future rentals under such noncancelable lease agreements as of September 30, 2023 are as follows:

Year Ended September 30,	Amount
2024	\$ 396,410
2025	260,721
2026	183,352
2027	181,451
2028	184,941
2029-2033	1,006,635
2034-2038	641,517
2039-2040	9,973
	<u>\$ 2,865,000</u>

The Airport recognized \$400,726 of rental income for the year ended September 30, 2023.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 22. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County is involved in six arrangements that qualify as a long-term subscription-based information technology arrangements (SBITA). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the County has the control of the right to use another party's IT software and the noncancelable term of the arrangements surpasses one year. The present values are discounted using an interest rate of 3.00 percent based on the County's incremental borrowing rate.

Asset Type	Remaining Terms of Arrangements
Subscription asset	2-5 years

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

The net present value of future minimum payments as of September 30, 2023, were as follows:

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 465,662	\$ 36,166	\$ 7,389	\$ 2,440
2025	453,246	22,196	11,293	1,123
2026	275,263	8,473	11,632	784
2027	11,371	342	11,981	435
2028	-	-	2,512	75
	<u>\$ 1,205,542</u>	<u>\$ 67,177</u>	<u>\$ 44,807</u>	<u>\$ 4,857</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 23. OPIOID SETTLEMENT

The County is part of a \$21 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 (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the County expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 in the amount of \$438,139 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 in the amount of \$854,380 and the remaining installments expected to be made annually beginning in 2026. The County is currently allocated approximately 1.91% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$5,468,001 and \$1,248,786 from the Distributors and Janssen, respectively.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the Distributor and Janssen settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2023 is \$4,347,160.

Additional settlements with pharmacies and manufacturers were entered into during 2022, including CVS, Walgreens, Walmart, Allergan and Teva. However, as of September 30 2023, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

### 24. SUBSEQUENT EVENTS

On December 1, 2023, the Water Resources Commissioner issued a \$750,000 drainage district note on behalf of the O.H. Scott & Waters Drain drainage district, due in one installment plus interest at 5.68% on February 15, 2025. The proceeds of this drainage district note are designated to pay-off other drainage district notes that were issued for the acquisition, construction and financing of a project to undertake improvements to the O.H. Scott & Waters Drain.

On January 11, 2024, the Water Resources Commissioner issued a \$640,000 drainage district bond on behalf of the Knudsen Drain drainage district, due in annual installment of \$60,000 to \$65,000 plus interest payable semi-annually at 4.65% through May 1, 2034. The proceeds of this drainage district note are designated to pay for the acquisition, construction and financing of a project to undertake improvements and to pay-off other drainage district notes to the Knudsen Drain.



## **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				
	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 2,061,334	\$ 1,886,994	\$ 2,023,535	\$ 2,389,449	\$ 2,641,636
Interest	21,145,656	21,249,161	20,307,385	20,324,542	21,295,469
Changes in benefit terms	-	-	-	-	(14,961,647)
Differences between expected and actual experience	2,120,431	561,550	364,771	1,529,070	(1,215,805)
Changes in assumptions	-	9,846,165	10,662,443	9,358,648	-
Benefit payments, including refunds of employee contributions	(21,872,612)	(21,061,741)	(20,445,370)	(19,999,524)	(19,542,529)
Other changes	-	-	-	-	877
Net change in total pension liability	3,454,809	12,482,129	12,912,764	13,602,185	(11,781,999)
Total pension liability, beginning of year	301,858,892	289,376,763	276,463,999	262,861,814	274,643,813
Total pension liability, end of year	305,313,701	301,858,892	289,376,763	276,463,999	262,861,814
<b>Plan fiduciary net position</b>					
Employer contributions	5,286,816	4,200,230	3,579,954	3,695,616	57,731,046
Employee contributions	1,114,407	1,181,217	1,108,008	1,214,543	1,380,205
Net investment income (loss)	(27,883,468)	31,276,982	29,907,776	28,208,200	(7,167,381)
Benefit payments, including refunds of employee contributions	(21,872,612)	(21,061,741)	(20,445,370)	(19,999,524)	(19,542,529)
Administrative expense	(452,258)	(370,888)	(441,652)	(485,566)	(347,089)
Net change in plan fiduciary net position	(43,807,115)	15,225,800	13,708,716	12,633,269	32,054,252
Plan fiduciary net position, beginning of year	254,106,388	238,880,588	225,171,872	212,538,603	180,484,351
Plan fiduciary net position, end of year	210,299,273	254,106,388	238,880,588	225,171,872	212,538,603
<b>County's net pension liability</b>	<u>\$ 95,014,428</u>	<u>\$ 47,752,504</u>	<u>\$ 50,496,175</u>	<u>\$ 51,292,127</u>	<u>\$ 50,323,211</u>
Plan fiduciary net position as a percentage of total pension liability	68.9%	84.2%	82.6%	81.4%	80.9%
Covered payroll	\$ 20,085,207	\$ 19,666,929	\$ 20,954,572	\$ 23,217,125	\$ 23,625,834
County's net pension liability as a percentage of covered payroll	473.1%	242.8%	241.0%	220.9%	213.0%

See notes to required supplementary information.

Year Ended September 30			
2018	2017	2016	2015
\$ 2,906,291	\$ 3,083,783	\$ 3,308,152	\$ 3,712,445
21,006,199	20,748,385	19,713,939	19,172,131
-	-	-	-
(1,111,674)	(2,373,469)	2,011,308	-
-	-	12,726,778	-
(18,560,904)	(17,733,692)	(16,766,675)	(15,460,228)
(876)	-	175	(1,610)
<u>4,239,036</u>	<u>3,725,007</u>	<u>20,993,677</u>	<u>7,422,738</u>
<u>270,404,777</u>	<u>266,679,770</u>	<u>245,686,093</u>	<u>238,263,355</u>
<u>274,643,813</u>	<u>270,404,777</u>	<u>266,679,770</u>	<u>245,686,093</u>
7,177,037	6,260,290	5,974,000	5,775,708
1,417,126	1,436,839	1,703,744	1,814,766
21,849,796	17,929,109	(2,519,393)	10,678,844
(18,560,904)	(17,733,692)	(16,766,675)	(15,460,228)
(346,767)	(354,403)	(372,829)	(390,750)
<u>11,536,288</u>	<u>7,538,143</u>	<u>(11,981,153)</u>	<u>2,418,340</u>
<u>168,948,063</u>	<u>161,409,920</u>	<u>173,391,073</u>	<u>170,972,733</u>
<u>180,484,351</u>	<u>168,948,063</u>	<u>161,409,920</u>	<u>173,391,073</u>
<u>\$ 94,159,462</u>	<u>\$ 101,456,714</u>	<u>\$ 105,269,850</u>	<u>\$ 72,295,020</u>
65.7%	62.5%	60.5%	70.6%
\$ 26,131,809	\$ 27,677,080	\$ 30,232,116	\$ 34,366,135
360.3%	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
2023	\$ 5,767,356	\$ 5,767,356	\$ -	\$ 20,360,811	28.3%
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.

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## 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				
	2023	2022	2021	2020	2019
<b>Total OPEB liability</b>					
Service cost	\$ 441,835	\$ 408,564	\$ 592,166	\$ 512,080	\$ 2,081,923
Interest	3,380,283	3,461,311	4,402,809	3,980,166	7,070,293
Differences between expected and actual experience	(10,177,784)	(2,340,113)	(3,049,402)	-	(15,188,991)
Changes of assumptions	1,951,257	1,558,267	(12,537,763)	6,306,132	(67,601,184)
Changes in benefit terms	-	-	-	-	(3,881,430)
Benefit payments, including refunds of employee contributions	(1,809,918)	(2,005,173)	(2,245,778)	(2,340,702)	(2,646,706)
Net change in total OPEB liability	(6,214,327)	1,082,856	(12,837,968)	8,457,676	(80,166,095)
Total OPEB liability, beginning of year	48,973,862	47,891,006	60,728,974	52,271,298	132,437,393
Total OPEB liability, end of year	42,759,535	48,973,862	47,891,006	60,728,974	52,271,298
<b>Plan fiduciary net position</b>					
Employer contributions	-	-	39,711	1,128,011	1,589,289
Net investment income (loss)	6,598,480	(8,788,534)	12,498,774	3,859,600	1,310,202
Benefit payments, including refunds of employee contributions	(1,809,918)	(2,005,173)	(2,245,778)	(2,340,702)	(2,646,706)
Administrative expense	(117,356)	(115,659)	(115,413)	(98,533)	(103,550)
Net change in plan fiduciary net position	4,671,206	(10,909,366)	10,177,294	2,548,376	149,235
Plan fiduciary net position, beginning of year	55,812,925	66,722,291	56,544,997	53,996,621	53,847,386
Plan fiduciary net position, end of year	60,484,131	55,812,925	66,722,291	56,544,997	53,996,621
<b>County's net OPEB liability (asset)</b>	<u>\$ (17,724,596)</u>	<u>\$ (6,839,063)</u>	<u>\$ (18,831,285)</u>	<u>\$ 4,183,977</u>	<u>\$ (1,725,323)</u>
Plan fiduciary net position as a percentage of total OPEB liability	141.5%	114.0%	139.3%	93.1%	103.3%
Covered payroll	\$ 20,085,207	\$ 19,666,929	\$ 20,954,572	\$ 23,217,125	\$ 22,581,341
Net OPEB liability (asset) as a percentage of covered payroll	-88.2%	-34.8%	-89.9%	18.0%	-7.6%

See notes to required supplementary information.



**Year Ended September 30**

**2018**                      **2017**

\$ 1,659,119    \$ 790,107  
6,944,748        6,630,852

-                      -  
10,857,024        (7,493,570)  
-                      -

(3,879,487)        (4,215,210)  
15,581,404        (4,287,821)

116,855,989        121,143,810

132,437,393        116,855,989

1,870,502        1,967,737  
2,792,252        5,716,799

(3,879,487)        (3,646,698)  
(129,731)        (163,989)  
653,536        3,873,849

53,193,850        49,320,001

53,847,386        53,193,850

\$ 78,590,007        \$ 63,662,139

40.7%                      45.5%

\$ 24,801,852    \$ 28,082,014

316.9%                      226.7%

## 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
2023	\$ -	\$ -	\$ -	\$ 20,085,207	0.0%
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
2023	11.8%
2022	-13.3%
2021	22.5%
2020	7.2%
2019	2.5%
2018	5.2%
2017	11.8%

See notes to required supplementary information.



## COUNTY OF MUSKEGON, MICHIGAN

### Notes to Required Supplementary Information

#### MERS Agent Multiple-Employer Defined Benefit Pension Plan

##### Mortality

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Required Supplementary Information

### Other Postemployment Benefit Plan

#### Notes to the 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.

During fiscal year 2023, the per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial valuation. In addition, the January 1, 2023 renewal was taken into account, and the Medicare Advantage premium decreased 24% from January 1, 2022 to January 1, 2023.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Required Supplementary Information

### Other Postemployment Benefit Plan

*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.

### Notes to the 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, 2023

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	7.00%, 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 7.5% 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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>General government</b>				
Brookhaven Plant O&M	\$ 77,250	\$ 77,057	\$ 77,106	\$ 49
Administration	757,934	811,052	766,333	(44,719)
Elections	211,297	328,364	231,282	(97,082)
Accounting	1,083,588	1,178,452	1,135,651	(42,801)
Corporate Counsel	300,000	190,000	157,104	(32,896)
County Clerk	478,270	435,544	431,761	(3,783)
Juror Showcause	13,900	7,150	6,327	(823)
Equalization	1,970,137	2,097,453	2,109,018	11,565
Human Resources	383,956	383,783	317,097	(66,686)
Johnny O. Harris Building	12,115	19,793	20,297	504
Training Center	39,372	37,798	37,321	(477)
Building D - Health Department	-	26,869	21,134	(5,735)
Building F-Veterans Center	-	6,948	2,021	(4,927)
Central Services Building G	8,232	15,624	14,037	(1,587)
Treasurer	425,272	427,404	421,975	(5,429)
Shady Grove Cemetery	7,229	6,918	3,797	(3,121)
Cordova Site O&M	23,450	450	394	(56)
Courthouse and Grounds	945,070	1,156,205	1,026,057	(130,148)
Oak Ave. Building	155,103	160,444	153,819	(6,625)
County Jail Building	72,708	70,795	67,799	(2,996)
Vector Control Building	3,527	3,989	1,968	(2,021)
Plat Board	700	700	-	(700)
Gypsy Moth	25,000	-	-	-
State Institutions	360,000	325,000	242,696	(82,304)
Misc Contingency	3,017,380	3,040,875	3,022,188	(18,687)
<b>Total general government</b>	<b>10,371,490</b>	<b>10,808,667</b>	<b>10,267,182</b>	<b>(541,485)</b>
<b>Legislative</b>				
Board of Commissioners	410,008	350,964	316,993	(33,971)

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Judicial</b>				
Circuit Court	\$ 2,161,276	\$ 2,291,025	\$ 1,901,851	\$ (389,174)
Circuit Court Collections	79,309	82,964	74,340	(8,624)
Circuit Court Restitution	600,000	700,000	338,990	(361,010)
District Court	4,181,531	4,406,932	4,284,006	(122,926)
District Court Collections	247,213	267,605	257,312	(10,293)
District Court Restitution	700,000	1,000,000	677,090	(322,910)
Law Library	6,500	6,900	5,804	(1,096)
Jury Commission	85,074	90,985	76,984	(14,001)
Probate Court	1,041,120	1,107,816	1,057,255	(50,561)
State Probation	63,560	48,884	45,253	(3,631)
Circuit Court Records	660,058	615,130	556,574	(58,556)
Prosecutor	2,672,342	2,743,256	2,702,100	(41,156)
DHHS Legal Representation Grant	326,651	340,234	369,645	29,411
<b>Total judicial</b>	<b>12,824,634</b>	<b>13,701,731</b>	<b>12,347,204</b>	<b>(1,354,527)</b>
<b>Public safety</b>				
Designated & Pass-thru Revenues	419,937	492,383	492,383	-
Facility Security Services	158,282	200,304	185,243	(15,061)
County Jail Building 2015	680,626	718,740	713,278	(5,462)
Sheriff Operations	4,400,027	4,537,598	4,434,912	(102,686)
Sheriff Administration	512,461	549,146	539,011	(10,135)
Emergency Response Team	10,060	13,850	10,388	(3,462)
Officer Training Act 320	10,000	10,997	9,406	(1,591)
Correction Officer Training	60,000	87,118	68,128	(18,990)
Sheriff Jail	9,060,792	9,096,165	8,946,245	(149,920)
Courtroom Security	1,044,103	1,046,882	1,008,612	(38,270)
Vector Control	345,239	347,440	339,183	(8,257)
<b>Total public safety</b>	<b>16,701,527</b>	<b>17,100,623</b>	<b>16,746,789</b>	<b>(353,834)</b>
<b>Public works</b>				
Water Resources Commissioner	728,858	739,216	733,737	(5,479)
<b>Welfare</b>				
Residential Energy Efficiency Program	4,095,683	5,597,429	4,784,114	(813,315)

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Cultural</b>				
Fairgrounds Training Center	\$ 66,217	\$ 66,684	\$ 3,337	\$ (63,347)
<b>Community and economic development</b>				
Register of Deeds	748,948	759,536	687,631	(71,905)
<b>Debt service</b>				
Principal	322,300	322,500	322,470	(30)
Interest and fiscal charges	132,398	132,398	132,098	(300)
<b>Total debt service</b>	454,698	454,898	454,568	(330)
<b>Total expenditures</b>	\$ 46,402,063	\$ 49,579,748	\$ 46,341,555	\$ (3,238,193)

concluded

# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Transfers Out by Function

Budget and Actual

General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Transfers out</b>				
Special revenue funds:				
Judicial:				
Friend of Court	\$ (1,649,550)	\$ (1,467,510)	\$ (1,268,311)	\$ (199,199)
Other judicial	(3,576)	(3,982)	(5,400)	1,418
Public safety funds	(2,237,270)	(2,395,688)	(2,379,532)	(16,156)
Public works	(83,611)	(57,094)	(40,457)	(16,637)
Health, welfare and cultural funds:				
Child care fund	(3,550,879)	(3,141,962)	(2,394,215)	(747,747)
Public health fund	(1,774,392)	(2,156,531)	(1,747,913)	(408,618)
HealthWest fund	(706,819)	(706,819)	(706,819)	-
Other health, welfare and cultural funds	(7,357)	(7,363)	(6,218)	(1,145)
Internal service funds - Equipment revolving	(42,828)	(177,133)	(177,133)	-
Debt service funds	(3,430,478)	(3,522,050)	(3,504,992)	(17,058)
<b>Total transfers out</b>	<u>\$ (13,486,760)</u>	<u>\$ (13,636,132)</u>	<u>\$ (12,230,990)</u>	<u>\$ (1,405,142)</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.

Law Enforcement Programs (1203)--to account for monies granted to the County by the Michigan Commission on Law Enforcement Standards to provide scholarships for employed recruits of local law enforcement agencies to attend a basic training academy.

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 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.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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.

Child Support Enforcement Grants (2155)--to account for federal monies passed through the state for the purpose of revising the child support process in Michigan to make gaining access to child support for survivors of domestic violence safer.

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.

Opioid (2218)--to account for settlement monies received to abate the opioid epidemic. Funds are to be used for opioid treatment, awareness, and other programs such as planning/coordination, training, and research.

Alternative Water Supply Grant (2230)--to account for state grant funding to replace contaminated water supply by extending the Northside regional water main.

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.

Michigan Environmental Remediation Program (2241)--to account for state grant funding to provide remediation of per- and polyfluoroalkyl substances (PFAS) on the former SAPPi papermill site located on the south shore of Muskegon Lake.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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

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

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

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

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.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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

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

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

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

Coronavirus Virtual Backlog Response (2852)--to account for federal monies passed through the state for the purpose of assisting the courts in reducing or eliminating their criminal case backlog that resulted from the COVID-19 pandemic.

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.

# COUNTY OF MUSKEGON, MICHIGAN

## Nonmajor Governmental Funds

### 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.

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.

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.

Lake Level - Silver Lake Pond (8412)--to account for monies used in determining and maintaining lake level for Silver Creek Pond.

## COUNTY OF MUSKEGON, MICHIGAN

### ■ Nonmajor Governmental Funds

#### Permanent Fund

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

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**COUNTY OF MUSKEGON, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 September 30, 2023

	Special Revenue Funds								
	Senior Millage (1060)	Sobriety Court (1170)	Adult Drug Treatment Court (1172)	Emergency Services (1190)	Marine Safety (1200)	Law Enforcement Programs (1203)	Highway Safety Programs (1210)	Township Patrols (1240)	Parks (2080)
<b>Assets</b>									
Cash and investments	\$ 943,336	\$ -	\$ -	\$ -	\$ -	\$ 16,763	\$ -	\$ -	\$ 494,272
Receivables, net:									
Accounts	-	-	-	48,137	-	-	-	-	860
Due from other governments	-	68,940	130,877	60,052	72,348	-	19,204	69,987	-
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	350	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 943,336</u>	<u>\$ 68,940</u>	<u>\$ 130,877</u>	<u>\$ 108,539</u>	<u>\$ 72,348</u>	<u>\$ 16,763</u>	<u>\$ 19,204</u>	<u>\$ 69,987</u>	<u>\$ 495,132</u>
<b>Liabilities</b>									
Negative equity in pooled cash	\$ -	\$ 47,114	\$ 98,951	\$ 99,944	\$ 58,569	\$ -	\$ 14,353	\$ 57,497	\$ -
Payables:									
Accounts payable	419,396	20,719	16,221	6,285	8,782	16,763	784	1,517	54,151
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	1,107	5,701	1,960	4,997	-	4,067	7,799	17,090
Unearned revenue	-	-	-	-	-	-	-	3,174	-
<b>Total liabilities</b>	<u>419,396</u>	<u>68,940</u>	<u>120,873</u>	<u>108,189</u>	<u>72,348</u>	<u>16,763</u>	<u>19,204</u>	<u>69,987</u>	<u>71,241</u>
<b>Deferred inflows of resources</b>									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Unavailable revenue - opioid settlement receivable	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>									
Nonspendable	-	-	-	350	-	-	-	-	-
Restricted	523,940	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	423,891
Assigned	-	-	10,004	-	-	-	-	-	-
<b>Total fund balances</b>	<u>523,940</u>	<u>-</u>	<u>10,004</u>	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,891</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 943,336</u>	<u>\$ 68,940</u>	<u>\$ 130,877</u>	<u>\$ 108,539</u>	<u>\$ 72,348</u>	<u>\$ 16,763</u>	<u>\$ 19,204</u>	<u>\$ 69,987</u>	<u>\$ 495,132</u>

Special Revenue Funds											
Coronavirus Emergency Supplemental Funding (2115)	Family Court (2150)	SSSPP Grant (2153)	Child Support Enforcement Grants (2155)	Raise the Age (2160)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Opioid (2218)	Alternative Water Supply Grant (2230)	Lake Pollution Control (2240)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 925,551	\$ 813,334	\$ -	\$ 1,311,395	\$ -	\$ 854,427
-	1,405	-	-	-	-	10,765	-	29,338	4,347,160	-	-
-	338,524	83,083	14,138	5,691	-	185,588	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	22,491	-	-	-	-	-
\$ -	\$ 339,929	\$ 83,083	\$ 14,138	\$ 5,691	\$ 11	\$ 1,144,395	\$ 813,334	\$ 29,338	\$ 5,658,555	\$ -	\$ 854,427
\$ -	\$ 216,993	\$ 69,161	\$ 11,431	\$ 3,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	22,027	12,257	-	-	-	99,689	-	29,338	-	-	-
-	-	-	-	-	-	800,137	-	-	-	-	-
-	100,909	1,665	2,707	2,063	-	161,466	-	-	-	-	-
-	-	-	-	-	-	60,612	-	-	-	-	-
-	339,929	83,083	14,138	5,691	-	1,121,904	-	29,338	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	4,347,160	-	-
-	-	-	-	-	-	-	-	-	4,347,160	-	-
-	-	-	-	-	-	22,491	-	-	-	-	-
-	-	-	-	-	-	-	813,334	-	1,311,395	-	854,427
-	-	-	-	-	11	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	11	22,491	813,334	-	1,311,395	-	854,427
\$ -	\$ 339,929	\$ 83,083	\$ 14,138	\$ 5,691	\$ 11	\$ 1,144,395	\$ 813,334	\$ 29,338	\$ 5,658,555	\$ -	\$ 854,427

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 September 30, 2023

	Special Revenue Funds								
	Michigan Environmental Remediation Program (2241)	Accommoda- tions Tax (2300)	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)
<b>Assets</b>									
Cash and investments	\$ 27,603	\$ 1,883,283	\$ -	\$ 225,518	\$ -	\$ -	\$ 276,266	\$ 47,436	\$ 1,020,357
Receivables, net:									
Accounts	-	267,604	315,860	-	-	-	-	-	636
Due from other governments	163,486	-	-	-	-	-	-	-	8,869
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	19,125	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 191,089</b>	<b>\$ 2,170,012</b>	<b>\$ 315,860</b>	<b>\$ 225,518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 276,266</b>	<b>\$ 47,436</b>	<b>\$ 1,029,862</b>
<b>Liabilities</b>									
Negative equity in pooled cash	\$ -	\$ -	\$ 220,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	191,089	11,327	95,127	-	-	-	-	-	151,784
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	8,904	-	-	-	-	1,774	-	59,343
Unearned revenue	-	-	-	-	-	-	-	45,250	-
<b>Total liabilities</b>	<b>191,089</b>	<b>20,231</b>	<b>315,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,774</b>	<b>45,250</b>	<b>211,127</b>
<b>Deferred inflows of resources</b>									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Unavailable revenue - opioid settlement receivable	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>									
Nonspendable	-	19,125	-	-	-	-	-	-	-
Restricted	-	2,130,656	-	225,518	-	-	274,492	-	818,735
Committed	-	-	-	-	-	-	-	2,186	-
Assigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>2,149,781</b>	<b>-</b>	<b>225,518</b>	<b>-</b>	<b>-</b>	<b>274,492</b>	<b>2,186</b>	<b>818,735</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 191,089</b>	<b>\$ 2,170,012</b>	<b>\$ 315,860</b>	<b>\$ 225,518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 276,266</b>	<b>\$ 47,436</b>	<b>\$ 1,029,862</b>

Special Revenue Funds											
Concealed Pistol Licensing (2630)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Coronavirus Virtual Backlog Response (2852)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)
\$ 295,353	\$ -	\$ 64,582	\$ 1,226	\$ -	\$ -	\$ 27,707	\$ -	\$ 24,586	\$ 17,891	\$ -	\$ 393,353
-	-	-	-	-	-	-	-	-	-	7,917	-
-	28,951	-	-	4,223	72,655	-	20,981	-	-	595,020	28,112
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 295,353</u>	<u>\$ 28,951</u>	<u>\$ 64,582</u>	<u>\$ 1,226</u>	<u>\$ 4,223</u>	<u>\$ 72,655</u>	<u>\$ 27,707</u>	<u>\$ 20,981</u>	<u>\$ 24,586</u>	<u>\$ 17,891</u>	<u>\$ 602,937</u>	<u>\$ 421,465</u>
\$ -	\$ 17,265	\$ -	\$ -	\$ 4,223	\$ 56,764	\$ -	\$ 20,981	\$ -	\$ -	\$ 414,827	\$ -
-	4,001	-	-	-	547	8,860	-	-	17,891	110,646	7,406
-	-	-	-	-	-	-	-	-	-	-	-
1,928	7,685	-	-	-	13,455	-	-	-	-	77,464	5,181
-	-	-	-	-	-	-	-	24,586	-	-	-
<u>1,928</u>	<u>28,951</u>	<u>-</u>	<u>-</u>	<u>4,223</u>	<u>70,766</u>	<u>8,860</u>	<u>20,981</u>	<u>24,586</u>	<u>17,891</u>	<u>602,937</u>	<u>12,587</u>
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	64,582	1,226	-	1,889	18,847	-	-	-	-	408,878
293,425	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>293,425</u>	<u>-</u>	<u>64,582</u>	<u>1,226</u>	<u>-</u>	<u>1,889</u>	<u>18,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,878</u>
<u>\$ 295,353</u>	<u>\$ 28,951</u>	<u>\$ 64,582</u>	<u>\$ 1,226</u>	<u>\$ 4,223</u>	<u>\$ 72,655</u>	<u>\$ 27,707</u>	<u>\$ 20,981</u>	<u>\$ 24,586</u>	<u>\$ 17,891</u>	<u>\$ 602,937</u>	<u>\$ 421,465</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Balance Sheet**

Nonmajor Governmental Funds  
September 30, 2023

	Special Revenue Funds		Debt Service Funds					Capital Projects Funds	
	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	2015 Capital Improvement Bonds (3010)	Quality of Life Debt (3111)	CMH Building (3140)	Building Authority Debt Service (3690)	Pension Bonds Debt Service (3960)	Capital Projects (4010)	Jail / JTC Building (4660)
<b>Assets</b>									
Cash and investments	\$ 35,206	\$ 23,135	\$ -	\$ -	\$ 132,192	\$ -	\$ 1,933,767	\$ 42,826	\$ 51,014
Receivables, net:									
Accounts	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Prepays and other items	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 35,206</u>	<u>\$ 23,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,192</u>	<u>\$ -</u>	<u>\$ 1,933,767</u>	<u>\$ 42,826</u>	<u>\$ 51,014</u>
<b>Liabilities</b>									
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:									
Accounts payable	1,257	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued liabilities	30	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>1,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>									
Unavailable revenue - special assessment	-	-	-	-	-	-	-	-	-
Unavailable revenue - opioid settlement receivable	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	33,919	23,135	-	-	132,192	-	-	-	-
Committed	-	-	-	-	-	-	1,933,767	-	51,014
Assigned	-	-	-	-	-	-	-	42,826	-
<b>Total fund balances</b>	<u>33,919</u>	<u>23,135</u>	<u>-</u>	<u>-</u>	<u>132,192</u>	<u>-</u>	<u>1,933,767</u>	<u>42,826</u>	<u>51,014</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 35,206</u>	<u>\$ 23,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,192</u>	<u>\$ -</u>	<u>\$ 1,933,767</u>	<u>\$ 42,826</u>	<u>\$ 51,014</u>

Capital Projects Funds					Permanent Fund	
Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Lake Level - Wolf Lake (8411)	Lake Level - Silver Lake Pond (8412)	Cemetery Trust (1500)	Total
\$ 683,603	\$ 73,620	\$ 21,479	\$ 466	\$ 1,742	\$ 36,652	\$ 12,699,952
-	-	-	-	-	-	5,029,682
-	-	-	-	-	-	1,970,729
-	-	208	-	-	-	208
-	-	70,261	-	-	-	70,261
-	-	-	-	-	-	19,475
-	-	-	-	-	-	22,491
<u>\$ 683,603</u>	<u>\$ 73,620</u>	<u>\$ 91,948</u>	<u>\$ 466</u>	<u>\$ 1,742</u>	<u>\$ 36,652</u>	<u>\$ 19,812,798</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,412,434
31,137	-	2,958	466	1,742	-	1,344,167
-	-	-	-	-	-	800,137
-	-	28	-	-	-	487,323
-	-	-	-	-	-	133,622
<u>31,137</u>	<u>-</u>	<u>2,986</u>	<u>466</u>	<u>1,742</u>	<u>-</u>	<u>4,177,683</u>
-	-	69,768	-	-	-	69,768
-	-	-	-	-	-	4,347,160
-	-	69,768	-	-	-	4,416,928
-	-	-	-	-	36,652	78,618
-	-	19,194	-	-	-	7,656,359
652,466	73,620	-	-	-	-	3,430,380
-	-	-	-	-	-	52,830
<u>652,466</u>	<u>73,620</u>	<u>19,194</u>	<u>-</u>	<u>-</u>	<u>36,652</u>	<u>11,218,187</u>
<u>\$ 683,603</u>	<u>\$ 73,620</u>	<u>\$ 91,948</u>	<u>\$ 466</u>	<u>\$ 1,742</u>	<u>\$ 36,652</u>	<u>\$ 19,812,798</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, 2023

	Special Revenue Funds								
	Senior Millage (1060)	Sobriety Court (1170)	Adult Drug Treatment Court (1172)	Emergency Services (1190)	Marine Safety (1200)	Law Enforcement Programs (1203)	Highway Safety Programs (1210)	Township Patrols (1240)	Parks (2080)
<b>Revenues</b>									
Taxes									
Property taxes	\$ 2,540,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	369,957	115,463	-	-	95,561	-	-
State	174,660	264,049	-	-	91,378	61,863	222,521	-	-
Local	-	-	-	-	140	-	4,250	356,452	-
Charges for services	-	40,051	-	31,500	13,060	-	-	-	1,033,021
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	40,232	-	-	-	-	-	-	-	18,003
Rentals	-	-	-	-	-	-	-	-	-
Other	-	-	5,250	8,323	-	-	-	-	73
<b>Total revenues</b>	<b>2,755,130</b>	<b>304,100</b>	<b>375,207</b>	<b>155,286</b>	<b>104,578</b>	<b>61,863</b>	<b>322,332</b>	<b>356,452</b>	<b>1,051,097</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	300,998	370,602	-	-	-	-	-	-
Public safety	-	-	-	279,666	327,229	64,763	407,790	526,147	-
Public works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	2,974,837	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	1,039,348
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	31,829	785	-	69,043	-	72,047
<b>Total expenditures</b>	<b>2,974,837</b>	<b>300,998</b>	<b>370,602</b>	<b>311,495</b>	<b>328,014</b>	<b>64,763</b>	<b>476,833</b>	<b>526,147</b>	<b>1,111,395</b>
Revenues over (under) expenditures	(219,707)	3,102	4,605	(156,209)	(223,436)	(2,900)	(154,501)	(169,695)	(60,298)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	5,400	160,314	216,341	2,900	161,906	183,709	-
Transfers out	-	(3,102)	(6,739)	(3,755)	(3,408)	-	(7,405)	(14,014)	(65,620)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(3,102)</b>	<b>(1,339)</b>	<b>156,559</b>	<b>212,933</b>	<b>2,900</b>	<b>154,501</b>	<b>169,695</b>	<b>(65,620)</b>
<b>Net change in fund balances</b>	<b>(219,707)</b>	<b>-</b>	<b>3,266</b>	<b>350</b>	<b>(10,503)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,918)</b>
Fund balances, beginning of year	743,647	-	6,738	-	10,503	-	-	-	549,809
<b>Fund balances, end of year</b>	<b>\$ 523,940</b>	<b>\$ -</b>	<b>\$ 10,004</b>	<b>\$ 350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 423,891</b>

Special Revenue Funds											
Coronavirus Emergency Supplemental Funding (2115)	Family Court (2150)	SSSPP Grant (2153)	Child Support Enforcement Grants (2155)	Raise the Age (2160)	District Court Eviction Prevention Docket (2171)	Health Department (2210)	Public Health Local Community Stabilization (2211)	Community Health Improvement (2217)	Opioid (2218)	Alternative Water Supply Grant (2230)	Lake Pollution Control (2240)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
39,521	3,374,110	49,113	56,243	-	-	2,561,330	-	-	-	-	-
-	193,715	240,101	-	170,889	-	1,960,117	203,841	-	-	-	371,620
-	-	-	-	-	-	3	-	-	-	-	-
-	409,614	-	-	-	-	598,360	-	170,761	1,292,518	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	487	18,877	-	19,584
-	-	-	-	-	-	-	-	-	-	-	-
-	82,660	-	-	-	-	26,608	-	-	-	-	-
39,521	4,060,099	289,214	56,243	170,889	-	5,146,418	203,841	171,248	1,311,395	-	391,204
-	-	-	-	-	-	-	-	171,248	-	-	-
39,521	5,293,748	-	-	-	12,405	-	-	-	-	-	-
-	-	288,264	-	-	-	-	-	-	-	-	-
-	-	-	-	74,177	-	6,754,876	-	-	-	-	-
-	-	-	56,124	-	-	-	-	-	-	-	447,053
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	95,000	-	-	-	-	-	-	-
39,521	5,293,748	288,264	56,124	169,177	12,405	6,754,876	-	171,248	-	-	447,053
-	(1,233,649)	950	119	1,712	(12,405)	(1,608,458)	203,841	-	1,311,395	-	(55,849)
-	1,364,564	2,198	1,597	-	-	1,747,915	-	-	-	-	-
-	(130,915)	(3,148)	(1,716)	(1,712)	-	(138,847)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	1,233,649	(950)	(119)	(1,712)	-	1,609,068	-	-	-	-	-
-	-	-	-	-	(12,405)	610	203,841	-	1,311,395	-	(55,849)
-	-	-	-	-	12,416	21,881	609,493	-	-	-	910,276
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 22,491	\$ 813,334	\$ -	\$ 1,311,395	\$ -	\$ 854,427

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Change in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	Special Revenue Funds								
	Michigan Environmental Remediation Program (2241)	Accommoda- tions Tax (2300)	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)
<b>Revenues</b>									
Taxes									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	441,525	-	-	-	-	-	-	-
PA 263 tax	-	1,788,636	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	-	-	5,287	-	-	165,437
State	191,344	-	5,075,200	-	-	-	-	-	3,131,147
Local	-	155	5,040,660	-	-	-	-	-	-
Charges for services	-	41,775	-	-	-	-	140,570	-	105,536
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	51,944	-	6,346	-	-	7,762	1,358	6,895
Rentals	-	3,650	-	-	-	-	-	-	-
Other	-	26,400	-	63,245	-	-	-	-	-
<b>Total revenues</b>	<b>191,344</b>	<b>2,354,085</b>	<b>10,115,860</b>	<b>69,591</b>	<b>-</b>	<b>5,287</b>	<b>148,332</b>	<b>1,358</b>	<b>3,409,015</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	4,112,324
Public safety	-	-	-	-	-	-	-	-	-
Public works	191,334	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	589	173	5,287	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	2,123,144	241,843	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	123,583	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	12,450	9,920,378	-	-	-	-	-	-
<b>Total expenditures</b>	<b>191,334</b>	<b>2,135,594</b>	<b>10,162,221</b>	<b>589</b>	<b>173</b>	<b>5,287</b>	<b>123,583</b>	<b>-</b>	<b>4,112,324</b>
Revenues over (under) expenditures	10	218,491	(46,361)	69,002	(173)	-	24,749	1,358	(703,309)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	33,910	-	-	-	-	-	1,613,109
Transfers out	(10)	(58,325)	-	-	-	-	(2,375)	-	(92,145)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(10)</b>	<b>(58,325)</b>	<b>33,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,375)</b>	<b>-</b>	<b>1,520,964</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>160,166</b>	<b>(12,451)</b>	<b>69,002</b>	<b>(173)</b>	<b>-</b>	<b>22,374</b>	<b>1,358</b>	<b>817,655</b>
Fund balances, beginning of year	-	1,989,615	12,451	156,516	173	-	252,118	828	1,080
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 2,149,781</b>	<b>\$ -</b>	<b>\$ 225,518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274,492</b>	<b>\$ 2,186</b>	<b>\$ 818,735</b>

**Special Revenue Funds**

Concealed Pistol Licensing (2630)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	Special Investigative (2673)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Coronavirus Virtual Backlog Response (2852)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veterans' Care (2930)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,890
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	7,576	235,138	-	30,735	-	-	-	-
-	167,826	-	-	-	374,222	-	-	50,141	-	3,301,815	114,859
-	-	-	-	-	-	52,047	-	-	-	-	49,876
15,690	-	-	-	-	-	-	-	-	-	-	-
-	-	36,980	-	-	-	-	-	-	-	-	-
8,499	-	1,793	-	-	-	-	-	-	-	-	14,620
-	-	-	-	-	-	-	-	-	-	-	-
88,024	-	-	-	-	-	-	-	-	-	332,345	-
<u>112,213</u>	<u>167,826</u>	<u>38,773</u>	<u>-</u>	<u>7,576</u>	<u>609,360</u>	<u>52,047</u>	<u>30,735</u>	<u>50,141</u>	<u>-</u>	<u>3,634,160</u>	<u>566,245</u>
99,175	-	-	-	-	-	33,200	30,735	-	-	-	-
-	-	-	-	8,221	652,838	-	-	-	-	-	-
-	343,466	13,894	72	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	6,211	5,998,865	-
-	-	-	-	-	-	-	-	-	-	-	551,389
-	-	-	-	-	-	-	-	50,134	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>99,175</u>	<u>343,466</u>	<u>13,894</u>	<u>72</u>	<u>8,221</u>	<u>652,838</u>	<u>33,200</u>	<u>30,735</u>	<u>50,134</u>	<u>6,211</u>	<u>5,998,865</u>	<u>551,389</u>
13,038	(175,640)	24,879	(72)	(645)	(43,478)	18,847	-	7	(6,211)	(2,364,705)	14,856
-	185,673	-	-	891	63,018	-	-	7	6,211	2,466,100	-
(2,336)	(10,033)	-	-	(246)	(19,539)	-	-	(14)	-	(101,395)	(7,717)
-	-	-	-	-	-	-	-	-	-	-	-
<u>(2,336)</u>	<u>175,640</u>	<u>-</u>	<u>-</u>	<u>645</u>	<u>43,479</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>6,211</u>	<u>2,364,705</u>	<u>(7,717)</u>
10,702	-	24,879	(72)	-	1	18,847	-	-	-	-	7,139
282,723	-	39,703	1,298	-	1,888	-	-	-	-	-	401,739
<u>\$ 293,425</u>	<u>\$ -</u>	<u>\$ 64,582</u>	<u>\$ 1,226</u>	<u>\$ -</u>	<u>\$ 1,889</u>	<u>\$ 18,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,878</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Change in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	Special Revue Funds		Debt Service Funds				Capital Projects Funds		
	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	2015 Capital Improvement Bonds (3010)	Quality of Life Debt (3111)	CMH Building (3140)	Building Authority Debt Service (3690)	Pension Bonds Debt Service (3960)	Capital Projects (4010)	Jail / JTC Building (4660)
<b>Revenues</b>									
Taxes									
Property taxes	\$ -	\$ -	\$ -	\$ 1,620	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Grants and contributions:									
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Charges for services	-	2,636	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,509	679	-	-	2,962	-	31,303	-	-
Rentals	232,491	-	-	-	353,852	-	-	-	-
Other	-	-	-	-	-	-	8,867	-	-
<b>Total revenues</b>	<b>234,000</b>	<b>3,315</b>	<b>-</b>	<b>1,620</b>	<b>356,814</b>	<b>-</b>	<b>40,170</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>									
Current:									
General government	-	-	15	-	-	621	674	-	-
Judicial	-	256	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health	255,351	-	-	-	336	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	45,000	-	285,000	1,185,000	1,240,629	-	-
Interest and fiscal charges	-	-	21,957	-	129,555	1,475,652	1,540,966	-	-
Capital outlay	-	-	-	-	-	-	-	6,149	78
<b>Total expenditures</b>	<b>255,351</b>	<b>256</b>	<b>66,972</b>	<b>-</b>	<b>414,891</b>	<b>2,661,273</b>	<b>2,782,269</b>	<b>6,149</b>	<b>78</b>
Revenues over (under) expenditures	(21,351)	3,059	(66,972)	1,620	(58,077)	(2,661,273)	(2,742,099)	(6,149)	(78)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	66,972	-	62,433	2,661,273	2,847,027	-	-
Transfers out	(141)	-	-	(1,620)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(141)</b>	<b>-</b>	<b>66,972</b>	<b>(1,620)</b>	<b>62,433</b>	<b>2,661,273</b>	<b>2,847,027</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(21,492)</b>	<b>3,059</b>	<b>-</b>	<b>-</b>	<b>4,356</b>	<b>-</b>	<b>104,928</b>	<b>(6,149)</b>	<b>(78)</b>
Fund balances, beginning of year	55,411	20,076	-	-	127,836	-	1,828,839	48,975	51,092
<b>Fund balances, end of year</b>	<b>\$ 33,919</b>	<b>\$ 23,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,192</b>	<b>\$ -</b>	<b>\$ 1,933,767</b>	<b>\$ 42,826</b>	<b>\$ 51,014</b>

Capital Projects Funds					Permanent Fund	
Public Improvement (4930)	Capital Improvement (4960)	Lake Level (8410)	Lake Level - Wolf Lake (8411)	Lake Level - Silver Lake Pond (8412)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,928,748
-	-	-	-	-	-	441,525
-	-	-	-	-	-	1,788,636
-	-	10,552	-	-	-	10,552
-	-	-	-	-	-	7,105,471
-	-	-	-	-	-	16,361,308
-	-	-	-	-	-	5,503,583
-	-	-	-	-	-	3,895,092
-	-	-	-	-	-	36,980
11,212	861	513	-	-	447	245,886
-	-	-	-	-	-	589,993
-	-	-	5,120	-	-	646,915
11,212	861	11,065	5,120	-	447	39,554,689
-	-	-	-	-	261	335,929
-	-	-	-	-	-	10,790,913
-	-	-	-	-	-	2,251,291
-	-	-	-	-	-	191,334
-	-	-	-	-	-	13,089,816
-	-	-	-	-	-	4,035,452
-	-	-	-	-	-	50,134
-	-	-	-	-	-	3,404,335
-	-	-	-	-	-	123,583
-	-	-	-	-	-	2,755,629
-	-	-	-	-	-	3,168,130
137,223	50,684	7,375	43,085	2,391	-	10,448,517
137,223	50,684	7,375	43,085	2,391	261	50,645,063
(126,011)	(49,823)	3,690	(37,965)	(2,391)	186	(11,090,374)
-	-	-	38,056	2,401	-	13,893,925
(34,460)	-	(47)	(91)	(10)	-	(710,885)
292,307	-	-	-	-	-	292,307
257,847	-	(47)	37,965	2,391	-	13,475,347
131,836	(49,823)	3,643	-	-	186	2,384,973
520,630	123,443	15,551	-	-	36,466	8,833,214
\$ 652,466	\$ 73,620	\$ 19,194	\$ -	\$ -	\$ 36,652	\$ 11,218,187

concluded

# COUNTY OF MUSKEGON, MICHIGAN

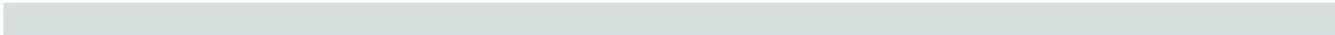
## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	Senior Millage (1060)			Sobriety Court (1170)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ 2,583,987	\$ 2,540,238	\$ (43,749)	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	174,000	174,660	660	307,435	264,049	(43,386)
Local	-	-	-	-	-	-
Charges for services	-	-	-	52,000	40,051	(11,949)
Fines and forfeitures	-	-	-	-	-	-
Investment income	20,000	40,232	20,232	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,777,987</b>	<b>2,755,130</b>	<b>(22,857)</b>	<b>359,435</b>	<b>304,100</b>	<b>(55,335)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	355,935	300,998	(54,937)
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	3,124,773	2,974,837	(149,936)	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,124,773</b>	<b>2,974,837</b>	<b>(149,936)</b>	<b>355,935</b>	<b>300,998</b>	<b>(54,937)</b>
Revenues over (under) expenditures	(346,786)	(219,707)	127,079	3,500	3,102	(398)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(3,500)	(3,102)	(398)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,500)</b>	<b>(3,102)</b>	<b>(398)</b>
<b>Net change in fund balances</b>	<b>(346,786)</b>	<b>(219,707)</b>	<b>127,079</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	743,647	743,647	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 396,861</b>	<b>\$ 523,940</b>	<b>\$ 127,079</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
692,622	369,957	(322,665)	148,242	115,463	(32,779)	-	-	-
-	-	-	-	-	-	102,058	91,378	(10,680)
-	-	-	-	-	-	-	140	140
-	-	-	31,500	31,500	-	21,434	13,060	(8,374)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,800	5,250	450	8,075	8,323	248	-	-	-
697,422	375,207	(322,215)	187,817	155,286	(32,531)	123,492	104,578	(18,914)
-	-	-	-	-	-	-	-	-
691,573	370,602	(320,971)	-	-	-	-	-	-
-	-	-	338,139	279,666	(58,473)	329,449	327,229	(2,220)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	15,724	31,829	16,105	785	785	-
691,573	370,602	(320,971)	353,863	311,495	(42,368)	330,234	328,014	(2,220)
5,849	4,605	(1,244)	(166,046)	(156,209)	9,837	(206,742)	(223,436)	(16,694)
3,982	5,400	1,418	169,734	160,314	(9,420)	199,601	216,341	16,740
(7,031)	(6,739)	(292)	(3,688)	(3,755)	67	(3,362)	(3,408)	46
(3,049)	(1,339)	1,126	166,046	156,559	(9,353)	196,239	212,933	16,786
2,800	3,266	466	-	350	350	(10,503)	(10,503)	-
6,738	6,738	-	-	-	-	10,503	10,503	-
\$ 9,538	\$ 10,004	\$ 466	\$ -	\$ 350	\$ 350	\$ -	\$ -	\$ -

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, 2023

	Law Enforcement Programs (1203)			Highway Safety Programs (1210)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	109,043	95,561	(13,482)
State	72,000	61,863	(10,137)	222,521	222,521	-
Local	-	-	-	4,250	4,250	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>72,000</b>	<b>61,863</b>	<b>(10,137)</b>	<b>335,814</b>	<b>322,332</b>	<b>(13,482)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	72,000	64,763	(7,237)	426,091	407,790	(18,301)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	109,137	69,043	(40,094)
<b>Total expenditures</b>	<b>72,000</b>	<b>64,763</b>	<b>(7,237)</b>	<b>535,228</b>	<b>476,833</b>	<b>(58,395)</b>
Revenues over (under) expenditures	-	(2,900)	(2,900)	(199,414)	(154,501)	44,913
<b>Other financing sources (uses)</b>						
Transfers in	-	2,900	2,900	206,765	161,906	(44,859)
Transfers out	-	-	-	(7,351)	(7,405)	54
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,900</b>	<b>2,900</b>	<b>199,414</b>	<b>154,501</b>	<b>(44,805)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Township Patrols (1240)			Parks (2080)			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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	39,522	39,521	(1)
-	-	-	-	-	-	-	-	-
428,361	356,452	(71,909)	-	-	-	-	-	-
-	-	-	1,003,000	1,033,021	30,021	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5,800	18,003	12,203	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	500	73	(427)	-	-	-
428,361	356,452	(71,909)	1,009,300	1,051,097	41,797	39,522	39,521	(1)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	39,522	39,521	(1)
602,961	526,147	(76,814)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,109,485	1,039,348	(70,137)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	91,610	72,047	(19,563)	-	-	-
602,961	526,147	(76,814)	1,201,095	1,111,395	(89,700)	39,522	39,521	(1)
(174,600)	(169,695)	4,905	(191,795)	(60,298)	131,497	-	-	-
188,315	183,709	(4,606)	-	-	-	-	-	-
(13,715)	(14,014)	299	(66,471)	(65,620)	(851)	-	-	-
174,600	169,695	(4,307)	(66,471)	(65,620)	(851)	-	-	-
-	-	-	(258,266)	(125,918)	132,348	-	-	-
-	-	-	549,809	549,809	-	-	-	-
\$ -	\$ -	\$ -	\$ 291,543	\$ 423,891	\$ 132,348	\$ -	\$ -	\$ -

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, 2023

	Family Court (2150)			SSSPP Grant (2153)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	3,471,191	3,374,110	(97,081)	186,766	49,113	(137,653)
State	198,000	193,715	(4,285)	270,000	240,101	(29,899)
Local	-	-	-	-	-	-
Charges for services	370,075	409,614	39,539	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	77,682	82,660	4,978	-	-	-
<b>Total revenues</b>	<b>4,116,948</b>	<b>4,060,099</b>	<b>(56,849)</b>	<b>456,766</b>	<b>289,214</b>	<b>(167,552)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	5,544,283	5,293,748	(250,535)	-	-	-
Public safety	-	-	-	456,183	288,264	(167,919)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	9,000	-	(9,000)	-	-	-
<b>Total expenditures</b>	<b>5,553,283</b>	<b>5,293,748</b>	<b>(259,535)</b>	<b>456,183</b>	<b>288,264</b>	<b>(167,919)</b>
Revenues over (under) expenditures	(1,436,335)	(1,233,649)	202,686	583	950	367
<b>Other financing sources (uses)</b>						
Transfers in	1,563,763	1,364,564	(199,199)	2,521	2,198	(323)
Transfers out	(127,428)	(130,915)	3,487	(3,104)	(3,148)	44
<b>Total other financing sources (uses)</b>	<b>1,436,335</b>	<b>1,233,649</b>	<b>(195,712)</b>	<b>(583)</b>	<b>(950)</b>	<b>(279)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Child Support Enforcement Grants (2155)			Raise the Age (2160)			District Court Eviction Prevention Docket (2171)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
317,858	56,243	(261,615)	-	-	-	-	-	-
-	-	-	170,889	170,889	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
317,858	56,243	(261,615)	170,889	170,889	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,415	12,405	(10)
-	-	-	-	-	-	-	-	-
-	-	-	73,276	74,177	901	-	-	-
314,863	56,124	(258,739)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	95,901	95,000	(901)	-	-	-
314,863	56,124	(258,739)	169,177	169,177	-	12,415	12,405	(10)
2,995	119	(2,876)	1,712	1,712	-	(12,415)	(12,405)	10
351	1,597	1,246	-	-	-	-	-	-
(3,346)	(1,716)	(1,630)	(1,712)	(1,712)	-	-	-	-
(2,995)	(119)	(384)	(1,712)	(1,712)	-	-	-	-
-	-	-	-	-	-	(12,415)	(12,405)	10
-	-	-	-	-	-	12,416	12,416	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 11	\$ 10

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# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	Health Department (2210)			Public Health Local Community Stabilization (2211)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	3,496,634	2,561,330	(935,304)	-	-	-
State	1,939,047	1,960,117	21,070	203,841	203,841	-
Local	-	3	3	-	-	-
Charges for services	646,569	598,360	(48,209)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	300	-	(300)	-	-	-
Rentals	-	-	-	-	-	-
Other	41,475	26,608	(14,867)	-	-	-
<b>Total revenues</b>	<b>6,124,025</b>	<b>5,146,418</b>	<b>(977,607)</b>	<b>203,841</b>	<b>203,841</b>	<b>-</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	8,136,911	6,754,876	(1,382,035)	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,136,911</b>	<b>6,754,876</b>	<b>(1,382,035)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	(2,012,886)	(1,608,458)	404,428	203,841	203,841	-
<b>Other financing sources (uses)</b>						
Transfers in	2,156,531	1,747,915	(408,616)	-	-	-
Transfers out	(143,645)	(138,847)	(4,798)	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,012,886</b>	<b>1,609,068</b>	<b>(413,414)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>610</b>	<b>610</b>	<b>203,841</b>	<b>203,841</b>	<b>-</b>
Fund balances, beginning of year	21,881	21,881	-	609,493	609,493	-
<b>Fund balances, end of year</b>	<b>\$ 21,881</b>	<b>\$ 22,491</b>	<b>\$ 610</b>	<b>\$ 813,334</b>	<b>\$ 813,334</b>	<b>\$ -</b>

Community Health Improvement (2217)			Opioid (2218)			Alternative Water Supply Grant (2230)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	48,098	-	(48,098)
-	-	-	-	-	-	-	-	-
750,000	170,761	(579,239)	1,142,330	1,292,518	150,188	-	-	-
-	-	-	-	-	-	-	-	-
750	487	(263)	-	18,877	18,877	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
750,750	171,248	(579,502)	1,142,330	1,311,395	169,065	48,098	-	(48,098)
750,750	171,248	(579,502)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	48,098	-	(48,098)
-	-	-	500,000	-	(500,000)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
750,750	171,248	(579,502)	500,000	-	(500,000)	48,098	-	(48,098)
-	-	-	642,330	1,311,395	669,065	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	642,330	1,311,395	669,065	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 642,330	\$ 1,311,395	\$ 669,065	\$ -	\$ -	\$ -

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# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	Lake Pollution Control (2240)			Michigan Environmental Remediation Program (2241)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	371,620	371,620	15,000,000	191,344	(14,808,656)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	15,000	19,584	4,584	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>15,000</b>	<b>391,204</b>	<b>376,204</b>	<b>15,000,000</b>	<b>191,344</b>	<b>(14,808,656)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	2,000,000	191,334	(1,808,666)
Health	-	-	-	-	-	-
Welfare	777,209	447,053	(330,156)	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>777,209</b>	<b>447,053</b>	<b>(330,156)</b>	<b>2,000,000</b>	<b>191,334</b>	<b>(1,808,666)</b>
Revenues over (under) expenditures	(762,209)	(55,849)	706,360	13,000,000	10	(12,999,990)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(10)	10
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>10</b>
<b>Net change in fund balances</b>	<b>(762,209)</b>	<b>(55,849)</b>	<b>706,360</b>	<b>13,000,000</b>	<b>-</b>	<b>(13,000,000)</b>
Fund balances, beginning of year	910,276	910,276	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 148,067</b>	<b>\$ 854,427</b>	<b>\$ 706,360</b>	<b>\$ 13,000,000</b>	<b>\$ -</b>	<b>\$ (13,000,000)</b>

Accommodations Tax (2300)			Park Development (2411)			CDBG Housing Grant (2470)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
500,000	441,525	(58,475)	-	-	-	-	-	-
1,500,000	1,788,636	288,636	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5,352,699	5,075,200	(277,499)	-	-	-
15	155	140	4,767,222	5,040,660	273,438	-	-	-
37,400	41,775	4,375	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
41,168	51,944	10,776	-	-	-	4,767	6,346	1,579
3,250	3,650	400	-	-	-	-	-	-
34,500	26,400	(8,100)	-	-	-	91,065	63,245	(27,820)
<u>2,116,333</u>	<u>2,354,085</u>	<u>237,752</u>	<u>10,119,921</u>	<u>10,115,860</u>	<u>(4,061)</u>	<u>95,832</u>	<u>69,591</u>	<u>(26,241)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	122,470	589	(121,881)
-	-	-	-	-	-	-	-	-
2,242,466	2,123,144	(119,322)	238,526	241,843	3,317	-	-	-
-	-	-	-	-	-	-	-	-
12,450	12,450	-	9,927,756	9,920,378	(7,378)	-	-	-
<u>2,254,916</u>	<u>2,135,594</u>	<u>(119,322)</u>	<u>10,166,282</u>	<u>10,162,221</u>	<u>(4,061)</u>	<u>122,470</u>	<u>589</u>	<u>(121,881)</u>
<u>(138,583)</u>	<u>218,491</u>	<u>357,074</u>	<u>(46,361)</u>	<u>(46,361)</u>	<u>-</u>	<u>(26,638)</u>	<u>69,002</u>	<u>95,640</u>
-	-	-	33,910	33,910	-	-	-	-
<u>(58,383)</u>	<u>(58,325)</u>	<u>(58)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(58,383)</u>	<u>(58,325)</u>	<u>(58)</u>	<u>33,910</u>	<u>33,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(196,966)</u>	<u>160,166</u>	<u>357,132</u>	<u>(12,451)</u>	<u>(12,451)</u>	<u>-</u>	<u>(26,638)</u>	<u>69,002</u>	<u>95,640</u>
<u>1,989,615</u>	<u>1,989,615</u>	<u>-</u>	<u>12,451</u>	<u>12,451</u>	<u>-</u>	<u>156,516</u>	<u>156,516</u>	<u>-</u>
<u>\$ 1,792,649</u>	<u>\$ 2,149,781</u>	<u>\$ 357,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,878</u>	<u>\$ 225,518</u>	<u>\$ 95,640</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, 2023

	Neighborhood Stabilization Grant (2471)			Pass-Through Grants (2530)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	5,500	5,287	(213)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>5,287</u>	<u>(213)</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	173	173	-	5,500	5,287	(213)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>173</u>	<u>173</u>	<u>-</u>	<u>5,500</u>	<u>5,287</u>	<u>(213)</u>
Revenues over (under) expenditures	<u>(173)</u>	<u>(173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(173)</u>	<u>(173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>173</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deed Automation (2560)			Juvenile Prosecution Resentencing (2596)			Indigent Defense (2600)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	158,000	165,437	7,437
-	-	-	39,000	-	(39,000)	3,285,821	3,131,147	(154,674)
-	-	-	-	-	-	-	-	-
140,000	140,570	570	-	-	-	105,000	105,536	536
-	-	-	-	-	-	-	-	-
4,000	7,762	3,762	750	1,358	608	1,000	6,895	5,895
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
144,000	148,332	4,332	39,750	1,358	(38,392)	3,549,821	3,409,015	(140,806)
-	-	-	-	-	-	-	-	-
-	-	-	39,000	-	(39,000)	5,038,614	4,112,324	(926,290)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
126,170	123,583	(2,587)	-	-	-	-	-	-
60,000	-	(60,000)	-	-	-	-	-	-
186,170	123,583	(62,587)	39,000	-	(39,000)	5,038,614	4,112,324	(926,290)
(42,170)	24,749	66,919	750	1,358	608	(1,488,793)	(703,309)	785,484
-	-	-	-	-	-	1,582,589	1,613,109	30,520
(2,555)	(2,375)	(180)	-	-	-	(93,796)	(92,145)	(1,651)
(2,555)	(2,375)	(180)	-	-	-	1,488,793	1,520,964	28,869
(44,725)	22,374	67,099	750	1,358	608	-	817,655	817,655
252,118	252,118	-	828	828	-	1,080	1,080	-
\$ 207,393	\$ 274,492	\$ 67,099	\$ 1,578	\$ 2,186	\$ 608	\$ 1,080	\$ 818,735	\$ 817,655

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# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	Concealed Pistol Licensing (2630)			Community Corrections (2640)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	173,321	167,826	(5,495)
Local	-	-	-	-	-	-
Charges for services	14,000	15,690	1,690	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	5,900	8,499	2,599	-	-	-
Rentals	-	-	-	-	-	-
Other	82,000	88,024	6,024	-	-	-
<b>Total revenues</b>	<b>101,900</b>	<b>112,213</b>	<b>10,313</b>	<b>173,321</b>	<b>167,826</b>	<b>(5,495)</b>
<b>Expenditures</b>						
Current:						
General government	119,694	99,175	(20,519)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	346,724	343,466	(3,258)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>119,694</b>	<b>99,175</b>	<b>(20,519)</b>	<b>346,724</b>	<b>343,466</b>	<b>(3,258)</b>
Revenues over (under) expenditures	(17,794)	13,038	30,832	(173,403)	(175,640)	(2,237)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	183,496	185,673	2,177
Transfers out	(2,514)	(2,336)	(178)	(10,093)	(10,033)	(60)
<b>Total other financing sources (uses)</b>	<b>(2,514)</b>	<b>(2,336)</b>	<b>(178)</b>	<b>173,403</b>	<b>175,640</b>	<b>2,117</b>
<b>Net change in fund balances</b>	<b>(20,308)</b>	<b>10,702</b>	<b>31,010</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	282,723	282,723	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 262,415</b>	<b>\$ 293,425</b>	<b>\$ 31,010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

TNT Drug (2671)			Prosecutor Drug (2672)			Special Investigative (2673)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,313	7,576	(6,737)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
36,977	36,980	3	-	-	-	-	-	-
342	1,793	1,451	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>37,319</u>	<u>38,773</u>	<u>1,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,313</u>	<u>7,576</u>	<u>(6,737)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,089	8,221	(5,868)
17,751	13,894	(3,857)	72	72	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
19,568	-	(19,568)	-	-	-	-	-	-
<u>37,319</u>	<u>13,894</u>	<u>(23,425)</u>	<u>72</u>	<u>72</u>	<u>-</u>	<u>14,089</u>	<u>8,221</u>	<u>(5,868)</u>
-	24,879	24,879	(72)	(72)	-	224	(645)	(869)
-	-	-	-	-	-	-	891	891
-	-	-	-	-	-	(224)	(246)	22
-	-	-	-	-	-	(224)	645	913
-	24,879	24,879	(72)	(72)	-	-	-	-
39,703	39,703	-	1,298	1,298	-	-	-	-
<u>\$ 39,703</u>	<u>\$ 64,582</u>	<u>\$ 24,879</u>	<u>\$ 1,226</u>	<u>\$ 1,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# COUNTY OF MUSKEGON, MICHIGAN

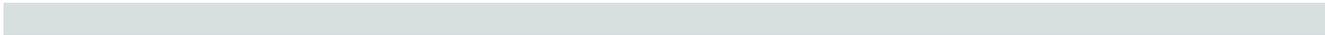
## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	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
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	240,652	235,138	(5,514)	-	-	-
State	424,813	374,222	(50,591)	-	-	-
Local	-	-	-	52,048	52,047	(1)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>665,465</b>	<b>609,360</b>	<b>(56,105)</b>	<b>52,048</b>	<b>52,047</b>	<b>(1)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	50,000	33,200	(16,800)
Judicial	719,678	652,838	(66,840)	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>719,678</b>	<b>652,838</b>	<b>(66,840)</b>	<b>50,000</b>	<b>33,200</b>	<b>(16,800)</b>
Revenues over (under) expenditures	(54,213)	(43,478)	10,735	2,048	18,847	16,799
<b>Other financing sources (uses)</b>						
Transfers in	74,440	63,018	(11,422)	-	-	-
Transfers out	(20,227)	(19,539)	(688)	-	-	-
<b>Total other financing sources (uses)</b>	<b>54,213</b>	<b>43,479</b>	<b>(12,110)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2,048</b>	<b>18,847</b>	<b>16,799</b>
Fund balances, beginning of year	1,888	1,888	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 1,888</b>	<b>\$ 1,889</b>	<b>\$ 1</b>	<b>\$ 2,048</b>	<b>\$ 18,847</b>	<b>\$ 16,799</b>



Coronavirus Virtual Backlog Response (2852)			Remonumentation Program (2890)			Social Welfare (2910)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
56,691	30,735	(25,956)	-	-	-	-	-	-
-	-	-	111,973	50,141	(61,832)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
56,691	30,735	(25,956)	111,973	50,141	(61,832)	-	-	-
56,691	30,735	(25,956)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,348	6,211	(1,137)
-	-	-	-	-	-	-	-	-
-	-	-	111,988	50,134	(61,854)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
56,691	30,735	(25,956)	111,988	50,134	(61,854)	7,348	6,211	(1,137)
-	-	-	(15)	7	22	(7,348)	(6,211)	1,137
-	-	-	15	7	(8)	7,348	6,211	(1,137)
-	-	-	-	(14)	14	-	-	-
-	-	-	15	(7)	6	7,348	6,211	(1,137)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2023

	Child Care Facility (2920)			Veterans' Care (2930)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ 384,885	\$ 386,890	\$ 2,005
PA 59 assessment	-	-	-	-	-	-
PA 263 tax	-	-	-	-	-	-
Grants and contributions:						
Federal	-	-	-	-	-	-
State	3,684,593	3,301,815	(382,778)	122,391	114,859	(7,532)
Local	-	-	-	30,000	49,876	19,876
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	10,000	14,620	4,620
Rentals	-	-	-	-	-	-
Other	348,165	332,345	(15,820)	-	-	-
<b>Total revenues</b>	<b>4,032,758</b>	<b>3,634,160</b>	<b>(398,598)</b>	<b>547,276</b>	<b>566,245</b>	<b>18,969</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	7,143,197	5,998,865	(1,144,332)	-	-	-
Welfare	-	-	-	575,033	551,389	(23,644)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>7,143,197</b>	<b>5,998,865</b>	<b>(1,144,332)</b>	<b>575,033</b>	<b>551,389</b>	<b>(23,644)</b>
Revenues over (under) expenditures	(3,110,439)	(2,364,705)	745,734	(27,757)	14,856	42,613
<b>Other financing sources (uses)</b>						
Transfers in	3,213,847	2,466,100	(747,747)	-	-	-
Transfers out	(103,408)	(101,395)	(2,013)	(7,723)	(7,717)	(6)
<b>Total other financing sources (uses)</b>	<b>3,110,439</b>	<b>2,364,705</b>	<b>(749,760)</b>	<b>(7,723)</b>	<b>(7,717)</b>	<b>(6)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,480)</b>	<b>7,139</b>	<b>42,619</b>
Fund balances, beginning of year	-	-	-	401,739	401,739	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 366,259</b>	<b>\$ 408,878</b>	<b>\$ 42,619</b>

Mental Health Buildings (2970)			Quality of Victim Restitution (2980)			Total		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,968,872	\$ 2,927,128	\$ (41,744)
-	-	-	-	-	-	500,000	441,525	(58,475)
-	-	-	-	-	-	1,500,000	1,788,636	288,636
-	-	-	-	-	-	8,937,034	7,105,471	(1,831,563)
-	-	-	-	-	-	31,902,500	16,361,308	(15,541,192)
-	-	-	-	-	-	5,281,896	5,503,583	221,687
-	-	-	1,615	2,636	1,021	4,314,923	3,895,092	(419,831)
-	-	-	-	-	-	36,977	36,980	3
1,200	1,509	309	535	679	144	111,512	198,588	87,076
232,491	232,491	-	-	-	-	235,741	236,141	400
-	-	-	-	-	-	688,262	632,928	(55,334)
<u>233,691</u>	<u>234,000</u>	<u>309</u>	<u>2,150</u>	<u>3,315</u>	<u>1,165</u>	<u>56,477,717</u>	<u>39,127,380</u>	<u>(17,350,337)</u>
-	-	-	-	-	-	977,135	334,358	(642,777)
-	-	-	2,150	256	(1,894)	12,457,259	10,790,913	(1,666,346)
-	-	-	-	-	-	2,589,370	2,251,291	(338,079)
-	-	-	-	-	-	2,048,098	191,334	(1,856,764)
277,337	255,351	(21,986)	-	-	-	15,638,069	13,089,480	(2,548,589)
-	-	-	-	-	-	5,420,021	4,035,452	(1,384,569)
-	-	-	-	-	-	111,988	50,134	(61,854)
-	-	-	-	-	-	3,590,477	3,404,335	(186,142)
-	-	-	-	-	-	126,170	123,583	(2,587)
-	-	-	-	-	-	10,341,931	10,201,532	(140,399)
<u>277,337</u>	<u>255,351</u>	<u>(21,986)</u>	<u>2,150</u>	<u>256</u>	<u>(1,894)</u>	<u>53,300,518</u>	<u>44,472,412</u>	<u>(8,828,106)</u>
<u>(43,646)</u>	<u>(21,351)</u>	<u>22,295</u>	<u>-</u>	<u>3,059</u>	<u>3,059</u>	<u>3,177,199</u>	<u>(5,345,032)</u>	<u>(8,522,231)</u>
-	-	-	-	-	-	9,587,208	8,215,763	(1,371,445)
(221)	(141)	(80)	-	-	-	(683,497)	(674,657)	(8,840)
<u>(221)</u>	<u>(141)</u>	<u>(80)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,903,711</u>	<u>7,541,106</u>	<u>(1,380,285)</u>
(43,867)	(21,492)	22,375	-	3,059	3,059	12,080,910	2,196,074	(9,884,836)
<u>55,411</u>	<u>55,411</u>	<u>-</u>	<u>20,076</u>	<u>20,076</u>	<u>-</u>	<u>6,080,382</u>	<u>6,080,382</u>	<u>-</u>
<u>\$ 11,544</u>	<u>\$ 33,919</u>	<u>\$ 22,375</u>	<u>\$ 20,076</u>	<u>\$ 23,135</u>	<u>\$ 3,059</u>	<u>\$ 18,161,292</u>	<u>\$ 8,276,456</u>	<u>\$ (9,884,836)</u>

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## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Enterprise Funds

Delinquent Tax Revolving Fund (5160)--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.

Local Government Public Works Financing (5650)--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.

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash.

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, 2023

	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 12,960,480	\$ -	\$ 631,239	\$ 1,204,994	\$ 158,471	\$ 14,955,184
Receivables:						
Accounts	34,400	-	-	48,241	-	82,641
Due from other governments	-	-	-	743,241	-	743,241
Taxes	8,358,714	-	-	-	-	8,358,714
Installment sales agreements	-	847,384	-	-	-	847,384
<b>Total current assets</b>	<b>21,353,594</b>	<b>847,384</b>	<b>631,239</b>	<b>1,996,476</b>	<b>158,471</b>	<b>24,987,164</b>
Noncurrent assets:						
Restricted assets	-	-	126,748	-	-	126,748
Receivables, net of current portion:						
Installment sales agreements	-	12,489,920	-	-	-	12,489,920
Capital assets not being depreciated/amortized	-	-	-	354,753	-	354,753
Capital assets being depreciated/amortized, net	-	-	-	7,242,824	93,922	7,336,746
<b>Total noncurrent assets</b>	<b>-</b>	<b>12,489,920</b>	<b>126,748</b>	<b>7,597,577</b>	<b>93,922</b>	<b>20,308,167</b>
<b>Total assets</b>	<b>21,353,594</b>	<b>13,337,304</b>	<b>757,987</b>	<b>9,594,053</b>	<b>252,393</b>	<b>45,295,331</b>
<b>Deferred outflows of resources</b>						
Deferred charge on bond refunding	-	206,145	-	-	-	206,145
Deferred pension amounts	-	-	-	517,114	-	517,114
Deferred OPEB amounts	-	-	-	89,703	-	89,703
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>206,145</b>	<b>-</b>	<b>606,817</b>	<b>-</b>	<b>812,962</b>
<b>Liabilities</b>						
Current liabilities:						
Negative equity in pooled cash	-	2,643	-	-	-	2,643
Accounts payable	6,141	-	368	292,596	422	299,527
Accrued liabilities	532,525	-	-	59,889	303	592,717
Accrued interest	193,290	205,568	-	19,044	-	417,902
Current portion of accrued closure cost and sludge removal	-	-	24,842	-	-	24,842
Current portion of compensated absences	-	-	-	36,434	-	36,434
Current portion of subscription liability	-	-	-	7,389	-	7,389
Current portion of bonds and notes payable and related premium/discount	9,500,000	752,990	-	39,948	-	10,292,938
<b>Total current liabilities</b>	<b>10,231,956</b>	<b>961,201</b>	<b>25,210</b>	<b>455,300</b>	<b>725</b>	<b>11,674,392</b>
Noncurrent liabilities, net of current portion:						
Accrued closure cost and sludge removal	-	-	200,100	-	-	200,100
Compensated absences	-	-	-	258,337	-	258,337
Subscription liability	-	-	-	37,418	-	37,418
Bonds and notes payable and related premium/discount	2,380,000	12,582,248	-	1,035,963	-	15,998,211
Net pension liability	-	-	-	2,554,914	-	2,554,914
Net OPEB liability	-	-	-	568,476	-	568,476
<b>Total noncurrent liabilities</b>	<b>2,380,000</b>	<b>12,582,248</b>	<b>200,100</b>	<b>4,455,108</b>	<b>-</b>	<b>19,617,456</b>
<b>Total liabilities</b>	<b>12,611,956</b>	<b>13,543,449</b>	<b>225,310</b>	<b>4,910,408</b>	<b>725</b>	<b>31,291,848</b>
<b>Deferred inflows of resources</b>						
Deferred OPEB amounts	-	-	-	187,286	-	187,286
<b>Net position</b>						
Net investment in capital assets	-	-	-	7,552,770	93,922	7,646,692
Unrestricted (deficit)	8,741,638	-	532,677	(2,449,594)	157,746	6,982,467
<b>Total net position</b>	<b>\$ 8,741,638</b>	<b>\$ -</b>	<b>\$ 532,677</b>	<b>\$ 5,103,176</b>	<b>\$ 251,668</b>	<b>\$ 14,629,159</b>

**COUNTY OF MUSKEGON, MICHIGAN**

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
<b>Operating revenues</b>						
Charges for services	\$ 1,707,143	\$ -	\$ -	\$ 352,269	\$ 52,148	\$ 2,111,560
Interest and penalties	1,687,927	-	-	-	-	1,687,927
Installment agreement	-	497,982	-	-	-	497,982
Other	9,121	-	-	1,448	-	10,569
<b>Total operating revenues</b>	<b>3,404,191</b>	<b>497,982</b>	<b>-</b>	<b>353,717</b>	<b>52,148</b>	<b>4,308,038</b>
<b>Operating expenses</b>						
Salaries and fringes	374,554	-	-	2,040,916	10,747	2,426,217
Supplies and other operating	328,107	1,817	(2,033)	2,424,786	9,625	2,762,302
Depreciation/amortization	-	-	-	1,006,855	28,305	1,035,160
<b>Total operating expenses</b>	<b>702,661</b>	<b>1,817</b>	<b>(2,033)</b>	<b>5,472,557</b>	<b>48,677</b>	<b>6,223,679</b>
Operating income (loss)	2,701,530	496,165	2,033	(5,118,840)	3,471	(1,915,641)
<b>Nonoperating revenues (expenses)</b>						
Grants and contributions:						
Federal	-	-	-	2,651,754	-	2,651,754
State	-	-	-	1,584,640	-	1,584,640
Local	-	-	-	348,068	-	348,068
Investment income	324,267	-	18,752	22,342	3,879	369,240
Interest expense	(306,560)	(496,165)	-	(45,806)	-	(848,531)
Bond issuance expense	(1,500)	-	-	-	-	(1,500)
<b>Total nonoperating revenues (expenses)</b>	<b>16,207</b>	<b>(496,165)</b>	<b>18,752</b>	<b>4,560,998</b>	<b>3,879</b>	<b>4,103,671</b>
Income (loss) before capital contributions and transfers	2,717,737	-	20,785	(557,842)	7,350	2,188,030
Capital contributions - federal	-	-	-	11,760	-	11,760
Capital contributions - state	-	-	-	2,940	-	2,940
Transfers out	(28,693)	-	-	-	-	(28,693)
<b>Change in net position</b>	<b>2,689,044</b>	<b>-</b>	<b>20,785</b>	<b>(543,142)</b>	<b>7,350</b>	<b>2,174,037</b>
Net position, beginning of year	6,052,594	-	511,892	5,646,318	244,318	12,455,122
<b>Net position, end of year</b>	<b>\$ 8,741,638</b>	<b>\$ -</b>	<b>\$ 532,677</b>	<b>\$ 5,103,176</b>	<b>\$ 251,668</b>	<b>\$ 14,629,159</b>

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds  
For the Year Ended September 30, 2023

	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 15,997,449	\$ 1,223,837	\$ -	\$ 331,954	\$ 52,148	\$ 17,605,388
Payments to vendors	(327,001)	(1,932)	(23,924)	(2,258,692)	(9,203)	(2,620,752)
Payments for personnel services	(1,472,472)	-	-	(2,142,505)	(10,714)	(3,625,691)
Delinquent taxes purchased	(11,777,643)	-	-	-	-	(11,777,643)
<b>Net cash provided by (used in) operating activities</b>	<b>2,420,333</b>	<b>1,221,905</b>	<b>(23,924)</b>	<b>(4,069,243)</b>	<b>32,231</b>	<b>(418,698)</b>
<b>Cash flows from noncapital financing activities</b>						
Intergovernmental payments	(28,693)	-	-	-	-	(28,693)
Issuance of tax notes	9,380,000	-	-	-	-	9,380,000
Principal paid on pension bonds	-	-	-	(37,146)	-	(37,146)
Interest paid on pension bonds	-	-	-	(46,127)	-	(46,127)
Principal paid on tax notes	(8,800,000)	-	-	-	-	(8,800,000)
Interest paid on tax notes	(199,948)	-	-	-	-	(199,948)
Federal and/or state grants	-	-	-	5,066,726	-	5,066,726
<b>Net cash provided by noncapital financing activities</b>	<b>351,359</b>	<b>-</b>	<b>-</b>	<b>4,983,453</b>	<b>-</b>	<b>5,334,812</b>
<b>Cash flows from capital and related financing activities</b>						
Principal paid on bonds and notes payable	-	(610,000)	-	-	-	(610,000)
Interest paid on bonds and notes payable	-	(611,905)	-	-	-	(611,905)
Capital contributions received	-	-	-	14,700	-	14,700
Purchase of capital assets	-	-	-	(14,700)	-	(14,700)
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(1,221,905)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,221,905)</b>
<b>Cash flows from investing activities</b>						
Investment income	324,267	-	18,752	22,342	3,879	369,240
<b>Net change in cash and investments</b>	<b>3,095,959</b>	<b>-</b>	<b>(5,172)</b>	<b>936,552</b>	<b>36,110</b>	<b>4,063,449</b>
Cash and investments, beginning of year	9,864,521	-	636,411	268,442	122,361	10,891,735
<b>Cash and investments, end of year</b>	<b>\$ 12,960,480</b>	<b>\$ -</b>	<b>\$ 631,239</b>	<b>\$ 1,204,994</b>	<b>\$ 158,471</b>	<b>\$ 14,955,184</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 2,701,530	\$ 496,165	\$ 2,033	\$ (5,118,840)	\$ 3,471	\$ (1,915,641)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization expense	-	-	-	1,006,855	28,305	1,035,160
Changes in operating assets and liabilities that provided (used) cash:						
Accounts receivable	103,850	-	-	(21,763)	-	82,087
Taxes receivable	187,372	-	-	-	-	187,372
Installment sales agreements receivable	-	725,855	-	-	-	725,855
Restricted assets	-	-	577	-	-	577
Negative equity in pooled cash	-	(115)	-	-	-	(115)
Accounts payable	1,106	-	(4,094)	166,094	422	163,528
Accrued liabilities	(573,525)	-	-	9,604	33	(563,888)
Accrued closure cost and sludge removal	-	-	(22,440)	-	-	(22,440)
Compensated absences	-	-	-	4,275	-	4,275
Net pension liability	-	-	-	975,856	-	975,856
Deferred outflows - pension amounts	-	-	-	(438,611)	-	(438,611)
Deferred inflows - pension amounts	-	-	-	(390,827)	-	(390,827)
Net OPEB liability	-	-	-	(216,619)	-	(216,619)
Deferred outflows - OPEB amounts	-	-	-	74,396	-	74,396
Deferred inflows - OPEB amounts	-	-	-	(119,663)	-	(119,663)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,420,333</b>	<b>\$ 1,221,905</b>	<b>\$ (23,924)</b>	<b>\$ (4,069,243)</b>	<b>\$ 32,231</b>	<b>\$ (418,698)</b>
<b>Non-cash capital and related financing activity</b>						
Capital assets acquired through subscription liability	\$ -	\$ -	\$ -	\$ 44,807	\$ -	\$ 44,807

## 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.

Maintenance 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.

Electronic Content Management (6690)--to account for the operations and maintenance of the County's Electronic Control Management function, which allows for electronic file sharing and storage between the courts and various departments. This fund is self-sustaining with revenues generated by charges to user departments.

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, 2023

	Office Services (6330)	South Campus Facilities (6340)	Maintenance Garage (6345)
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 54,805	\$ 9,511	\$ 110
Receivables:			
Accounts	4,045	-	-
Due from other governments	11,073	-	-
Accrued interest	-	-	-
Leases	-	-	-
Prepays	73,000	-	-
Total current assets	<u>142,923</u>	<u>9,511</u>	<u>110</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Leases receivable, net of current portion	-	-	-
Capital assets not being depreciated/amortized	-	-	15,000
Capital assets being depreciated/amortized, net	-	-	28,080
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>43,080</u>
<b>Total assets</b>	<u>142,923</u>	<u>9,511</u>	<u>43,190</u>
<b>Deferred outflows of resources</b>			
Deferred charge on bond refunding	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Current liabilities:			
Payables:			
Accounts payable	72,772	8,295	110
Due to other governments	-	-	-
Accrued liabilities	3,632	1,216	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	707	-	-
Current portion of subscription liability	-	-	-
Current portion of bonds and notes payable and related premium/discount	-	-	-
Total current liabilities	<u>77,111</u>	<u>9,511</u>	<u>110</u>
Noncurrent liabilities, net of current portion:			
Compensated absences	5,017	-	-
Subscription liability	-	-	-
Bonds and notes payable and related premium/discount	-	-	-
Total noncurrent liabilities	<u>5,017</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>82,128</u>	<u>9,511</u>	<u>110</u>
<b>Deferred inflows of resources</b>			
Deferred lease amounts	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position</b>			
Net investment in capital assets	-	-	43,080
Unrestricted	60,795	-	-
<b>Total net position</b>	<u>\$ 60,795</u>	<u>\$ -</u>	<u>\$ 43,080</u>

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Electronic Content Management (6690)	Insurance (6770)	Total
\$ 2,116,899	\$ 191,541	\$ 3,236,511	\$ 3,331	\$ 531,830	\$ 6,144,538
-	242,572	2,793	-	164,145	413,555
-	-	35,179	-	-	46,252
-	-	-	-	408,347	408,347
-	529,873	-	-	-	529,873
-	-	244,934	-	1,507,500	1,825,434
<u>2,116,899</u>	<u>963,986</u>	<u>3,519,417</u>	<u>3,331</u>	<u>2,611,822</u>	<u>9,367,999</u>
-	-	-	-	353,084	353,084
-	-	-	-	778,193	778,193
-	869,681	-	-	-	869,681
-	-	407,000	-	-	422,000
<u>1,813,368</u>	<u>-</u>	<u>5,743,270</u>	<u>-</u>	<u>-</u>	<u>7,584,718</u>
<u>1,813,368</u>	<u>869,681</u>	<u>6,150,270</u>	<u>-</u>	<u>1,131,277</u>	<u>10,007,676</u>
<u>3,930,267</u>	<u>1,833,667</u>	<u>9,669,687</u>	<u>3,331</u>	<u>3,743,099</u>	<u>19,375,675</u>
<u>49,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,397</u>
-	60,459	137,682	-	261,405	540,723
-	-	-	-	19,638	19,638
-	2,207	23,718	3,331	2,518,151	2,552,255
45,080	-	57,948	-	-	103,028
-	6,194	-	-	8,462	14,656
-	-	18,219	-	-	18,926
-	-	465,662	-	-	465,662
<u>440,000</u>	<u>-</u>	<u>591,192</u>	<u>-</u>	<u>-</u>	<u>1,031,192</u>
<u>485,080</u>	<u>68,860</u>	<u>1,294,421</u>	<u>3,331</u>	<u>2,807,656</u>	<u>4,746,080</u>
-	-	129,181	-	-	134,198
-	-	739,880	-	-	739,880
<u>3,410,000</u>	<u>-</u>	<u>3,474,037</u>	<u>-</u>	<u>-</u>	<u>6,884,037</u>
<u>3,410,000</u>	<u>-</u>	<u>4,343,098</u>	<u>-</u>	<u>-</u>	<u>7,758,115</u>
<u>3,895,080</u>	<u>68,860</u>	<u>5,637,519</u>	<u>3,331</u>	<u>2,807,656</u>	<u>12,504,195</u>
<u>-</u>	<u>1,399,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,399,554</u>
(1,987,235)	-	879,499	-	-	(1,064,656)
<u>2,071,819</u>	<u>365,253</u>	<u>3,152,669</u>	<u>-</u>	<u>935,443</u>	<u>6,585,979</u>
<u>\$ 84,584</u>	<u>\$ 365,253</u>	<u>\$ 4,032,168</u>	<u>\$ -</u>	<u>\$ 935,443</u>	<u>\$ 5,521,323</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, 2023

	Office Services (6330)	South Campus Facilities (6340)	Maintenance Garage (6345)
<b>Operating revenues</b>			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	590,731	2,020
Other revenues	445,594	-	-
<b>Total operating revenues</b>	<u>445,594</u>	<u>590,731</u>	<u>2,020</u>
<b>Operating expenses</b>			
Salaries and fringes	158,138	86,287	-
Supplies and other operating expenses	247,924	501,843	2,838
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation/amortization	-	-	5,616
<b>Total operating expenses</b>	<u>406,062</u>	<u>588,130</u>	<u>8,454</u>
Operating income (loss)	<u>39,532</u>	<u>2,601</u>	<u>(6,434)</u>
<b>Nonoperating revenues (expense)</b>			
Investment income (loss)	1,083	-	-
Interest expense	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<u>1,083</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	40,615	2,601	(6,434)
Capital contributions - federal	-	-	-
Transfers in	-	-	-
Transfers out	(4,570)	(2,601)	-
<b>Change in net position</b>	36,045	-	(6,434)
Net position, beginning of year	<u>24,750</u>	<u>-</u>	<u>49,514</u>
<b>Net position, end of year</b>	<u>\$ 60,795</u>	<u>\$ -</u>	<u>\$ 43,080</u>

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Electronic Content Management (6690)	Insurance (6770)	Total
\$ -	\$ -	\$ -	\$ -	\$ 22,229,860	\$ 22,229,860
-	1,256,838	397,826	-	-	2,247,415
-	279	3,376,084	914,590	3,109,281	7,845,828
-	1,257,117	3,773,910	914,590	25,339,141	32,323,103
-	101,812	996,053	168,219	1,355,327	2,865,836
864	811,721	686,823	740,543	177,465	3,170,021
-	-	-	-	428,837	428,837
-	-	-	-	22,839,838	22,839,838
352,488	-	1,563,194	-	-	1,921,298
353,352	913,533	3,246,070	908,762	24,801,467	31,225,830
(353,352)	343,584	527,840	5,828	537,674	1,097,273
169,959	1,960	(396,276)	-	(451,758)	(675,032)
(109,188)	-	(167,505)	-	-	(276,693)
60,771	1,960	(563,781)	-	(451,758)	(951,725)
(292,581)	345,544	(35,941)	5,828	85,916	145,548
422,446	-	-	-	-	422,446
-	-	249,918	-	-	249,918
-	(3,010)	(95,530)	(5,828)	(54,046)	(165,585)
129,865	342,534	118,447	-	31,870	652,327
(45,281)	22,719	3,913,721	-	903,573	4,868,996
\$ 84,584	\$ 365,253	\$ 4,032,168	\$ -	\$ 935,443	\$ 5,521,323

**COUNTY OF MUSKEGON, MICHIGAN**

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended September 30, 2023

	Office Services (6330)	South Campus Facilities (6340)	Maintenance Garage (6345)
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 449,508	\$ 590,731	\$ 2,020
Payments to vendors	(269,115)	(504,671)	(2,842)
Payments for personnel services	(160,336)	(86,409)	-
<b>Net cash provided by (used in) operating activities</b>	<u>20,057</u>	<u>(349)</u>	<u>(822)</u>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental receipts	-	-	-
Intergovernmental payments	(4,570)	(2,601)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(4,570)</u>	<u>(2,601)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Principal paid on bonds and notes payable	-	-	-
Interest paid on bonds and notes payable	-	-	-
Capital contributions received	-	-	-
Purchase of capital assets	-	-	-
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Investment income (loss)	1,083	-	-
<b>Net change in cash and investments</b>	16,570	(2,950)	(822)
Cash and investments, beginning of year	<u>38,235</u>	<u>12,461</u>	<u>932</u>
Cash and investments, end of year	<u>\$ 54,805</u>	<u>\$ 9,511</u>	<u>\$ 110</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 39,532	\$ 2,601	\$ (6,434)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization expense	-	-	5,616
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	(4,045)	-	-
Due from other governments	7,959	-	-
Accrued interest receivable	-	-	-
Prepays	(38,000)	-	-
Deposits held with others	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	16,809	(2,828)	(4)
Due to other governments	-	-	-
Accrued liabilities	360	(122)	-
Unearned revenue	-	-	-
Compensated absences	(2,558)	-	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 20,057</u>	<u>\$ (349)</u>	<u>\$ (822)</u>
<b>Non-cash capital and related financing activity</b>			
Capital assets acquired through subscription liability	\$ -	\$ -	\$ -

Energy Improvements (6350)	Marquette Campus (6355)	Equipment Revolving (6660)	Electronic Content Management (6690)	Insurance (6770)	Total
\$ -	\$ 1,142,999	\$ 3,751,619	\$ 914,590	\$ 25,080,639	\$ 31,932,106
(864)	(850,210)	(552,106)	(740,543)	(24,310,360)	(27,230,711)
-	(100,198)	(990,585)	(164,888)	(1,420,505)	(2,922,921)
(864)	192,591	2,208,928	9,159	(650,226)	1,778,474
-	-	143,423	-	-	143,423
-	(3,010)	-	(5,828)	(429,155)	(445,164)
-	(3,010)	143,423	(5,828)	(429,155)	(301,741)
(425,000)	-	(1,288,041)	-	-	(1,713,041)
(101,561)	-	(183,158)	-	-	(284,719)
422,446	-	-	-	-	422,446
-	-	(572,680)	-	-	(572,680)
(104,115)	-	(2,043,879)	-	-	(2,147,994)
169,959	1,960	(396,276)	-	(451,758)	(675,032)
64,980	191,541	(87,804)	3,331	(1,531,139)	(1,346,293)
2,051,919	-	3,324,315	-	2,062,969	7,490,831
<u>\$ 2,116,899</u>	<u>\$ 191,541</u>	<u>\$ 3,236,511</u>	<u>\$ 3,331</u>	<u>\$ 531,830</u>	<u>\$ 6,144,538</u>
\$ (353,352)	\$ 343,584	\$ 527,840	\$ 5,828	\$ 537,674	\$ 1,097,273
352,488	-	1,563,194	-	-	1,921,298
-	(114,118)	2,427	-	(134,770)	(250,506)
-	-	(24,021)	-	-	(16,062)
-	-	-	-	(105,178)	(105,178)
-	-	23,158	-	(1,230,879)	(1,245,721)
-	-	-	-	237,314	237,314
-	(92,581)	-	-	-	(92,581)
-	54,092	111,559	-	129,345	308,973
-	-	-	-	10,133	10,133
-	1,614	2,255	3,331	(75,311)	(67,873)
-	-	(697)	-	(18,554)	(19,251)
-	-	3,213	-	-	655
<u>\$ (864)</u>	<u>\$ 192,591</u>	<u>\$ 2,208,928</u>	<u>\$ 9,159</u>	<u>\$ (650,226)</u>	<u>\$ 1,778,474</u>
\$ -	\$ -	\$ 1,159,992	\$ -	\$ -	\$ 1,159,992

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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, 2023

	<b>Custodial (7010)</b>	<b>Library Penal Fines (7210)</b>	<b>Epic Heir (7650)</b>	<b>HealthWest Client Funds (7930)</b>	<b>Total</b>
<b>Assets</b>					
Cash and investments	\$ 18,907,361	\$ 82,943	\$ 85,264	\$ 599,617	\$ 19,675,185
<b>Liabilities</b>					
Accounts payable	7,831	-	-	-	7,831
Due to other governments	662,968	82,943	-	-	745,911
Undistributed current and delinquent taxes	17,741,954	-	-	-	17,741,954
Trust deposits	75,842	-	-	-	75,842
Unallocated receipts	372,807	-	-	-	372,807
<b>Total liabilities</b>	<b>18,861,402</b>	<b>82,943</b>	<b>-</b>	<b>-</b>	<b>18,944,345</b>
<b>Net position restricted for</b>					
Individuals, organizations and other governments	\$ 45,959	\$ -	\$ 85,264	\$ 599,617	\$ 730,840

## COUNTY OF MUSKEGON, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2023

	Custodial (7010)	Library Penal Fines (7210)	Epic Heir (7650)	HealthWest Client Funds (7930)	Total
<b>Additions</b>					
Contributions	\$ -	\$ -	\$ 2,748	\$ -	\$ 2,748
Investment earnings	-	-	2,736	-	2,736
Collections:					
Property and other taxes	113,351,722	-	-	-	113,351,722
Court and other fees	2,157,948	-	-	-	2,157,948
Library penal	-	345,475	-	-	345,475
Healthwest consumer	-	-	-	3,655,686	3,655,686
Inmate	1,600,699	-	-	-	1,600,699
Bonds and restitution	100,750	-	-	-	100,750
Other	1,450,970	-	-	-	1,450,970
<b>Total additions</b>	<b>118,662,089</b>	<b>345,475</b>	<b>5,484</b>	<b>3,655,686</b>	<b>122,668,734</b>
<b>Deductions</b>					
Distributions:					
Property and other taxes	113,351,722	-	-	-	113,351,722
Court and other fees	2,157,948	-	-	-	2,157,948
Library penal	-	345,475	-	-	345,475
Healthwest consumer	-	-	-	3,850,892	3,850,892
Inmate	1,600,832	-	-	-	1,600,832
Bonds and restitution	100,750	-	-	-	100,750
EPIC HEIR distributions	-	-	17,075	-	17,075
Other	1,450,970	-	-	-	1,450,970
<b>Total deductions</b>	<b>118,662,222</b>	<b>345,475</b>	<b>17,075</b>	<b>3,850,892</b>	<b>122,875,664</b>
<b>Change in net position</b>	<b>(133)</b>	<b>-</b>	<b>(11,591)</b>	<b>(195,206)</b>	<b>(206,930)</b>
Net position, beginning of year	46,092	-	96,855	794,823	937,770
<b>Net position, end of year</b>	<b>\$ 45,959</b>	<b>\$ -</b>	<b>\$ 85,264</b>	<b>\$ 599,617</b>	<b>\$ 730,840</b>

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## **STATISTICAL SECTION**

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**Statistical Section**

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

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<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
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**Statistical Section**

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**Net Position by Component**

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 51,938	\$ 38,123	\$ 28,841	\$ 24,984	\$ 21,820	\$ 18,160	\$ 15,123	\$ 13,722	\$ 32,262	\$ 44,975
Restricted	3,075	2,635	2,902	3,273	3,703	8,916	7,475	6,597	10,890	40,509
Unrestricted (deficit)	481	(50,027)	(61,197)	(69,365)	(128,221)	(109,214)	(101,553)	(92,300)	(83,770)	(94,093)
<b>Total governmental activities net position</b>	<u>\$ 55,494</u>	<u>\$ (9,269)</u>	<u>\$ (29,454)</u>	<u>\$ (41,108)</u>	<u>\$ (102,698)</u>	<u>\$ (82,138)</u>	<u>\$ (78,955)</u>	<u>\$ (71,981)</u>	<u>\$ (40,618)</u>	<u>\$ (8,609)</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 96,621	\$ 94,764	\$ 94,269	\$ 98,216	\$ 99,225	\$ 106,669	\$ 112,221	\$ 114,899	\$ 126,182	\$ 128,070
Restricted	-	-	-	-	-	-	414	67	-	-
Unrestricted	26,893	16,881	19,715	13,134	9,555	15,015	16,193	19,467	8,792	12,116
<b>Total business-type activities net position</b>	<u>\$ 123,514</u>	<u>\$ 111,645</u>	<u>\$ 113,984</u>	<u>\$ 111,350</u>	<u>\$ 108,780</u>	<u>\$ 121,684</u>	<u>\$ 128,828</u>	<u>\$ 134,433</u>	<u>\$ 134,974</u>	<u>\$ 140,186</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 148,559	\$ 132,887	\$ 123,110	\$ 123,200	\$ 121,045	\$ 124,829	\$ 127,344	\$ 128,621	\$ 158,444	\$ 173,045
Restricted	3,075	2,635	2,902	3,273	3,703	8,916	7,889	6,664	10,890	40,509
Unrestricted (deficit)	27,374	(33,146)	(41,482)	(56,231)	(118,666)	(94,199)	(85,360)	(72,833)	(74,978)	(81,977)
<b>Total primary government net position</b>	<u>\$ 179,008</u>	<u>\$ 102,376</u>	<u>\$ 84,530</u>	<u>\$ 70,242</u>	<u>\$ 6,082</u>	<u>\$ 39,546</u>	<u>\$ 49,873</u>	<u>\$ 62,452</u>	<u>\$ 94,356</u>	<u>\$ 131,577</u>

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

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

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)  
Schedule B-2

**Changes in Net Position**  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands of dollars)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General county government	\$ 17,209	\$ 26,562	\$ 27,791	\$ 11,937	\$ 12,059	\$ 11,831	\$ 10,793	\$ 9,468	\$ 9,351	\$ 11,210
Judicial	11,588	11,466	13,440	18,675	20,139	13,179	16,869	17,598	18,707	22,054
Public safety	17,264	16,191	18,313	20,207	20,204	13,756	16,669	16,969	17,072	19,684
Public works	276	336	251	283	368	198	543	500	634	908
Health and welfare	91,296	84,637	80,246	87,823	92,596	84,829	87,881	92,408	95,658	111,041
Recreation and culture	1,631	1,581	1,613	1,715	2,721	2,372	2,748	3,100	2,538	3,750
Community and economic development	689	990	1,353	1,184	1,281	474	755	731	619	770
Interest	2,904	3,096	2,984	2,905	3,001	4,354	4,252	4,041	3,925	3,790
Total governmental activities expense	142,856	144,859	145,992	144,729	152,369	130,993	140,510	144,815	148,504	173,207
Business-type activities:										
Brookhaven	13,113	13,776	13,413	13,660	5,120	174	-	-	-	-
Local government public works financing	1,285	1,252	935	759	1,421	638	588	828	520	498
Solid Waste	2,653	6,042	2,675	3,377	3,806	3,666	5,539	1,589	7,266	7,411
Airport Operations	2,874	2,803	2,690	2,578	2,456	2,655	2,722	2,804	2,963	3,447
Regional Water System	3,135	3,515	3,592	3,147	3,200	2,975	2,881	3,256	3,238	3,551
Muskegon Area Transit System	4,976	5,566	5,993	6,294	6,396	4,381	4,543	4,100	4,483	5,473
Resource Recovery Center	17,326	16,514	17,152	18,261	17,174	15,917	16,154	16,866	20,044	19,443
Other proprietary funds	835	1,099	1,235	1,189	1,094	1,170	1,089	1,122	1,169	1,103
Total business-type activities expenses	46,197	50,567	47,685	49,265	40,667	31,576	33,516	30,565	39,683	40,926
Total primary government expenses	189,053	195,426	193,677	193,994	193,036	162,569	174,026	175,380	188,187	214,133
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	4,146	4,783	4,770	4,699	4,284	4,459	4,535	4,658	4,523	5,866
Judicial	3,081	2,915	2,845	3,132	3,233	3,497	2,917	3,920	4,001	4,088
Public safety	1,749	965	1,700	2,286	1,927	2,303	1,739	1,586	1,358	1,247
Health and welfare	57,142	55,576	55,296	59,919	61,316	62,969	61,671	65,270	78,156	90,549
Community and economic development	1,061	1,113	1,357	1,707	1,744	1,674	1,751	2,321	2,278	1,813
Other activities	1,188	1,263	1,341	1,356	1,298	1,312	1,257	1,362	1,398	1,458
Operating grants and contributions	26,797	26,538	21,739	23,492	25,463	34,401	30,059	29,405	37,840	42,015
Capital grants and contributions	673	940	555	403	387	401	387	569	430	5,470
Total governmental activities program revenues	95,837	94,093	89,603	96,994	99,652	111,016	104,316	109,091	129,984	152,506

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Resource Recovery Center	\$ 18,091	\$ 18,077	\$ 19,088	\$ 19,320	\$ 19,559	\$ 22,190	\$ 22,720	\$ 17,999	\$ 17,712	\$ 22,590
Brookhaven	12,446	12,380	11,810	10,515	3,797	-	-	-	-	-
Other	12,432	12,511	12,742	11,961	12,023	13,954	13,433	13,905	13,554	14,839
Operating grants and contributions	2,102	4,672	4,734	5,386	5,056	4,841	4,567	5,712	5,885	6,308
Capital grants and contributions	4,622	4,303	1,138	645	521	4,876	826	233	3,303	520
Total business-type activities program revenues	49,693	51,943	49,512	47,827	40,956	45,861	41,546	37,849	40,454	44,257
Total primary government program revenues	145,530	146,036	139,115	144,821	140,608	156,877	145,862	146,940	170,438	196,763
<b>Net (expense)/revenue</b>										
Governmental activities	(47,019)	(50,766)	(56,389)	(47,735)	(52,717)	(19,977)	(36,194)	(35,724)	(18,520)	(20,701)
Business-type activities	3,496	1,376	1,827	(1,438)	289	14,285	8,030	7,284	771	3,331
Total primary government net expense	(43,523)	(49,390)	(54,562)	(49,173)	(52,428)	(5,692)	(28,164)	(28,440)	(17,749)	(17,370)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property/Liquor/Lodging/Marijuana taxes	27,717	28,290	27,233	28,534	30,547	31,089	31,558	32,940	35,156	39,001
State shared revenue	2,882	3,595	3,601	3,637	3,673	3,690	2,884	3,765	3,840	4,070
Investment earnings (loss)	1,627	1,204	743	250	80	1,622	1,075	79	(4,845)	483
Other revenue and transfers	7,024	4,265	4,627	3,660	5,132	4,135	3,860	5,913	16,758	9,157
Special item	(3,504)	-	-	-	(10,701)	-	-	-	-	-
Total governmental activities	35,746	37,354	36,204	36,081	28,731	40,536	39,377	42,697	50,909	52,711
Business-type activities:										
Other revenue and transfers	(1,673)	(1,599)	(1,765)	(1,196)	(2,238)	(1,380)	(886)	(1,678)	(230)	1,880
Special item	-	-	2,277	-	10,701	-	-	-	-	-
Total business-type activities	(1,673)	(1,599)	512	(1,196)	8,463	(1,380)	(886)	(1,678)	(230)	1,880
Total primary government	34,073	35,755	36,716	34,885	37,194	39,156	38,491	41,019	50,679	54,591
<b>Change in net position</b>										
Governmental activities	(11,273)	(13,412)	(20,185)	(11,654)	(23,986)	20,559	3,183	6,973	32,389	32,010
Business-type activities	1,823	(223)	2,339	(2,634)	8,752	12,905	7,144	5,606	541	5,211
Total primary government	\$ (9,450)	\$ (13,635)	\$ (17,846)	\$ (14,288)	\$ (15,234)	\$ 33,464	\$ 10,327	\$ 12,579	\$ 32,930	\$ 37,221

concluded

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	\$ 3,838	\$ 1,577	\$ 1,320	\$ 1,076	\$ 58	\$ 108	\$ 104	\$ 104	\$ 116	\$ 118
Restricted	59	70	101	110	97	102	110	63	54	28
Assigned	-	-	628	-	73	68	1,895	1,660	2,303	1,947
Unassigned	5,808	7,926	8,310	9,451	8,838	9,668	9,462	13,162	12,928	14,599
<b>Total general fund</b>	<b>9,705</b>	<b>9,573</b>	<b>10,359</b>	<b>10,637</b>	<b>9,066</b>	<b>9,946</b>	<b>11,571</b>	<b>14,989</b>	<b>15,401</b>	<b>16,692</b>
All other governmental funds:										
Nonspendable	1,084	1,005	989	929	104	101	66	272	393	686
Restricted	24,706	5,681	2,861	3,293	3,497	8,587	6,649	5,803	5,470	10,138
Committed	214	1,690	986	1,108	1,945	3,730	3,643	3,311	3,382	3,430
Assigned	379	51	291	270	100	74	63	66	68	295
Unassigned (deficit)	-	-	(2)	-	-	(11,995)	(12,350)	(13,495)	(17,073)	(4,335)
<b>Total all other governmental funds</b>	<b>26,383</b>	<b>8,427</b>	<b>5,125</b>	<b>5,600</b>	<b>5,646</b>	<b>497</b>	<b>(1,929)</b>	<b>(4,043)</b>	<b>(7,760)</b>	<b>10,214</b>
<b>Total fund balance for governmental funds</b>	<b>\$ 36,088</b>	<b>\$ 18,000</b>	<b>\$ 15,484</b>	<b>\$ 16,237</b>	<b>\$ 14,712</b>	<b>\$ 10,443</b>	<b>\$ 9,642</b>	<b>\$ 10,946</b>	<b>\$ 7,641</b>	<b>\$ 26,906</b>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 28,295	\$ 28,309	\$ 27,253	\$ 28,554	\$ 30,574	\$ 31,399	\$ 31,578	\$ 33,101	\$ 35,853	\$ 39,025
Operating grants and contributions	29,187	30,660	25,615	27,182	28,839	38,066	32,873	33,247	55,367	58,354
Charges for services	67,555	65,530	66,228	72,067	72,842	66,802	72,172	77,422	85,019	112,561
Other	6,653	3,898	3,956	3,581	3,623	3,799	3,418	5,042	2,874	3,945
<b>Total revenues</b>	<b>131,690</b>	<b>128,397</b>	<b>123,052</b>	<b>131,384</b>	<b>135,878</b>	<b>140,066</b>	<b>140,041</b>	<b>148,812</b>	<b>179,113</b>	<b>213,885</b>
<b>Expenditures</b>										
General government	14,027	16,875	16,399	10,246	9,519	8,739	9,546	9,064	20,649	11,731
Judicial	10,803	10,886	11,329	16,725	17,384	17,815	17,412	18,367	21,154	23,138
Public safety	14,853	14,629	14,958	15,750	16,442	16,036	15,909	15,867	17,252	18,998
Public works	274	326	251	283	368	253	517	512	658	925
Health and welfare	89,064	83,271	76,133	83,591	88,704	92,033	88,603	94,188	101,945	114,253
Community and economic development	680	822	1,041	880	884	776	763	783	688	811
Other	1,296	1,285	1,243	1,167	2,561	43,017	7,379	2,865	2,516	3,775
Debt service:										
Principal	1,745	1,800	1,840	695	720	1,685	3,179	3,772	3,559	3,520
Interest	1,490	2,386	2,330	2,265	1,178	2,004	4,082	3,507	3,455	3,366
Bond issuance costs	-	-	-	-	330	292	67	-	-	-
Capital outlay	21,817	16,893	3,188	338	503	409	380	432	9,587	15,217
<b>Total expenditures</b>	<b>156,049</b>	<b>149,173</b>	<b>128,712</b>	<b>131,940</b>	<b>138,593</b>	<b>183,059</b>	<b>147,837</b>	<b>149,357</b>	<b>181,463</b>	<b>195,734</b>
Revenues under expenditures	(24,359)	(20,776)	(5,660)	(556)	(2,715)	(42,993)	(7,796)	(545)	(2,350)	18,151
<b>Other financing sources (uses)</b>										
Issuance of bonds, notes and other long-term liabilities	38,870	981	-	-	-	41,179	5,220	-	246	912
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	15,374	10,713	12,026	15,370	56,401	18,352	16,634	16,102	14,233	15,954
Transfers out	(13,701)	(9,174)	(8,888)	(14,217)	(54,182)	(16,803)	(15,379)	(14,344)	(14,663)	(16,044)
Proceeds from sale of capital assets	39	168	6	156	306	27	520	91	254	292
<b>Total other financing sources (uses)</b>	<b>40,582</b>	<b>2,688</b>	<b>3,144</b>	<b>1,309</b>	<b>2,864</b>	<b>42,609</b>	<b>6,995</b>	<b>1,849</b>	<b>70</b>	<b>1,114</b>
Special item	-	-	-	-	(1,673)	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 16,223</b>	<b>\$ (18,088)</b>	<b>\$ (2,516)</b>	<b>\$ 753</b>	<b>\$ (1,524)</b>	<b>\$ (384)</b>	<b>\$ (801)</b>	<b>\$ 1,304</b>	<b>\$ (2,280)</b>	<b>\$ 19,265</b>
Debt service as a percentage of noncapital expenditures	3.13%	3.15%	3.33%	2.25%	1.38%	2.02%	4.92%	4.89%	4.36%	3.76%

**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
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
2023	34,391	2,230	1,231	37,852
Change 2014-2023	36.4%	103.5%	-12.3%	36.6%

**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		
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
2023	7,478	392	7,870	5,330	392	5,722	6.7878	72.71

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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 126,920	1	2.22 %	\$ 117,070	1	2.73 %
DTE Energy	85,928	2	1.50	31,289	3	0.73
Macbeth Solar LLC	25,041	3	0.44	—		—
Michigan Electric Transmission Co	23,568	4	0.41	—		—
Howmet Aerospace Inc.	19,257	5	0.34	49,876	2	1.16
Meijer Inc	17,794	6	0.31	14,964	8	0.35
Wesco Inc.	15,877	7	0.28	—		—
THF Fruitport Development LP	14,962	8	0.26	14,925	10	0.35
James Street Capital Holdings	13,632	9	0.24	—		—
MIMG	13,523	10	0.24	—		—
Diversified Machine Montague Inc	—		—	21,766	4	0.51
Sun Chemical of Michigan LLC	—		—	19,153	5	0.45
L3 Communications Corp	—		—	18,183	6	0.42
Bayer CropScience	—		—	18,159	7	0.42
The Lakes Mall LLC	—		—	14,958	9	0.35
<b>Total</b>	<b>\$ 356,502</b>		<b>6.24 %</b>	<b>\$ 320,343</b>		<b>7.47 %</b>

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)  
Schedule C-4

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

	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>County direct rates</b>										
Operating <sup>a</sup>	5.6984	5.6984	5.6984	5.6984	5.6984	5.6984	5.6978	5.6601	5.6097	5.6097
Veterans Affairs	0.0752	0.0752	0.0752	0.0752	0.0752	0.0752	0.0751	0.0746	0.0739	0.0739
Museum Operating	0.3221	0.3221	0.3221	0.3221	0.3221	0.3221	0.3220	0.3198	0.3169	0.3169
911 Central Dispatch	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.2999	0.2979	0.2952	0.2952
Quality of Life Bond	0.2600	0.2400	—	—	—	—	—	—	—	—
Senior Services	—	—	0.5000	0.5000	0.5000	0.5000	0.4999	0.4966	0.4921	0.4921
<b>Total direct rate</b>	<b>6.6557</b>	<b>6.6357</b>	<b>6.8957</b>	<b>6.8957</b>	<b>6.8957</b>	<b>6.8957</b>	<b>6.8947</b>	<b>6.8490</b>	<b>6.7878</b>	<b>6.7878</b>
<b>Overlapping rates <sup>b</sup></b>										
Muskegon Community College	2.5437	2.5437	2.5437	2.5437	2.5437	2.5437	2.5434	2.5288	2.5093	2.4393
State Education Tax	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
<b>School Rates:</b>										
Homestead	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	.94-13
Non-Homestead	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	18.9-30.5
<b>City Rates:</b>										
Montague	16.7500	16.7500	16.7500	16.7500	16.7500	16.5000	16.5000	16.4000	16.4000	16.1500
Muskegon	13.0875	13.0869	13.0905	13.0908	13.0899	13.0865	13.0733	12.9722	12.7971	12.7918
Muskegon Heights	18.8500	18.8500	18.8500	18.8500	22.8396	22.8396	22.8396	22.8104	22.7482	22.7482
North Muskegon	12.1849	12.1849	12.1379	12.8850	12.0883	12.0511	13.0263	12.9818	12.8134	12.8016
Norton Shores	10.5500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Roosevelt Park	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	16.6000	17.5000	17.5000
Whitehall	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700	15.7700
<b>Village Rates:</b>										
Casnovia	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	12.0000	12.0000	12.0000	12.0000
Fruitport	5.5000	5.5000	5.5000	5.5000	5.5000	7.0000	7.0000	7.0000	7.0000	7.0000
Lakewood Club	8.1908	8.1539	8.0984	8.0773	8.0142	7.8787	7.7234	7.4886	7.3395	7.2661
Ravenna	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	8.2764	9.0000
Township Rates	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	.73-8.95
<b>Libraries:</b>										
Fruitport District Library	—	—	—	—	—	0.7500	0.7500	0.7466	0.7466	0.7466
Hackley Public Library	2.4000	2.9611	2.8962	2.8999	2.8866	2.8522	2.8529	2.4256	2.8515	2.8515
Muskegon Area District Library	0.7490	0.7490	1.2490	1.2490	1.2490	1.2490	1.2448	1.2363	1.2230	1.2230
White Lake Community Library	0.9516	0.9387	0.9597	0.7023	0.8888	0.8713	0.9297	0.9228	0.9173	0.9173
<b>Fire/Ambulance:</b>										
Montague Fire District	1.9000	1.9000	1.8985	1.8934	1.8934	1.8794	1.8337	1.6500	1.6500	1.6500
White Lake Ambulance Authority	0.5500	1.0000	1.9000	1.9000	1.8988	1.8988	1.8000	1.8000	1.8000	1.7500
White Lake Fire Authority	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	1.4404	3.0767	3.0649	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 2023 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
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	28,747,107	27,862,917	96.92	884,190	28,747,107	100.0
2023	31,128,966	29,627,745	95.18	N/A	29,627,745	95.18

Source: Muskegon County Treasurer's Office  
 2023 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	Other Debt	Delinquent Tax Notes			
	(2)	(3)	(4)				(3)		(1)	(1)	
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	1,732	42,983	49,778	4,613	14,067	-	11,300	175,652	2.13	995.13
2023	48,684	2,533	41,499	44,421	20,345	13,335	45	11,880	182,742	2.27	1,034.98

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 lease and subscription liabilities
- (4) 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				Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Building Authority Bonds	Local Govt Public Works Bonds	Total		
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
2023	69,029	41,499	13,335	123,863	2.16	701.52

**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, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
		(1)	
Overlapping debt:			
School Districts (K-12)	\$ 663,896,500	72.510%	\$ 481,389,729
Cities, Villages, and Townships	108,530,278	100.000%	108,530,278
Muskegon Community College	9,595,000	100.000%	9,595,000
Hackley Public Library	1,585,000	100.000%	1,585,000
Ottawa Area Intermediate School District	24,425,000	1.170%	285,773
Newaygo Area Intermediate School District	155,000	3.360%	5,208
Subtotal, overlapping debt			<u>601,390,988</u>
County direct debt, governmental activities			<u>92,716,332</u>
Total direct and overlapping debt			<u><u>\$ 694,107,320</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 2023**

Assessed value (000s)	\$ 7,870,281
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 787,028</u>
Debt applicable to limit:	
General obligation bonds (1)	69,029
Other debt	2,578
Building authority bonds (2)	41,499
Revenue bonds	44,421
Local Govt Public Works Finance	13,335
Delinquent tax notes	<u>11,880</u>
Total net debt applicable to limit	<u>182,742</u>
Legal debt margin	<u>\$ 604,286</u>

		Fiscal Year									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	(a)	\$ 470,692	\$ 486,642	\$ 492,865	\$ 513,973	\$ 527,792	\$ 560,087	\$ 595,585	\$ 632,578	\$ 690,866	\$ 787,028
Total net debt applicable to limit	(b)	<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>	<u>182,742</u>
Legal debt margin available	(a-b)	<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>	<u>\$ 604,286</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	38.54%	37.10%	34.91%	31.20%	29.85%	34.64%	31.51%	29.52%	25.28%	23.22%
County net debt limit as a percentage of total State Equalized Value (1)		3.85%	3.71%	3.49%	3.12%	2.98%	3.46%	3.15%	2.95%	2.53%	2.32%

**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.

<sup>(1)</sup> Includes Building Authority unlimited tax bonds

<sup>(2)</sup> 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 Recovery 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)			
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
2023	19,352	3,069	169	391	-	22,981	12,571	10,410	4,515	712	199

(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	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
	(1)		(1)	(1)		(1)
Manufacturing	14,212	1	17.2 %	13,148	1	16.8 %
Retail trade	12,973	2	15.7	11,810	3	15.1
Health care and social assistance	10,989	3	13.3	11,830	2	15.1
Accommodation and food services	7,581	4	9.2	6,022	5	7.7
Local government	5,786	5	7.0	6,178	4	7.9
Other services (except government and government enter	4,582	6	5.5	4,609	6	5.9
Construction	4,269	7	5.2	3,372	8	4.3
Real estate and rental and leasing	3,714	8	4.5	2,860	9	3.7
Professional, scientific, and technical services	2,783	9	3.4	2,180	10	2.8
Administrative and support and waste management and re	2,781	10	3.4	3,562	7	4.6
	<u>69,670</u>		<u>84.4 %</u>	<u>65,571</u>		<u>83.9 %</u>

<sup>(1)</sup> Source: U.S. Bureau of Economic Analysis, "CAEMP25N Total full-time and part-time employment by NAICS Industry" for Muskegon County, Accessed 3.5.24

Note that information for 2023 is not yet available

**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)
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
2022	176,565	8,046,286	45,571	39.9	25,587	5.1

- 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legislative										
Board of Commissioners	9	9	9	9	9	9	9	9	9	9
General Government										
Administration	8	9	7	7	4	4	4	4	4	5
Economic Development	-	-	-	1	1	-	-	-	-	-
County Clerk/Circuit Court Records	14	17	15	15	17	16	16	16	16	16
Prosecutor's Office	27	28	28	27	28	30	33	34	35	36
Treasurer's Office	9	10	9	13	12	12	12	12	12	11
Equalization	19	21	20	20	21	20	20	21	21	23
Register of Deeds	9	9	8	8	8	8	8	8	8	8
Water Resources Commissioner	11	11	9	7	7	7	7	7	7	7
Accounting/Budget	9	9	8	8	9	9	8	8	9	9
Human Resources	2	3	3	2	2	3	3	2	2	3
Purchasing	-	-	-	-	-	-	-	-	-	-
Office Services	2	2	2	2	2	2	2	2	2	2
Information Systems	5	5	6	8	10	11	12	13	13	11
Risk Management	9	10	10	10	10	10	11	10	12	12
Facilities Management	13	13	13	12	13	14	14	13	17	12
Judicial										
Circuit Court	24	23	24	25	36	38	40	42	44	46
District Court	63	65	64	61	61	60	62	64	63	64
Family Court	69	77	74	76	76	74	74	66	65	63
Probate Court	7	7	7	7	7	7	7	7	8	9
Public Defender	16	16	16	16	16	22	23	30	30	31
Public Safety										
Sheriff	119	122	117	118	127	127	129	128	131	138
Animal Licensing	4	4	3	2	1	1	1	1	1	1
Courtroom Security	9	9	10	10	10	10	10	10	10	14
Community Corrections	4	4	4	4	4	4	4	4	4	4
Emergency Services	2	2	2	1	1	1	1	1	1	1
Health										
Public Health	75	65	59	58	60	62	62	65	68	68
Mental Health	402	400	359	409	446	465	498	634	695	715
Brookhaven Medical Care	207	170	174	194	-	-	-	-	-	-
Water system	3	3	3	3	3	3	3	3	3	3
Resource Recovery Center	55	53	46	46	48	47	48	49	51	51
Solid Waste	15	15	15	16	15	15	16	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Welfare										
Veterans' Affairs	-	-	-	-	2	2	2	3	3	3
Child Haven	16	16	16	-	-	-	-	-	-	-
Juvenile Detention Center	37	37	35	40	40	43	43	44	45	45
Workforce Development	70	65	-	-	-	-	-	-	-	-
Cultural										
MSU Cooperative Extension	1	1	-	-	-	-	-	-	-	-
Recreation										
County Parks	22	23	22	22	31	31	31	31	31	31
Convention/Visitor's Bureau	7	8	6	7	6	6	6	4	5	5
Airport	12	11	11	10	8	7	9	10	10	10
Transit	65	73	73	73	73	71	73	67	67	67
<b>Total</b>	<b>1,472</b>	<b>1,408</b>	<b>1,288</b>	<b>1,370</b>	<b>1,231</b>	<b>1,259</b>	<b>1,298</b>	<b>1,436</b>	<b>1,518</b>	<b>1,548</b>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety Police</b>										
Bookings	7,981	7,889	9,038	8,213	8,580	8,180	6,003	3,326	4,879	5,818
Traffic Stops	2,543	2,677	3,278	2,030	1,921	3,044	1,910	2,011	3,265	3,583
Verbal Warnings	1,874	1,997	2,393	1,477	1,207	1,545	1,088	522	1,496	1,665
Citations	1,336	1,069	1,137	1,056	1,072	1,499	822	1,489	1,796	1,918
<b>Public Safety-Corrections</b>										
Average Daily Jail Population	403	407	453	532	513	498	388	278	350	327
Avg Population as Pct of Capacity	109%	110%	81%	98%	95%	92%	72%	51%	65%	60%
<b>Sanitation</b>										
Refuse collected (tons)	115,089	142,467	174,385	148,295	152,909	191,921	153,546	171,954	168,074	143,025
Recyclables collected (tons)	76	101	95	99	82	106	98	89	84	63
<b>Water</b>										
New connections	46	57	61	45	56	50	41	71	64	45
Average daily consumption (thousands of gallons)	1,112	1,122	1,111	1,117	1,124	1,075	1,310	1,081	1,145	1,155
<b>Resource Recovery Center</b>										
Average daily sewer treatment (million gallons)	12	12	12	12	12	12	12	12	12	12
<b>District Court</b>										
Cases filed	37,588	36,304	33,017	32,583	35,193	34,845	22,678	24,194	25,505	28,067
Cases disposed	38,399	42,049	38,422	37,621	39,794	41,055	25,144	27,680	31,073	34,317
Cases pending	4,532	6,147	4,758	4,729	5,235	4,452	5,671	6,129	5,304	5,154
<b>Airport</b>										
Total landings / take-offs	32,675	31,518	25,659	27,050	23,647	24,699	24,057	22,596	18,363	30,505
Passengers	35,641	36,484	39,512	38,528	39,240	43,816	18,838	21,996	21,923	8,959
<b>Transit</b>										
Total Vehicle Miles	786,389	919,108	934,391	957,154	789,068	766,422	484,989	384,511	594,512	691,844
Total Revenue Miles	731,656	849,739	867,714	853,670	784,396	730,711	454,278	360,191	566,709	649,182
Total passengers	708,461	652,037	581,742	557,281	488,167	480,253	311,496	156,249	196,304	237,804

**Source:** Sheriff's Department, Road Commission, Solid Waste, Resource Recovery 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety-Sheriff										
Patrol Units	29	29	29	29	29	29	26	26	26	28
Public Safety-Corrections										
Jail Capacity	370	558	558	542	542	542	542	542	542	542
Culture and Recreation										
Parks Acreage	337	337	337	337	337	337	337	337	688	856
Parks	6	6	6	6	6	6	6	6	10	10
Sewer										
Storm and Sanitary (miles)	278	278	278	278	278	278	278	278	280	280
Maximum Daily Treatment Capacity (millions of gallons)	42	42	42	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	73	71	70	67	71	72	61	72	47	33
Transit										
Number of Buses	37	37	36	36	36	34	34	27	20	20
Solid Waste										
Total Capacity (thousand cubic yards)	3,819	3,819	4,685	4,685	4,685	4,685	4,211	4,716	4,716	4,716
Remaining Capacity (thousand cubic yards)	1,231	1,114	1,114	802	659	439	230	506	308	136
Remaining Capacity (percent of total)	32.2%	29.2%	23.8%	17.1%	14.1%	9.4%	5.5%	10.7%	6.5%	2.9%

Source: Sheriff's Department, Road Commission, Solid Waste, Resource Recovery 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, 2023

	Urban		Total
	Linehaul	Demand Response	
Passenger fares	\$ 93,909	\$ 203,423	\$ 297,332
Concessions	860	-	860
Advertising	35,974	-	35,974
Building rental	200	-	200
Alternative fuel reimbursement	19,351	-	19,351
Local operating assistance	222,761	125,306	348,067
Interest income	22,343	-	22,343
<b>Total</b>	<b>\$ 395,398</b>	<b>\$ 328,729</b>	<b>\$ 724,127</b>
Financial statement revenue			
Total operating revenues			\$ 353,717
Nonoperating revenue			
Local grants			348,068
Investment income			22,342
<b>Total</b>			<b>\$ 724,127</b>

**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, 2023

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		
<b>U.S. Department of Transportation</b>									
COVID-19 - Capital Assistance - Section 5307 - ARP Act Operating Assistance	20.507	MI-2022-004-00	\$ 2,466,470	\$ 1,671,066	\$ 1,671,066	\$ -	\$ -	\$ 795,404	\$ -
Capital Assistance - Section 5307	20.507	MI-2020-005-00	1,255,000	1,272	1,272	-	-	1,253,725	3
Capital Assistance - Section 5307	20.507	MI-2020-023-01	3,820,806	585,985	585,985	-	-	378,147	2,856,674
Capital Assistance - CMAC - Section 5307	20.507	MI-2020-031-02	1,283,240	86,730	86,730	-	-	-	1,196,510
Capital Assistance - Section 5339	20.526	MI-2020-024-01	795,921	208,959	208,959	-	-	447,291	139,671
Passed through Michigan Department of Transportation:									
Section 5310 - New Freedom - Enhanced Mobility	20.513	2022-0110/P3	140,000	109,502	109,502	-	-	-	30,498
<b>Total U.S. Department of Transportation</b>				<u>2,663,514</u>	<u>2,663,514</u>	<u>-</u>	<u>-</u>	<u>2,874,567</u>	<u>4,223,356</u>
<b>Michigan Department of Transportation</b>									
Operating Assistance - formula funding	N/A	FY23	1,138,705	1,138,705	-	1,138,705	-	-	-
Operating Assistance - prior years	N/A	Prior to 2023	82,568	82,568	-	82,568	-	-	-
Section 5339 Match - Mobility Management and Marketing	N/A	2022-0110/P03	35,000	27,376	-	27,376	-	-	7,624
Section 5339 Match - Equipment / Section 5307 Match - Bus & Outreach	N/A	2017-0104/P13	338,532	318	-	318	-	338,213	1
Specialized Services	N/A	2022-0110/P4-R1	264,691	264,691	-	264,691	-	-	-
Section 5307 Match	N/A	2017-0104/P19-R2	320,810	21,682	-	21,682	-	-	299,128
Section 5339 Match	N/A	2017-0104/P20 R1	198,981	52,240	-	52,240	-	111,823	34,918
<b>Total Michigan Department of Transportation</b>				<u>1,587,580</u>	<u>-</u>	<u>1,587,580</u>	<u>-</u>	<u>450,036</u>	<u>341,671</u>
<b>Total Expenditures of Federal and State Awards</b>				<u>\$ 4,251,094</u>	<u>\$ 2,663,514</u>	<u>\$ 1,587,580</u>	<u>\$ -</u>	<u>\$ 3,324,603</u>	<u>\$ 4,565,027</u>

## COUNTY OF MUSKEGON, MICHIGAN

### Muskegon Area Transit System Fund

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2023

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
<b>Operating expenses</b>				
Labor				
Salaries and wages - operators	\$ 1,065,660	\$ -	\$ -	\$ 1,065,660
Salaries and wages - other	477,545	-	-	477,545
Fringe benefits	484,159	-	-	484,159
OPEB - defined benefit	(261,886)	-	-	(261,886)
OPEB - defined contribution	9,495	-	-	9,495
Pension - defined benefit	348,608	-	-	348,608
Pension - defined contribution	9,775	-	-	9,775
Services				
Advertising	90,941	-	-	90,941
Audit	5,661	-	-	5,661
Other services	49,205	-	-	49,205
Purchased transportation services	1,013,682	-	-	1,013,682
Materials and supplies				
Fuel	157,449	-	-	157,449
Tires and tubes	22,244	-	-	22,244
Other materials and supplies	483,566	-	-	483,566
Casualty and liability costs				
Liability insurance	160,798	-	-	160,798
Other insurance	7,287	-	-	7,287
Utilities	101,520	-	-	101,520
Miscellaneous				
Travel, meetings and training	3,334	-	-	3,334
Association dues and subscriptions	14,420	-	-	14,420
Depreciation	1,006,855	-	-	1,006,855
<b>Total operating expenses before expenses excluded</b>	<b>5,250,318</b>	<b>-</b>	<b>-</b>	<b>5,250,318</b>

continued...

**COUNTY OF MUSKEGON, MICHIGAN**

**Muskegon Area Transit System Fund**

Schedule 3

Operating and Contract Expense Report

For the Year Ended September 30, 2023

	Urban	Capital Grants Not Capitalized	Specialized Services	Total System
<b>Expenses excluded from OAR</b>				
State grant funds				
22-0110/P4-R1 / Specialized Services	\$ -	\$ -	\$ 264,691	\$ 264,691
2017-0104/P20	-	8,100	-	8,100
Federal grant funds				
MI-2020-024-01	-	32,400	-	32,400
<b>Total expenses excluded from OAR</b>	<u>-</u>	<u>40,500</u>	<u>264,691</u>	<u>305,191</u>
<b>Total operating expenses</b>	<u>\$ 5,250,318</u>	<u>\$ 40,500</u>	<u>\$ 264,691</u>	5,555,509
Principal payments on pension debt included as expense above				<u>(37,146)</u>
				<u>\$ 5,518,363</u>
Financial statement expenses				
Total operating expenses				\$ 5,472,557
Nonoperating interest expense				45,806
<b>Total</b>				<u>\$ 5,518,363</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, 2023

	<b>Total System</b>
<b>Operating expenses</b>	
Labor	
Salaries and wages - operators	\$ 1,065,660
Salaries and wages - other	477,545
Fringe benefits	484,159
OPEB - defined benefit	(261,886)
OPEB - defined contribution	9,495
Pension - defined benefit	348,608
Pension - defined contribution	9,775
Services	
Advertising	90,941
Audit	5,661
Other services	49,205
Purchased transportation services	1,013,682
Materials and supplies	
Fuel	157,449
Tires and tubes	22,244
Other materials and supplies	483,566
Casualty and liability costs	
Liability insurance	160,798
Other insurance	7,287
Utilities	101,520
Miscellaneous	
Travel, meetings and training	3,334
Association dues and subscriptions	14,420
Depreciation <sup>(2)</sup>	<u>1,006,855</u>
<b>Total operating expenses</b>	<u>5,250,318</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Muskegon Area Transit System Fund

Schedule 4E & 5

Urban Regular Service Expense Report & Urban Operating Assistance Calculation

For the Year Ended September 30, 2023

	<b>Total System</b>
<b>Ineligible expenses</b>	
Ineligible depreciation <sup>(2)</sup>	\$ 1,006,796
Ineligible portion of association dues	1,084
Ineligible pension - DB actually paid <sup>(1)</sup>	146,418
Ineligible OPEB - DB actually paid <sup>(1)</sup>	(261,886)
Ineligible increase in compensated absences	4,275
Ineligible expense with advertising <sup>(4)</sup>	1,279
Expenses paid by capital contracts <sup>(3)</sup>	
State grant funded	
2017-0104/P19-R2	21,682
2017-0104/P13	318
2017-0104/P20 R1	41,200
2022-0110/P03 Mobility Management and Marketing	27,376
Federal grant funded	
MI-2020-031-02	86,730
MI-2020-005-00	1,272
MI-2020-024-01	164,799
2022-0110/P3 New Freedom Program	109,502
<b>Total ineligible expenses</b>	<u>1,350,845</u>
<b>Total eligible expenses</b>	<u>\$ 3,899,473</u>
<b>State operating assistance - 29.2015%</b>	<u>\$ 1,138,705</u>

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

2023 Central Service Cost Allocation Plan (Maximus)

<sup>(1)</sup> 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.

<sup>(2)</sup> The eligible depreciation expense of \$59 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.

<sup>(3)</sup> Operating expense of \$452,879 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.

<sup>(4)</sup> There were no operating expenses incurred generating revenue in PTMS codes 406 and 407 except for \$1,279 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, 2023

	Miles	Hours
<b>Linehaul</b>		
First Quarter	67,859	5,121
Second Quarter	71,310	5,382
Third Quarter	73,610	5,555
Fourth Quarter	72,460	5,468
	285,239	21,526
<b>Demand response</b>		
First Quarter	79,127	4,419
Second Quarter	90,243	4,883
Third Quarter	99,603	5,411
Fourth Quarter	96,198	4,990
	365,171	19,703
<b>Total operations</b>	650,410	41,229

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, 2023

	Linehaul	Demand Response	Total
Passenger fares	\$ 93,909	\$ 203,423	\$ 297,332
Concessions	860	-	860
Advertising	35,974	-	35,974
Building rental	200	-	200
Alternative fuel reimbursement	19,351	-	19,351
Local operating assistance	222,761	125,306	348,067
Urban Regular Service Local Revenues - OAR Revenues	<u>373,055</u>	<u>328,729</u>	<u>701,784</u>
State Cash Grants/Reimbursements - OAR Revenues			
FY2023 Formula Funding	843,304	295,401	1,138,705
2017-0104/P19	21,682	-	21,682
2017-0104/P13	318	-	318
2017-0104/P20	-	41,200	41,200
2022-0110/P03 Mobility Management and Marketing	27,376	-	27,376
State Cash Grants/Reimbursements - OAR Revenues	<u>892,680</u>	<u>336,601</u>	<u>1,229,281</u>
Plus OAR Excluded State Revenues (excluded Prior Year/Capital/Sp Svcs)			
Prior years formula funding	82,568	-	82,568
22-0110/P4-R1 / Specialized Services	264,691	-	264,691
2017-0104/P20	8,100	-	8,100
2017-0104/P20 - capitalized	2,940	-	2,940
State Revenue	<u>1,250,979</u>	<u>336,601</u>	<u>1,587,580</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2023

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements - OAR Revenues			
MI-2022-004-00 ARP Act Operating assistance	\$ 1,565,978	\$ 105,088	\$ 1,671,066
MI-2020-023-01 Section 5307 Operating	560,201	25,784	585,985
MI-2020-031-01	86,730	-	86,730
MI-2020-005-01	1,272	-	1,272
MI-2020-024-01	-	164,799	164,799
2022-0110/P2 New Freedom Program	109,502	-	109,502
Federal Cash Grants/Reimbursements - OAR Revenues	<u>2,323,683</u>	<u>295,671</u>	<u>2,619,354</u>
Plus OAR Excluded Federal Revenues (excluded Capital)			
MI-2020-024-01	32,400	-	32,400
MI-2020-024-01 - capitalized	11,760	-	11,760
Federal Revenue	<u>2,367,843</u>	<u>295,671</u>	<u>2,663,514</u>
Other revenue - OAR Revenues			
Interest income - OAR Revenues	<u>22,343</u>	<u>-</u>	<u>22,343</u>
<b>Total revenues - OAR Revenues and OAR Excluded Revenues</b>	<u><u>\$ 4,014,220</u></u>	<u><u>\$ 961,001</u></u>	<u><u>\$ 4,975,221</u></u>

concluded

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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, 2023

	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	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>	<u>90,507</u>
<b>Increase in OPEB obligation</b>	-	-	-	125,274
OPEB obligation, beginning of year	-	-	-	-
Restatement	-	-	-	<u>189,458</u>
<b>OPEB obligation, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,732</u>



<b>2016</b>	<b>2017</b>
\$ 291,469	\$ 238,123
25,179	41,040
<u>(29,093)</u>	<u>(53,486)</u>
<u>287,555</u>	<u>225,677</u>
<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, 2023

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

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



<b>2022</b>	<b>2023</b>
\$ (389,713)	\$ (261,886)
(415,318)	216,619
728,115	119,663
76,916	(74,396)
<u>\$ -</u>	<u>\$ -</u>
\$ 340,783	\$ (785,095)
-	-
(415,318)	216,619
<u>\$ (74,535)</u>	<u>\$ (568,476)</u>
\$ (2,584,914)	\$ (306,949)
728,115	119,663
<u>\$ (1,856,799)</u>	<u>\$ (187,286)</u>
\$ 464,996	\$ 164,099
76,916	(74,396)
<u>\$ 541,912</u>	<u>\$ 89,703</u>
\$ (415,318)	\$ 216,619
728,115	119,663
76,916	(74,396)
<u>\$ 389,713</u>	<u>\$ 261,886</u>

## 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, 2023

	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	2023
\$ 540,516	\$ (152,463)	\$ 470,602	\$ 466,928	\$ 209,459	\$ 265,647
239,234	1,081,691	(110,166)	31,317	19,602	(975,856)
-	(1,232,960)	38,432	45,861	32,003	37,146
-	4,369	(221)	(171)	(182)	(188)
-	-	49,560	48,105	47,450	46,316
(154,716)	188,359	(4,443)	(235,269)	(129,158)	390,827
(329,565)	268,164	(252,743)	(164,329)	4,516	438,611
<u>\$ 295,469</u>	<u>\$ 157,160</u>	<u>\$ 191,021</u>	<u>\$ 192,442</u>	<u>\$ 183,690</u>	<u>\$ 202,503</u>
\$ (2,840,736)	\$ (2,601,502)	\$ (1,519,811)	\$ (1,629,977)	\$ (1,598,660)	\$ (1,579,058)
-	-	-	-	-	-
239,234	1,081,691	(110,166)	31,317	19,602	(975,856)
<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>	<u>\$ (2,554,914)</u>
\$ -	\$ -	\$ (1,232,960)	\$ (1,194,528)	\$ (1,148,667)	\$ (1,116,664)
-	(1,232,960)	38,432	45,861	32,003	37,146
<u>\$ -</u>	<u>\$ (1,232,960)</u>	<u>\$ (1,194,528)</u>	<u>\$ (1,148,667)</u>	<u>\$ (1,116,664)</u>	<u>\$ (1,079,518)</u>
\$ -	\$ -	\$ 4,369	\$ 4,148	\$ 3,977	\$ 3,795
-	4,369	(221)	(171)	(182)	(188)
<u>\$ -</u>	<u>\$ 4,369</u>	<u>\$ 4,148</u>	<u>\$ 3,977</u>	<u>\$ 3,795</u>	<u>\$ 3,607</u>
\$ -	\$ -	\$ 49,560	\$ 48,105	\$ 47,450	\$ 46,316
\$ (55,600)	\$ (210,316)	\$ (21,957)	\$ (26,400)	\$ (261,669)	\$ (390,827)
(154,716)	188,359	(4,443)	(235,269)	(129,158)	390,827
<u>\$ (210,316)</u>	<u>\$ (21,957)</u>	<u>\$ (26,400)</u>	<u>\$ (261,669)</u>	<u>\$ (390,827)</u>	<u>\$ -</u>
\$ 552,460	\$ 222,895	\$ 491,059	\$ 238,316	\$ 73,987	\$ 78,503
(329,565)	268,164	(252,743)	(164,329)	4,516	438,611
<u>\$ 222,895</u>	<u>\$ 491,059</u>	<u>\$ 238,316</u>	<u>\$ 73,987</u>	<u>\$ 78,503</u>	<u>\$ 517,114</u>
\$ 239,234	\$ 1,081,691	\$ (110,166)	\$ 31,317	\$ 19,602	\$ (975,856)
-	(1,232,960)	38,432	45,861	32,003	37,146
-	4,369	(221)	(171)	(182)	(188)
-	-	49,560	48,105	47,450	46,316
-	8,910	-	-	-	-
(154,716)	188,359	(4,443)	(235,269)	(129,158)	390,827
(329,565)	268,164	(252,743)	(164,329)	4,516	438,611
<u>\$ (245,047)</u>	<u>\$ 318,533</u>	<u>\$ (279,581)</u>	<u>\$ (274,486)</u>	<u>\$ (25,769)</u>	<u>\$ (63,144)</u>

County of  
Muskegon,  
Michigan



Year Ended  
September 30,  
2023

Single Audit Act  
Compliance

**Rehmann**

# COUNTY OF MUSKEGON, MICHIGAN

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

March 25, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 25, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Rehmann Johnson LLC*



**COUNTY OF MUSKEGON, MICHIGAN**

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Special Supplemental Nutrition Program for Women, Infants, & Children (WIC):					
WIC Program-Breastfeeding	10.557	MDHHS	232MI013W5003	\$ -	\$ 119,664
WIC Program-Resident Services, WIC Admin	10.557	MDHHS	232MI003W1003	-	1,129,086
				-	1,248,750
Forest Service Schools and Roads Cluster:					
Schools and Roads – Grants to States	10.665	MDNR	-n/a-	5,287	5,287
U.S. Forest Service Law Enforcement Cooperative Agreement	10.704	Direct	21-LE-11090400-018	-	3,338
<b>Total U.S. Department of Agriculture</b>				<b>5,287</b>	<b>1,257,375</b>
<b>U.S. Department of Commerce</b>					
Reconnecting Mona Lake Celery Flats Phase 1	11.463	Direct	NA22NMF4630143	-	124,614
<b>U.S. Department of the Interior</b>					
Payments in Lieu of Taxes - National Forestry Reserve	15.226	Direct	-n/a-	-	35,239
<b>U.S. Department of Justice</b>					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	MSP	2020-VD-BX-0434	-	39,521
National Criminal History Improvement Program	16.554	MSP	NCHIP-2020-22	-	19,790
Treatment Court Discretionary Program:					
Adult Opioid Recovery Court	16.585	Direct	2018-DC-BX-0037	-	65,954
Women's Opioid and Methamphetamine Response Program	16.585	Direct	2020-DC-BX-0085	-	127,680
				-	193,634
STOP Violence Against Women Grant	16.588	MDHHS	E20231675-00	-	235,138
Edward Byrne Memorial JAG Program:					
West Michigan Enforcement Team Multijurisdictional Task Force	16.738	MSP	JAG-70834-WEMET-2023	-	7,576
West Michigan Enforcement Team Ottawa County	16.738	CO	JAG-70834-8-WEMET-2023	-	14,313
State Court Administrative Office	16.738	MSC SCAO	72159-SCAO-2023	-	60,000
				-	81,889
Swift, Certain, and Fair Supervision Program	16.828	Direct	2020-HO-BX-0001	-	49,113
Equitable Sharing Program	16.922	Direct	-n/a-	-	1,621
<b>Total U.S. Department of Justice</b>				<b>-</b>	<b>620,706</b>
<b>U.S. Department of Transportation</b>					
Airport Improvement Program:					
COVID-19 - ARP Act Airport Grant	20.106	Direct	3-26-0071-049-2022	-	1,097,233
COVID-19 - 2020 CARES Grant	20.106	Direct	3-26-0071-045-2020	-	798
AIP 2021	20.106	MDOT	3-26-0071-047-2021	-	59,950
AIP 2022	20.106	MDOT	3-26-0071-051-2022	-	290,469
AIP 2023	20.106	MDOT	3-26-0071-052-2023	-	86,906
				-	1,535,356
Federal Transit Cluster:					
Section 5307 Formula Grants:					
Capital Assistance / CMAQ	20.507	Direct	MI-2020-031-02	-	86,730
COVID-19 - Capital Assistance (ARP Act Operating Assistance)	20.507	Direct	MI-2022-004-00	-	1,671,066
Capital Assistance	20.507	Direct	MI-2020-005-00	-	1,272
Capital Assistance	20.507	Direct	MI-2020-023-01	-	585,985
				-	2,345,053
Section 5339 Bus and Bus Facilities Formula Program:					
Capital Assistance/Support Equipment	20.526	Direct	MI-2020-024-01	-	208,959
<b>Total Federal Transit Cluster</b>				<b>-</b>	<b>2,554,012</b>

continued...

**COUNTY OF MUSKEGON, MICHIGAN**

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Transportation (Concluded)</b>					
Transit Services Programs Cluster:					
Section 5310/5317 New Freedom Program	20.513	MDOT	2022-0110/P3	\$ -	\$ 109,502
Highway Safety Cluster:					
Strategic Traffic Enforcement Program	20.600	MSP	PT-23-28	-	95,561
<b>Total U.S. Department of Transportation</b>				-	4,294,431
<b>U.S. Department of Treasury</b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	-n/a-	-	7,145,453
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	MSC SCAO	SCAO-2023-068	-	30,735
				-	7,176,188
Local Assistance and Tribal Consistency Fund	21.032	Direct	-n/a-	-	100,000
<b>Total U.S. Department of Treasury</b>				-	7,276,188
<b>U.S. Environmental Protection Agency</b>					
Great Lakes Beach Water Monitoring	66.472	MDEGLE	CU-00E99313	-	13,568
<b>U.S. Department of Health and Human Services</b>					
Public Health Emergency Preparedness Programs:					
Hospital Preparedness and PHEP:					
Award Date 7/28/22	93.889	MDHHS	U3REP190584	-	102,863
Award Date 6/30/23	93.889	MDHHS	NU90TP922062	-	33,511
				-	136,374
Tuberculosis (TB) Control Program:					
Award year 2022	93.116	MDHHS	NU52PS910173	-	284
Award year 2023	93.116	MDHHS	NU52PS910173	-	3,210
				-	3,494
Women's Expansion, Case Management, and Opioid Response	93.243	Direct	6H79TI085496-01M001	-	116,323
Immunization Cooperative Agreements:					
Vaccines for Children (non-cash assistance)	93.268	MDHHS	-n/a-	-	77,581
Immunization Action Plan (IAP)	93.268	MDHHS	NH23IP922635	-	82,885
Immunization Vaccines for Children	93.268	MDHHS	NH23IP922635	-	1,440
Immunization - Fixed Fees	93.268	MDHHS	NH23IP922635	-	1,950
COVID-19 - Immunization	93.268	MDHHS	NH23IP922635	-	102,831
				-	266,687
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):					
COVID-19 - ELC COVID-19 Contact Tracing Coordination - Award Year 2022	93.323	MDHHS	NU50CK000510	-	224,364
COVID-19 - ELC COVID-19 Contact Tracing Coordination - Award Year 2023	93.323	MDHHS	NU50CK000510	-	79,824
COVID-19 - Mobile Testing	93.323	MDHHS	NU50CK000510	-	70,557
				-	374,745
Public Health Emergency Response:					
COVID-19 - COVID Workforce Development	93.354	MDHHS	NU90TP922186	-	198,409
MPOX Integration into STI Clinics	93.354	MDHHS	NU90TP922209	-	6,000
				-	204,409
COVID-19 - Health Disparities - State, Tribal, Local, Territorial SDOH Planning	93.391	MDHHS	NH75OT000078	-	11,553
Child Support Enforcement (Title IV-D):					
Cooperative Reimbursement Program - Friend of the Court					
Federal Incentive Payments	93.563	MDHHS	CSCOM17-61003	-	3,080,602
	93.563	MDHHS	CSCOM17-61003	-	293,508
				-	3,374,110
Child Support Enforcement Research:					
Safe Access for Victims Economic Security	93.564	MDHHS	90FD02057-01-00	-	56,243
Foster Care Title IV-E Program	93.658	MDHHS	E202221681-00	-	165,437

continued...

**COUNTY OF MUSKEGON, MICHIGAN**

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Health and Human Services (Concluded)</b>					
Medicaid Cluster:					
Medical Assistance Program (Medicaid):					
Children's Special Health Care Services (CSHCS):					
CSHCS Outreach & Advocacy	93.778	MDHHS	2305MI5ADM	\$ -	\$ 58,365
CSHCS Medicaid Outreach	93.778	MDHHS	2305MI5ADM	-	56,571
CSHCS Medicaid Elevated Blood Lead Case Mgmt	93.778	MDHHS	2305MI5ADM	-	8,945
CSHCS Medicaid Elevated Blood Lead Case Mgmt	93.778	MDHHS	2305MI5MAP	-	7,833
				<u>-</u>	<u>131,714</u>
HIV Prevention Activities:					
HIV Prevention Project	93.940	MDHHS	NU62PS924530	-	960
Maternal and Child Health Services Block Grant to the States:					
MDCH Other:					
Award date 10/22/2022	93.994	MDHHS	B0447425	-	133,119
Enabling Services Children	93.994	MDHHS	B0447425	-	1,800
Childhood Lead Poisoning Prevention Program	93.994	MDHHS	B0447425	-	19,397
Care Coordination: Children's Special Health Care Services	93.994	MDHHS	B0447425	-	11,790
				<u>-</u>	<u>166,106</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>-</u>	<u>5,008,155</u>
<b>Executive Office of the President</b>					
High Intensity Drug Trafficking Areas (HIDTA) Programs	95.001	MSP/CO	-n/a-	-	4,401
<b>U.S. Department of Homeland Security</b>					
Emergency Management Performance Grant	97.042	MSP	EMC-2022-EP-00005	-	24,003
COVID-19 - Emergency Management Performance Grant ARPA Portion	97.042	MSP	EMC-2021-EP-00006	-	10,718
				<u>-</u>	<u>34,721</u>
HMA Pre-Disaster Mitigation Grant Project	97.047	MSP	PDMC-PL-05-MI-2019-003	-	10,856
Homeland Security Grant Program	97.067	WMRMC	R6-2020-80 /R6-2021-80	-	69,886
<b>Total U.S. Department of Homeland Security</b>				<u>-</u>	<u>115,463</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 5,287</u>	<u>\$ 18,750,140</u>

concluded

See notes to schedule of expenditures of federal awards.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the **County of Muskegon, Michigan** (the "County") under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Annual Comprehensive Financial Report. The County's financial statements include the operations of the Muskegon County Road Commission, a discretely presented component unit, and HealthWest, a major special revenue fund, which received federal awards that are not included in the Schedule for the year ended September 30, 2023, as these entities were separately audited.

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

### 2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. RECONCILIATION TO FINANCIAL STATEMENTS

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

Federal revenue as reported in the financial statements:	
Governmental funds	\$ 21,746,885
Enterprise funds:	
Grants and contributions - federal	3,749,785
Capital contributions - federal	507,091
Internal service funds - capital contributions - federal	422,446
Component units - included in capital grants and contributions	124,614
Amounts expended directly by the Michigan Department of Transportation for the benefit of the County of Muskegon (Note 5)	(58,006)
Amounts received under a vendor relationship	(536,816)
Amounts audited by other auditors	<u>(7,205,859)</u>
<b>Federal expenditures as reported on the Schedule</b>	<b><u><u>\$ 18,750,140</u></u></b>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

### 4. PASS-THROUGH AGENCIES

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

<b>Pass-through Agency Abbreviation</b>	<b>Pass-through Agency Name</b>
CO	County of Ottawa, Michigan
MDEGLE	Michigan Department of Environment, Great Lakes & Energy
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MSP	Michigan State Police
MSC SCAO	Michigan Supreme Court, State Court Administrative Office
WMRMC	West Michigan Regional Medical Consortium

### 5. OTHER FEDERAL REVENUE

The County is an indirect beneficiary of federal funds that are expended directly by the Michigan Department of Transportation. These expenditures (which totaled \$58,006 for the year ended September 30, 2023) are not presented on the Schedule, as they will be included in the single audit for the State of Michigan.



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

March 25, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the Muskegon County Road Commission (a discretely presented component unit) and HealthWest (a major special revenue fund), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Muskegon County Road Commission were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

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



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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

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

March 25, 2024

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the compliance of the **County of Muskegon, Michigan** (the "County") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Muskegon County Road Commission (a discretely presented component unit) and HealthWest (a major special revenue fund), which received federal awards that are not included in the schedule of federal awards. Our audit, described below, did not include the operations of the Muskegon County Road Commission or HealthWest, as those entities engaged other auditors to perform their audits.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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



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

### ***Responsibilities of Management for Compliance***

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

### ***Independent Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

### ***Purpose of this Report***

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

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

# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        yes    X    no

Significant deficiency(ies) identified?        yes    X    none reported

Noncompliance material to financial statements noted?        yes    X    no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?        yes    X    no

Significant deficiency(ies) identified?        yes    X    none reported

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

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

Identification of major programs:

#### Assistance Listing Number

#### Name of Federal Program or Cluster

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$      750,000

Auditee qualified as low-risk auditee?    X    yes        no

# COUNTY OF MUSKEGON, MICHIGAN

## **Schedule of Findings and Questioned Costs**

For the Year Ended September 30, 2023

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

# COUNTY OF MUSKEGON, MICHIGAN

## **Schedule of Findings and Questioned Costs**

For the Year Ended September 30, 2023

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

# COUNTY OF MUSKEGON, MICHIGAN

## Summary Schedule of Prior Audit Findings For the Year Ended September 30, 2023

None noted.



**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

March 25, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County") as of and for the year ended September 30, 2023, and have issued our report thereon dated March 25, 2024. We did not audit the financial statements of the Muskegon County Road Commission discretely presented component unit or the HealthWest major special revenue fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and this report, insofar as they relate to the Muskegon County Road Commission and the HealthWest fund, are based solely on the report of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 7, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated March 25, 2024.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on January 9, 2024.

### **Compliance with All Ethics Requirements Regarding Independence**

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

### **Significant Risks Identified**

We have identified the risks of management override of internal control, revenue recognition, and the completeness of subscription-based information technology arrangements (SBITAs) as significant risks, and have obtained an understanding of the County's related controls, including control activities, relevant to such risks.

### **Qualitative Aspects of the County's Significant Accounting Practices**

#### *Significant Accounting Policies*

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

As described in Note 22 to the financial statements, the County changed accounting policies related to the accounting for subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*.

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

### *Significant Accounting Estimates*

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

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the County's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the other postemployment benefits plan are based on historical trends and industry standards.
- Management's estimate of the liability for landfill closure and post-closure cost is based on percentage of landfill capacity used to date and future expected costs.

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

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

### **Significant Difficulties Encountered During the Audit**

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

**Uncorrected and Corrected Misstatements**

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

**Disagreements with Management**

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

**Representations Requested from Management**

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

**Management's Consultations with Other Accountants**

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

**Other Significant Matters, Findings, or Issues**

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

**Other Information in Documents Containing Audited Financial Statements**

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

**Upcoming Changes in Accounting Standards**

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

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

Very truly yours,

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

# COUNTY OF MUSKEGON, MICHIGAN

## Attachment A - Upcoming Changes in Accounting Standards / Regulations

For the September 30, 2023 Audit

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

### **GASB 100 ■ Accounting Changes and Error Corrections**

*Effective 06/15/2024 (your FY 2024)*

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the County.

### **GASB 101 ■ Compensated Absences**

*Effective 12/15/2024 (your FY 2025)*

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

### **GASB 102 ■ Certain Risk Disclosures**

*Effective 06/15/2025 (your FY 2025)*

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. We do not expect this standard to have any significant effect on the County.



# COUNTY OF MUSKEGON, MICHIGAN

## Attachment B - Management Representations

For the September 30, 2023 Audit

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



**Board of  
Commissioners**

Charles Nash  
Chair, District 5

Jessica Cook  
Vice Chair, District 6

Kim Cyr  
District 1

Zach Lahring  
District 2

Michelle Hazekamp  
District 3

Marcia Hovey-Wright  
District 4

Darrell L. Paige  
District 7

March 25, 2024

Rehmann Robson  
570 Seminole Road, Suite 200  
Muskegon, Michigan 4944

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Muskegon, Michigan** (the "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 25, 2024:

**Financial Statements**

4. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 7, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
5. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
6. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

4. With respect to the non-attest services provided, which include any assistance you provided in drafting the financial statements and related notes, preparing the Form F-65 Annual Local Unit Fiscal Report, and, assistance in completing portions of the Data Collection form, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative GASB criteria for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position and fund balance classifications have been properly reported.
16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

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

#### **Information Provided**

31. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;

- b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
32. All transactions have been recorded in the accounting records and are reflected in the financial statements.
  33. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  34. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    - a. Management;
    - b. Employees who have significant roles in internal control; or
    - c. Others where the fraud could have a material effect on the financial statements.
  35. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
  36. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
  37. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
  38. We have a process to track the status of audit findings and recommendations.
  39. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  40. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
  41. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
  42. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
  43. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
  44. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
  45. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
  46. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

47. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
48. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
49. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
50. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

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

#### **Required Supplementary Information**

52. With respect to the required supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

**Uniform Guidance (2 CFR 200)**

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

- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.

- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine if they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have issued management decisions timely after the receipt of subrecipients' auditor reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that the subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- w. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- x. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- y. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- z. The reporting package does not contain protected personally identifiable information.
- aa. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- bb. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- cc. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



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Angela Gasiewski, Director of Finance



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Carson Lehigh, General Accounting/Budget Supervisor